



REPORTS AND ACCOUNTS OF SUBSIDIARY COMPANIES

2019 - 20



REPORTS AND ACCOUNTS OF SUBSIDIARY COMPANIES 2019-20

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CELEBRATIONS APPAREL LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI BIBEK AGARWALA SHRI VISHAL BIST SHRI ASHISH GROVER (resigned w.e.f 23-10-2019) SHRI M.L. BAPNA (appointed w.e.f 14-01-2020) SHRI BIBEK AGARWAL (resigned w.e.f. 03-03-2020) SHRI VIJAY NANA PATIL
STATUTORY AUDITORS	:	MESSERS. CHATURVEDI AND SHAH, CHARTERED ACCOUNTANTS
INTERNAL AUDITORS	:	MESSERS. MAHAJAN & AIBARA, CHARTERED ACCOUNTANTS LLP
REGISTERED OFFICE	:	PLOT NO. 156/H NO. 2, VILLAGE ZADGAON, RATNAGIRI – 415612, MAHARASHTRA.

CELEBRATIONS APPAREL LIMITED
(CIN: U18100PN2004PLC140524)

DIRECTOR'S REPORT

To,
The Members
CELEBRATIONS APPAREL LIMITED

Your Directors take pleasure in presenting their Sixteenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

1. FINANCIAL SUMMARY & HIGHLIGHTS OF PERFORMANCE

This company has a state-of-the art manufacturing facility for formal shirts. The Gross Revenue of the company for FY 2020 stood at Rs. 72.37 crore (Previous Year: Rs. 95.64 crore). The company incurred a Loss of Rs. 2.35 crore (Previous Year: Profit of Rs. 2.70 crore).

2. SALE AND TRANSFER OF THE COMPANY'S GARMENTING BUSINESS

The Members of the Company had accorded their consent for sale and transfer of the Company's Garmenting Business as a going concern together by way of a slump sale with its assets and liabilities, to Silver Spark Apparel Limited ("Silver Spark"), a related party being Subsidiary of a Holding Company, Raymond Limited by entering into a Business Transfer Agreement (BTA) with Silver Spark on December 10, 2019 for a lump sum consideration of Rs. 5 Lac.

3. DIVIDEND

In order to conserve resources, your Directors do not recommend any dividend for the financial year.

4. RESERVES

Your company has not transferred any amount to the reserves of the Company.

5. AUDITORS

M/s. Chaturvedi & Shah, Chartered Accountants (ICAI Firm Registration Number 101720W) were appointed as the Statutory Auditors of the Company at its Annual General Meeting dated June 05, 2017 for a period of Five years.

There has been no qualification, reservation or adverse remark or disclaimer made by the auditors in their audit report.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures.

The Company has entrusted the internal and operational audit to Messrs Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The main thrust of the internal audit process is

test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

7. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was Rs 2.71 crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2020, none of the Directors of the Company hold shares or convertible instruments of the Company in their individual capacity.

8. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

10. DIRECTORS

During the year under review, Shri Ashish Grover (DIN: 01333334) and Shri Bibek Agarwala (DIN: 07267564) ceased to be a Director of the Company with effect from October 23, 2019 and March 03, 2020 respectively.

Shri M. L. Bapna (DIN: 06383502), appointed as Additional Director designated as Non-Executive Director of the Company with effect from January 14, 2020.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Vishal Bist, Director of the Company retires by rotation at the forthcoming Annual General Meeting and, being eligible offer himself for re-appointment.

During the year, four Board Meetings were held viz. April 26, 2019, July 31, 2019, October 23, 2019, and January 14, 2020.

Sr. No.	Name of Director	DATE OF BOARD MEETING			
		26.04.2019	31.07.2019	23.10.2019	14.01.2020
1	Shri Bibek Agarwala*	✓	✓	✓	✓
2	Shri Ashish Grover**	✓	✓	✓	NA
3	Shri Vishal Bist	✓	✓	✓	✓
4	Shri Vijay Patil	✓	✓	✓	✓
5	Shri M L Bapna***	NA	NA	NA	✓

*Shri Bibek Agarwala resigned from Board of Director of Company with effect from March 03, 2020

**Shri Ashish Grover resigned from Board of Director of Company with effect from October 23, 2020.

***Shri ML Bapna was appointed as a Director effective from January 14, 2020.

11. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188(1) of the Companies Act, 2013. The Company has developed a Related Party Transactions Manual and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

12. RISK MANAGEMENT

The Company is exposed to risks from market fluctuations of foreign exchange rates, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the same.

13. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and loss of the company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems are adequate and operating effectively.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The report on particulars of conservation of Energy, Technology absorption and foreign exchange earnings and outgo are mentioned in "Annexure A"

15. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure B".

16. PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

18. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there were no material changes and commitments for the period under review, which affects the financial position of the Company, except for the impact arising out of COVID-19, which is detailed below in point no. 19 of this Report.

19. IMPACT OF COVID-19

In March 2020, WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020 which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of Company's assets.

The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities on gradual basis in line with guideline issued by the Government Authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.

20. DISCLOSURE UNDER SEXUAL HARASSMENT ACT

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. No Complaints have been received during the year under the review.

21. SECRETARIAL STANDARDS:

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

22. REPORTING OF FRAUDS:

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

23. ACKNOWLEDGEMENT

Your Directors express their warm appreciation to all its employees for their diligence and contribution. The Board records its grateful appreciation for the co-operation, support and valuable guidance received from banks, central and state government authorities, customers and suppliers.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
CELEBRATIONS APPAREL LIMITED**

Place: Mumbai
Date:

**Sd/-
M. L. Bapna
(Director)
DIN: 06383502**

**Sd/-
Vijay Patil
(Director)
DIN: 07173161**

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.)

(A) Conservation of energy-

I. Steps taken or impact on conservation of energy

- Replacing 36W florescent tube lights with 20W LED tubes which leads us to save 40Kw per hour.
- Replacing clutch motors with servo motors.
- Close monitoring of machines & lights to switch OFF whenever not required.
- Working on SOP to check leak points of pipeline & taps to save water.
- Regular awareness given to employees on energy conservation.

II. Steps taken by the Company for utilizing alternate sources of energy.

NIL

III. Capital investment on energy conservation equipment

Currently investing on low cost equipment's as mentioned above.

(B) Technology absorption-

I. Efforts made by the company towards technology absorption

- Modified Kansai machine for tape pasting in PPE garments.
- Made in-house fluid pressure testing machine for PPE garments.
- Made in-house pneumatic lift for lifting fabric rolls for laying.
- Add attachments to fusing machine for pasting fly to PPE garments.
- Implement SAP throughout the factory.
- Made in-house pneumatic cutting machine.
- Made conveyor system in Finishing for one line.
- Made in-house Automize Sanitize spray tunnel at entry gate.

II. The benefits derived like product improvement, cost reduction, product development or import substitution

- Re-engineer MTM fabric store layout and use vertical space for storing expensive fabric, files.
- Introduced centralized presser foot area.
- Digital library of dies for reducing retrieval time and systemizing the complete procedure of die.
- In-house folders made for collar section i.e. collar band tape attach folder, inside band attach folder, collar run stitch folder, hidden button down folder etc.
- Standardize process for removing needle marks from shirt.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

None

IV. The expenditure incurred on research and development

None

(C) Foreign exchange earnings and Outgo –

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Earnings: Rs. 41.43 Crores (Previous Year: Rs. 46.89 Crores)

Outgo: Rs. 9.37 Crores (Previous Year: Rs. 7.73 Crores)

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U18100PN2004PLC140524
2.	Registration Date	September 16, 2004
3.	Name of the Company	Celebrations Apparel Limited
4.	Category/Sub-category of the Company	Company limited by shares Indian Non-Government company
5.	Address of the Registered office & contact details	Plot No.156 / H. No.2, Village Zadgaon, Ratnagiri - 415612, Maharashtra Ph. no.: 02352-232514 Fax: 02352-232513
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd C-101, 247 Park, L.B.S Marg, Vikhroli (West) Mumbai- 400083 Contact No: 022-49186270 022-49186260

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of Products(Shirts)	18101	95.31%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GIN	Holding/ Subsidiary/Associate	% of shares Held	Applicable Section
1	Raymond Limited with its Nominees Plot No. 156/H No. 2 village Zadgaon, Ratnagiri - 415612	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)

IV. A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on April 1, 2019]				No. of Shares held at the end of the year[As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	Nil	2710000	2710000	100%	Nil	2710000	2710000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	Nil	2710000	2710000	100%	Nil	2710000	2710000	100%	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-

ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	Nil	2710000	2710000	100%	Nil	2710000	2710000	100%	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Raymond Limited with its nominees	2710000	100%	NIL	2710000	100%	NIL	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

There is no change during the year.

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Since the entire share capital is held by Raymond Limited and its Nominees, this is not applicable.

E) Shareholding of Directors and Key Managerial Personnel:

None of the Directors holds shares in their individual capacity in the Company.

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	722.69	1,503.21	-	2,225.90
ii) Interest due but not paid	5.13	-	-	5.13
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	727.82	1,503.21	-	2,231.03
Change in Indebtedness during the financial year				
* Addition	-	239.42	-	239.42
* Reduction	685.07	776.30	-	1,461.37
Loan Transferred to Silver Spark Apparel Ltd. under slump sale	-	966.33	-	966.33
Net Change	685.07	1,503.21	-	1,700.79
Indebtedness at the end of the financial year				
i) Principal Amount	42.75	-	-	42.75
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	42.75	-	-	42.75

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company does not have any Managing Director, Whole-time Director or Manager.

B. Remuneration to other directors:

SN.	Particulars of Remuneration	
1	Independent Directors	There is no Independent Director in the Company.
	Fee for attending board committee meetings	
	Commission	
	Others, please specify	
	Total (1)	

		Name of Directors					Total Amount
2	Other Non-Executive Directors	Shri Ashish Grover	Shri Vishal Bist	Shri Vijay Patil	Shri Bibek Agarwala	Shri ML Bapna	
	Fee for attending board committee meetings*	NIL	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act	-	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

The Company does not have any Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

INDEPENDENT AUDITOR’S REPORT

To the Members of Celebrations Apparel Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Celebrations Apparel Limited (“the Company”), which comprise the Balance sheet as at March 31, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss (including other Comprehensive income) , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI’s Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No 40 to the financial statements, which explains the uncertainties and the management’s assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provide for any remuneration to its directors during the year.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has no pending litigations as on March 31, 2020
 - b. The Company has no long term contracts including derivative contracts outstanding as on March 31, 2020.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No.103418

UDIN: 20103418AAAADD1154

Place: Mumbai

Date: June 23, 2020

Annexure A to Independent Auditor's Report – March 31, 2020

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of Celebrations Apparel Limited ('the Company') on the financial statements for the year ended March 31, 2020, we report the following:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(b) We are informed that, the fixed assets are physically verified by the Management according to phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2 to the financial statements, are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraphs 3(iii) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, paragraph 3(iv) of the order not applicable to the company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, Paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost record under sub-section (1) of section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax

(GST) , Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, Cess, and other material statutory dues applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax, Entry Tax (VAT), Income Tax, Wealth Tax, and Cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, and Cess which have not been deposited on account of dispute.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided for managerial remuneration during the year. Accordingly, Paragraph 3(xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company; accordingly, paragraph (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015. Further, the Company is not required to constitute an Audit Committee Under section 177 of the Act, and Accordingly, to this extent, Paragraph 3(xiii) of the Order is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No.103418

UDIN: 20103418AAAADD1154

Place: Mumbai

Date: June 23, 2020

Annexure B to Independent Auditor's Report – March 31, 2020 on the Financial Statements of Celebrations Apparel Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Celebrations Apparel Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No.103418

UDIN: 20103418AAAADD1154

Place: Mumbai

Date: June 23, 2020

Celebrations Apparel Limited
Balance Sheet

(Rs. in Lakhs)

	Note	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2A	-	1,389.30
(b) Investment Property	2B	436.17	-
(c) Other financial assets	3	-	15.39
(d) Assets For Income Tax (Net)		23.32	-
2 Current assets			
(a) Inventories	4	24.95	1,208.27
(b) Financial Assets			
(i) Trade receivables	5	1,014.14	1,927.04
(ii) Cash and cash equivalents	6	96.43	14.37
(iii) Bank Balances other than Cash and cash equivalents	7	-	0.26
(iv) Other Financial Assets	8	-	118.58
(c) Other current assets	9	-	724.75
TOTAL ASSETS		1,595.01	5,397.96
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	10A	271.00	271.00
b) Other equity	10B	131.45	357.73
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	-	1,067.89
(b) Deferred tax liabilities (Net)	26	-	110.95
(c) Other non - current liabilities	12	-	103.61
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	42.75	1,083.01
(ii) Trade payables	14		
a) Total outstanding dues of micro and small enterprises		-	-
b) Total outstanding dues of other than micro and small enterprises		1,097.39	1,804.88
(iii) Other financial liabilities	15	51.61	403.38
(b) Other current liabilities	16	0.81	87.56
(c) Provisions	17	-	101.71
(d) Current Tax Liabilities (Net)		-	6.25
TOTAL EQUITY AND LIABILITIES		1,595.01	5,397.96

Statement of significant accounting policies

1

The accompanying notes are an integral part of these financial statements

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/W100355

For and on behalf of the Board of Directors

 Sd/-
Vishal Bist

 Director
DIN :07215218

 Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Date :- 23rd June, 2020 Place:
Mumbai

 Sd/-
Vijay Patil
Director
DIN :07173161

Celeberations Apparel Limited
Statement of Profit and Loss

(Rs. in Lakhs)

	Note	Year ended 31st March 2020	Year ended 31st March 2019
I			
Revenue from Operations	18	7,236.94	9,564.23
Other Income	19	52.40	17.07
Total Income		7,289.34	9,581.30
II EXPENSES			
Cost of materials consumed	20	3,915.67	5,929.32
Purchase of Traded goods		1,088.72	-
Changes in inventories	21	(177.20)	(76.17)
Employee benefits expense	22	1,272.44	1,870.53
Finance costs	23	132.67	235.87
Depreciation and amortization expense	24	75.99	103.93
Loss on Slump sale	36	564.09	-
Other expense	25		
A) Manufacturing and Operating Costs		218.57	381.86
B) Other expenses		525.29	758.12
Total Expenses		7,616.24	9,203.46
III Profit / (loss) before tax		(326.90)	377.84
IV Tax expense	26		
Current tax/MAT tax		8.67	105.13
Deferred tax charge/(credit)		(100.24)	2.61
V Profit/(Loss) for the year (III-IV)		(235.33)	270.10
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans Gain/(Loss)	29	(3.43)	14.27
Tax effect of above - Gain/(Loss)		0.95	(3.97)
Reversal of Deferred Tax Liability on Remeasurements of net defined benefit plans		11.53	-
VII Total Comprehensive Income for the year (V+VI)		(226.28)	280.40
Earnings per equity share of Rs. 10 each :			
Basic(In Rs.)	39	(8.68)	9.97
Diluted(In Rs.)	39	(8.68)	9.97
Statement of significant accounting policies	1		

The accompanying notes are an integral part of these financial statements

As per our attached Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number: 103418

Date :- 23rd June, 2020 Place:

Mumbai

For and on behalf of the Board of Directors

Sd/-

Vishal Bist

Director

DIN : 07215218

Sd/-

Vijay Patil

Director

DIN : 07173161

Celebrations Apparel Limited
Cash Flow Statement

	Year ended 31st March 2020	Year ended 31st March, 2019
A. Cash flow arising from Operating Activities		
Profit before exceptional items & tax from continuing operations	(326.90)	377.84
Adjustments for:		
Interest Income	(3.41)	(7.06)
Provision for Doubtful debts	-	-
Provision no longer required/ Credit balances written back	(8.06)	-
Other Comprehensive Income	(3.43)	14.27
Loss on Slump sale	563.95	-
Depreciation and amortisation	75.99	103.93
Government Grant Amortised	(6.67)	(10.01)
Finance Costs	132.67	235.87
	751.04	337.00
Operating cash before Working Capital changes	424.14	714.84
Changes in working capital		
(Increase)/Decrease in Inventories	(217.18)	(64.98)
(Increase)/Decrease in Trade receivables	(768.88)	(588.15)
(Increase)/Decrease in Short term loans and advances	-	0.66
(Increase)/Decrease in Other current assets and financial assets	267.81	(50.79)
(Increase)/Decrease Bank Balances other than Cash and cash equivalents	(42.26)	-
(Increase)/Decrease in Other Non Current Asset	(16.20)	-
Increase/(Decrease) in Trade payables	1,898.16	187.07
Increase/(Decrease) in Other current financial liabilities	(10.54)	6.77
Increase/(Decrease) in Other liabilities	1.55	25.45
Increase/(Decrease) in Short term provisions	30.53	12.03
	1,142.99	(471.94)
Increase/(decrease) in liability in current tax	(36.47)	(12.71)
Net Cash inflow / (outflow) in the course of Operating activities (A)	1,530.66	230.19
CASH FLOW FROM INVESTING ACTIVITIES:		
Inflow/(Outflow)		
Interest Income	3.41	7.06
(Purchase)/Sale of fixed assets	(27.38)	(25.62)
Sale Consideration on slump sale of business (Refer Note 36)	5.00	-
Net Cash outflow in the course of Investing activities (B)	(18.97)	(18.56)
C. Cash flow from Financing Activities		
Inflow/(Outflow)		
Loan repaid to Banks	(1,227.07)	1.52
Loan repaid to the Holding Company	(64.75)	-
Finance costs	(137.80)	(236.50)
Net cash inflow / (outflow) in the course of Financing activities (C)	(1,429.62)	(234.98)
Net Decrease in Cash and Cash equivalents (A+B+C)	82.06	(23.35)
Add: Balance at the beginning of the year	14.37	37.72
Cash and Cash equivalents (Refer Note: 6) at the close of the year	96.43	14.37

Statement of Significant Accounting Policies (Refer Note 1)

The accompanying notes are an integral part of these financial statements

Notes:

1) The above Cashflow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013

2) Changes in liabilities arising from financing activities

Year ended 31st March, 2020	Opening Balance	Loan Transferred Under slump sale (Refer Note 36)	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	1,142.89	(966.33)	(176.56)	-
Year ended 31st March, 2019	Opening Balance	Non Cash /Accruals / Fair Value Changes	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	704.47	-	438.42	1,142.89
Year ended 31st March, 2020	Opening Balance	Non Cash /Accruals / Fair Value Changes	Cash Flow Repayments	Closing Balance
Interest accrued on long term external borrowings	5.13	74.17	(79.30)	-
Year ended 31st March, 2019	Opening Balance	Non Cash /Accruals / Fair Value Changes	Cash Flow Repayments	Closing Balance
Interest accrued on long term external borrowings	5.76	120.86	(121.49)	5.13

As per our attached Report of even date

For Chaturvedi & Shah LLP
 Chartered Accountants
 Firm Registration Number: 101720W/W100355

 Sd/-
 Lalit R. Mhalsekar
 Partner
 Membership Number: 103418
 Date :- 23rd June, 2020 Place:
 Mumbai

For and on behalf of the Board of Directors

 Sd/-
 Vishal Bist

 Director
 DIN : 07215218

 Sd/-
 Vijay Patil

 Director
 DIN : 07173161

Celebrations Apparel Limited
Statement of Changes in Equity

A. Equity share capital (Rs. In Lakhs)

	Notes	Amount
As at 31 March 2019	10A	271.00
As at 31st March 2020		271.00

B. Other Equity (Rs. In Lakhs)

	Note	Reserves & Surplus (Retained Earnings)
Balance As at 31st March, 2018		77.33
Profit for the year	10B	270.10
Net Defined Benefit Plans)		10.30
Total Comprehensive Income for the year		280.40
Balance As at 31st March, 2019		357.73
Profit for the year	10B	(235.33)
Other Comprehensive Income for the year (Remeasurement of Net Defined Benefit Plans)		9.05
Total Comprehensive Income for the year		(226.28)
Balance As at 31st March, 2020		131.45
Statement of significant accounting policies	1	

The accompanying notes are an integral part of these financial statements

As per our attached report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number: 101720W/W100355

For and on behalf of the Board of Directors

Sd/-
Vishal Bist

Director
DIN : 07215218

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Date :- 23rd June, 2020 Place:
Mumbai

Sd/-
Vijay Patil
Director
DIN : 07173161

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. Background

Celebrations Apparel Limited ('CAL' or 'the Company') CIN 'U18100PN2004PLC140524' incorporated in India carries on business of manufacturing and trading of shirts. It has its network of operations in local as well foreign market. The company was carrying on manufacturing activities till 30th November 2019 (Refer note 36). Celebration Apparel Limited is a 100% subsidiary of Raymond Limited.

II. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

These separate financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

(v) Recent Accounting Development / Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Building, Plant & Machinery, Electrical Installations and Electrical Equipments and Computers are provided on Straight Line Method (SLM) and on other assets is provided on Written down Value Method (W.D.V), over the estimated useful life of assets.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery which based on an independent technical evaluation has been estimated as 24 years (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Computer software

Computer software are stated at historical cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 3 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Lease

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Material, Work in Progress, Finished Goods and Stores & Spares are stated at 'Cost or Net realizable value whichever is lower'. Goods-In-Transit are stated 'at cost'. Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'Weighted Average cost'. All the costs incurred on unfinished/finished jobs, but not invoiced and dispatched, under conversion contracts, are carried forward as "Accumulated Costs on Conversion Contracts" at cost or net realizable value whichever is lower. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on past experience of the company.

(h) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

* those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value . Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its investment in subsidiaries, jointventures and associates at cost less impairment if any. The company subsequently measures all equity investments other than above at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(i) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to statement of profit and loss.

(m) Financial Liability**(i) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(n) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed, where an inflow of economic benefits is probable. The Company does not recognize a contingent asset unless the recovery is virtually certain.

(o) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

As per IND AS 115 - Revenue from Contracts with Customers, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and control of goods or services transferred over a time.

Sale of goods:- In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading.

Other operating revenue - Export incentives

Export Incentives under the "Duty Draw back Scheme", "Merchandise Exports Incentive Scheme (MEIS)" etc. is accounted in the year of export.

Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss Account as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(q) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Celebrations Apparel Limited's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(r) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(u) Government Grant:

Grant from Government are recognised at their fair value, when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to income are deferred and recognised in the Statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and are deducted from the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities/current liabilities as deferred income and are credited to the Statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Accounting Policy- Cash Flow:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

III. Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

1) Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

3) Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4) Export benefits receivables are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount or such assets may not be recoverable. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

5) Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

6) Estimate with respect to uncertainties related to Covid 19. (Refer Note 37)

Celebrations Apparel Limited
Notes to the financial statements

2A Property, Plant and Equipment

	Freehold Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Computers	Office equipment	Total	CWIP
Gross carrying amount									
Balance As at 31st March, 2018	58.66	469.89	1,182.84	24.29	23.83	47.08	13.07	1,819.66	0.00
Additions			17.54			5.96	0.76	24.26	24.26
Disposals									
Balance As at 31st March, 2019	58.66	469.89	1,200.38	24.29	23.83	53.04	13.83	1,843.92	-
Additions		11.57		3.37		4.50		19.44	38.88
Transferred of Assets under Slump Sale			1,200.38	27.66	23.83	57.54	13.83	1,323.24	38.88
Transferred of Assets to Investment Property	58.66	481.46	-	-	-	-	-	540.12	-
Balance As at 31st March, 2020	-	-	-	-	-	-	-	-	-
Accumulated Depreciation									
Balance As at 31st March, 2018	-	62.57	224.79	13.41	14.58	28.78	6.56	350.69	
Charge for the year		20.63	66.81	2.75	2.95	9.27	1.52	103.93	
Disposals									
Balance As at 31st March, 2019	-	83.20	291.60	16.16	17.53	38.05	8.08	454.62	
Charge for the period		13.80	47.23	1.63	1.42	4.46	0.50	69.04	
Transferred of Assets under Slump Sale			338.83	17.79	18.94	42.51	8.58	426.66	
Transferred of Assets to Investment Property		97.00	-	-	-	-	-	97.00	
Balance As at 31st March, 2020	-	-	-	-	-	-	-	-	-
Net Carrying Amount									
Balance As at 31st March, 2018	58.66	407.32	958.05	10.88	9.25	18.30	6.51	1,468.97	
Balance As at 31st March, 2019	58.66	386.69	908.78	8.13	6.30	14.99	5.75	1,389.30	
Balance As at 31st March, 2020	-	-	-	-	-	-	-	-	-

Note :

- (a) The Company had intangible assets amounting to Rs 17.55 lakhs which was fully amortised upto the Financial Year ending 31st March 2009.
(b) Refer to Note 28 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
(c) Refer to Note 33 for information on property, plant and equipment pledged as security by the Company.

2B Investment Property

(Rs. in lakhs)

	Freehold Land	Buildings	Total
Gross carrying amount			
Balance As at 31st March, 2019	-	-	-
Transfer from Property, Plant and Equipment	58.66	481.46	540.12
Disposals	-	-	-
Balance As at 31st March, 2020	58.66	481.46	540.12
Accumulated Depreciation			
Balance As at 31st March, 2019	-	-	-
Transfer from Property, Plant and Equipment	-	97.00	97.00
Charge for the period	-	6.95	6.95
Disposals	-	-	-
Balance As at 31st March, 2020	-	103.95	103.95
Net Carrying Amount			
Balance As at 31st March, 2019	-	-	-
Balance As at 31st March, 2020	58.66	377.51	436.17

Note :

(a) Fair value of Investment Properties Land is Rs. 2024.62 Lacs (approx.) and Building Rs. 699.15 (approx.) - Total Rs. 2723.77 Lacs (approx.) as at 31st March 2020.

(b) Amount recognized in the statement of profit and loss:

(Rs. in lakhs)

Rental Income	34.23
Operating expense for property	-

Celebrations Apparel Limited
Notes to the financial statements

3 Other Financial assets

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered good)		
Deposits with others	-	15.39
Total	-	15.39

4 Inventories

	As at 31st March, 2020	As at 31st March, 2019
Raw Materials (including Packing Material)	-	480.23
Raw material in transit	-	172.82
Work-in-progress	-	35.50
Finished goods (Manufactured)	-	492.47
Stock in trade	24.95	-
Stores and Spares	-	21.30
Accumulated cost on Conversion Contracts		
Completed	-	5.95
In Process	-	-
Total	24.95	1,208.27

5 Trade receivables

	As at 31st March, 2020	As at 31st March, 2019
Trade receivables (Refer Note 38)	1,014.14	389.43
Receivables from related parties (Refer Note 30)	-	1,537.61
Less: Allowance for bad and doubtful debts	-	-
Total	1,014.14	1,927.04

The movement in Allowance for bad and doubtful debts is as follows:

	As at 31st March, 2020	As at 31st March, 2019
Balance as at beginning of the year	-	-
Allowance for bad and doubtful debts during the year	-	-
Trade receivables written off during the year	-	-
Balance as at the end of the year	-	-

Refer note 33 for information about market risk and credit risk of trade receivables.

Celebrations Apparel Limited
Notes to the financial statements

6 Cash and cash equivalents

	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks		
In current accounts	96.43	14.37
Total	96.43	14.37

7 Bank Balances Other than Cash and Cash Equivalents

	As at 31st March, 2020	As at 31st March, 2019
Margin Money Deposits (Held as lien by banks against Letter of credit facilities.)	-	0.26
Total	-	0.26

8 Other Financial Assets

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Export benefits receivable	-	56.78
Interest Subsidy receivable	-	61.80
Total	-	118.58

9 Other current assets

	As at 31st March, 2020	As at 31st March, 2019
Export incentives receivable	-	262.40
Advances to Suppliers	-	42.44
Balance with Government Authorities	-	407.85
Prepaid expenses	-	4.38
Other advances	-	7.68
Total	-	724.75

10A Equity Share capital

(Rs. In Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Authorised 50,000,000 [31st March, 2019: 50,000,000] Equity Shares of Rs. 10 each	5,000.00	5,000.00
Issued, subscribed and fully paid up 2,710,000 [31st March, 2019: 2,710,000] Equity Shares of Rs. 10 each	271.00	271.00
Total	271.00	271.00

a) Reconciliation of number of shares

(Rs In Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	27,10,000	271.00	27,10,000	271.00
Balance as at the end of the year	27,10,000	271.00	27,10,000	271.00

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by Holding Company

	As at 31st March, 2020	As at 31st March, 2019
Raymond Ltd.(along with Nominees)	27,10,000	27,10,000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2020		As at 31st March, 2019	
	%	No. of Shares	%	No. of Shares
Raymond Ltd.	100	27,10,000	100	27,10,000

Celebrations Apparel Limited
Notes to the financial statements

10B Other Equity

(Rs. In Lakhs)

	Reserves & Surplus (Retained Earnings)
Balance As at 31st March, 2018	77.33
Profit for the year	270.10
Other Comprehensive Income for the year (Remeasurement of Net Defined Benefit Plans)	10.30
Total Comprehensive Income for the year	280.40
Balance As at 31st March, 2019	357.73
Profit for the year	(235.33)
Other Comprehensive Income for the year (Remeasurement of Net Defined Benefit Plans)	9.05
Total Comprehensive Income for the year	(226.28)
Balance As at 31st March, 2020	131.45

Celebrations Apparel Limited
Notes to the financial statements

11 Borrowings

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term loans		
From banks #	-	36.81
Secured - total (A)	-	36.81
Unsecured		
(a) Term loans		
Loans from Holding Company - Raymond Limited (*)	-	1,031.08
Unsecured - total (B)	-	1,031.08
Total (A+B)	-	1,067.89

Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security

Term Loans amounting to Rs.Nil (Rs 36.81 Lacs March 31,2019) are secured by way of *pari passu* charge on the entire movable fixed assets of the Company. The Company has repaid entire term loan during current year.

Terms of Repayment

Repayable in 16 quarterly installments commencing from 30th of September, 2016 and last installment is due on 30th of Sep 2020. Rate of interest as at year end 10.30% (10.30 % p.a. March 31,2018)

*Unsecured Loan from holding company - Raymond Limited, is due for repayment on 30th April 2021 amounting to Rs 531 Lacs, 5th May 2021 amounting to Rs 300 Lacs and 5th May 2021 amounting to Rs 200 Lacs. Rate of Interest as at year end 10.50% p.a for Rs.831.08 lacs and 8.5% p.a. for loan amounting to Rs. 200 Lacs (Previous Year 10.5% p.a. and 10.00% p.a. respectively.) As per Business Transfer Agreement (BTA) dated December 10th, 2019 with Silver Spark Apparel Limited, the Company has transferred Rs. 966.33 Lacs to Silver Spark Apparel Limited. Balance Rs. 64.75 Lacs is repaid during the year. (Note 36)

The carrying amount of financial and non-financial assets as security for secured borrowings are disclosed in Note 33.

Refer Note 32 for information about credit risk and interest risk.

Unamortised portion of processing cost amounts to Rs. Nil (Rs. 0.69 lacs March 31,2019)

Celebrations Apparel Limited
Notes to the financial statements

12 Other non-current liabilities

	As at 31st March, 2020	As at 31st March, 2019
Government Grant Related to Assets	-	103.61
Total	-	103.61

Note :

- 1) Under the Government Scheme, the Company is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme. The subsidy being Government Grant is accounted as stated in the Accounting policy on Government Grant (Refer Note 1 II (u)). The Government Grant shown above represents unamortised amount of the subsidy referred to above, with the corresponding adjustment to the carrying amount of property, plant and equipment.

- 2) Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant (Refer Note 1 II (u)). The Government Grant shown above represents unamortised amount of the duty saved referred to above. Export obligation to be fulfilled subsequent to the reporting date, within the period allowed under the Scheme is disclosed in Note 28.

Celebrations Apparel Limited
Notes to the financial statements

13 Current Borrowings

	As at 31st March, 2020	As at 31st March, 2019
Secured		
(a) Loans repayable on demand from banks (Secured against hypotheciation of Inventory and Receivables)	42.75	610.88
Unsecured		
Local Bill Accepted with bank	-	472.13
Total	42.75	1,083.01

The carrying amount of financial and non-financial assets as security for secured borrowings are disclosed in Note 33.

For liquidity refer to Note 32 Financial Risk Management.

14 Trade payables

	As at 31st March, 2020	As at 31st March, 2019
Trade payables*		
Amount payable to related parties (Refer Note 30)	819.09	990.78
Others (Refer Note 38)	278.30	814.10
Total	1,097.39	1,804.88

*Includes Provision for expenses

Disclosure of amount payable to vendors as defined as "micro, Small & Medium Enterprise Act, 2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

Refer Note 32 for information about liquidity risk and market risk of trade payables.

15 Other financial liabilities

	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term debt (Refer Note 11)	-	75.00
Current maturities of long-term debt from Holding companies (Refer Note 11)	-	-
Interest accrued and not due on borrowings	-	5.13
Salary and Wages payable	0.26	322.91
Other payables	51.35	0.34
Total	51.61	403.38

16 Other Current liabilities

	As at 31st March, 2020	As at 31st March, 2019
Advance from customers	-	44.52
Statutory dues	0.81	31.05
Capital Creditors	-	1.98
Government grants related to Assets (Refer Note 12)	-	10.01
Total	0.81	87.56

17 Provisions

	As at 31st March, 2020	As at 31st March, 2019
Provision for Gratuity [Refer Note 29 & Note 36]	-	44.25
Provision for Leave Entitlement	-	57.46
Total	-	101.71

Celebrations Apparel Limited
Notes to the financial statements

18 Revenue from Operations

	Year ended 31st March 2020	Year ended 31st March 2019
Sale of Products (Manufactured & Traded Goods)	6,947.71	9,076.53
Sales of Services		
(i) Job Work	164.00	263.39
Other operating revenue		
(i) Export Incentives, etc	122.08	219.55
(ii) Process waste sale	3.15	4.76
Total	7,236.94	9,564.23

There is no impact on account of application of IND- AS 115 Revenue from Contracts with Customers.

19 Other income

	Year ended 31st March 2020	Year ended 31st March 2019
Interest income	3.41	7.06
Rent Income	34.23	-
Other non-operating income	0.03	-
Provision no longer required/ Credit balances written back	8.06	-
Deferred Income from Government grant(Refer Note 12)	6.67	10.01
Total	52.40	17.07

20 Cost of materials consumed

	Year ended 31st March 2020	Year ended 31st March 2019
Raw materials consumed		
Opening Stock	480.23	556.35
Purchases	3,435.44	5,853.20
Less : Closing Stock	-	480.23
(# Includes cost of packing material consumed during the year)		
Total	3,915.67	5,929.32

Celebrations Apparel Limited
Notes to the financial statements

21 Changes in inventories of finished goods (including stock in trade), work-in-progress and accumulated cost of conversions

	Year ended 31st March 2020	Year ended 31st March 2019
Opening inventories		
Finished goods	492.47	402.80
Work-in-progress	35.50	-
Stock-in-trade	-	39.81
Accumulated cost of conversion contracts		
Completed	5.95	12.62
In Process	-	2.52
	533.92	457.75
Closing inventories		
Finished goods (Manufacturing goods)	-	492.47
Work-in-progress	-	35.50
Accumulated cost of conversion contracts		
Completed	-	5.95
In Process	-	-
	-	533.92
Less: Transfer of Finished goods under slump sale (Refer note 36)	(711.12)	-
Total	(177.20)	(76.17)

22 Employee benefits expense

	Year ended 31st March 2020	Year ended 31st March 2019
Salaries and wages	1,056.23	1,562.15
Contribution to provident funds and other funds	79.78	94.48
Defined benefit plan expense (Refer Note 29)	29.78	40.35
Workmen and Staff welfare expenses	106.65	173.55
Total	1,272.44	1,870.53

23 Finance costs

	Year ended 31st March 2020	Year ended 31st March 2019
Interest expense on Term Loans & ICD (Net of interest subsidy under TUF scheme Rs Nil (Previous Year Rs 1.06 Lakhs)	79.30	121.49
Interest on short term borrowings	53.37	114.38
Total	132.67	235.87

Celebrations Apparel Limited
Notes to the financial statements

24 Depreciation and amortization expense

	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation on Property, Plant and Equipment and Investment Property (Refer Note 2A and 2B)	75.99	103.93
Total	75.99	103.93

25 Other expense

A) Manufacturing and Operating Costs

	Year ended 31st March 2020	Year ended 31st March 2019
Consumption of stores and spare parts	71.55	111.21
Power and fuel	74.36	110.74
Job work charges	61.59	146.10
Repairs to buildings	2.75	1.93
Repairs to machinery	8.32	11.88
Total	218.57	381.86

B) Other expenses

	Year ended 31st March 2020	Year ended 31st March 2019
Insurance	13.05	15.23
Repairs & Maintenance Others	10.57	7.69
Rates and Taxes	5.78	15.75
Commission to selling agents	164.51	252.51
Freight, Octroi, etc	48.22	84.06
Legal and Professional Expenses	21.66	26.49
Travelling & Conveyance	5.89	12.44
Exchange Fluctuation - Others	32.63	8.96
IT Outsourcing Expenses	2.20	3.30
Security Charges	15.66	24.69
Corporate facility charges	63.84	80.00
Miscellaneous Expenses	141.28	227.00
Total	525.29	758.12

Details of Payment to Auditor (included in Legal and Professional Expenses)

	Year ended 31st March 2020	Year ended 31st March 2019
Audit Fees	3.75	3.75
Other Services	2.00	-
Total	5.75	3.75

26 Income taxes

Tax expense recognised in the Statement of Profit and Loss		(Rs in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019	
Current tax			
Current year	8.67	105.13	
Total current tax	8.67	105.13	
Deferred tax			
Origination and reversal of temporary difference	(100.24)	2.61	
Change in tax rates			
Total deferred income tax expense/(credit)	(100.24)	2.61	
Total income tax expense/(credit)	(91.57)	107.74	

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	Year ended 31st March, 2020	Year ended 31st March, 2019
Reconciliation of effective tax rate		
Profit Before Tax	(326.90)	377.84
Enacted income tax rate in India	27.82%	27.82%
Tax Amount	(90.93)	105.13
Differences due to:		
Expenses not deductible for tax purpose	(0.64)	2.61
Total	(91.57)	107.74
Effective tax rate	28.01%	-28.51%

The effective tax rate was 29.07% (2018-19: -28.51%).

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

Movement	(Rs in lakhs)						
	As at 31st March, 2018	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2019	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2020
Deferred tax assets/(liabilities)							
Provision for post retirement benefits and other employee benefits: Gratuity	88.42	(2.21)		86.21	(87.16)	0.95	-
Previous year adjustment in current year for retirement benefit provisions		(26.13)		(26.13)	26.13	-	-
Provision for doubtful debts and advances	1.20	(1.20)		-	-	-	-
Depreciation	(228.56)	26.93		(201.63)	201.63	-	-
Unabsorbed tax depreciation	40.36			40.36	(40.36)	-	-
Fair value gains/losses	(7.56)		(3.97)	(11.53)	-	11.53	-
Total	(106.14)	(2.61)	(3.97)	(112.72)	100.24	12.48	-

Celebrations Apparel Limited
Notes to the financial statements

27 Contingent liabilities/Contingent Assets

The company has no contingent liabilities/contingent assets as at end of the year.

28 Commitments

a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is NIL.

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Property, plant and equipment	-	12.01
Less: Capital advances	-	-
Net Capital commitments	-	-

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
b) Other Commitments		
Guarantees given by the Company's bankers and Bonds and Letter of Undertaking executed by the Company to Government Authorities for purchase under concessional duty/ exemption scheme in respect of (net of obligation completed):		
(i) Raw Materials	-	1,434.06
(ii) Capital Goods	-	11.53
Total Other Commitments	-	1,445.59

Celebrations Apparel Limited
Notes to the financial statements

29 Post retirement benefit plans

Defined Contribution Plan

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs.79.78 Lakhs (31st March 2019: Rs.94.48 Lakhs).

Defined Benefit Plan

As per Actuarial Valuation as on 31st March, 2020 and 2019 and recognised in the financial statements in respect of Employee Benefit Schemes (Gratuity):

A. Balance Sheet

	(Rs. In Lakhs)	
	Defined benefit plans	
	As at 31st March, 2020	As at 31st March, 2019
Present value of plan liabilities	-	128.94
Fair value of plan assets	-	84.68
Plan liability net of plan assets	-	44.26

B. Movements in plan assets and plan liabilities

(Rs. In Lakhs)

	Year ended 31st March, 2020			Year ended 31st March, 2019		
	Plan Assets	Plan liabilities	Total	Plan Assets	Plan liabilities	Total
As at 1st April 2019	84.68	128.94	(44.26)	78.70	109.05	(30.35)
Current service cost	-	27.52	(27.52)	-	37.92	(37.92)
Employee contributions	-	-	-	-	-	-
Return on plan assets excluding amounts included in net finance income/cost	(0.68)	-	(0.68)	(0.75)	-	(0.75)
Interest cost	-	-	-	-	-	-
Interest income	4.33	6.59	(6.59)	6.30	8.73	(8.73)
Actuarial (gain)/loss arising from changes in financial assumptions	-	-	4.33	-	-	6.30
Actuarial (gain)/loss arising from experience adjustments	-	10.29	(10.29)	-	3.71	(3.71)
Employer contributions	-	(7.54)	7.54	-	(18.73)	18.73
Benefit payments	(5.11)	-	(5.11)	10.66	-	10.66
As at 30th November 2019	(12.74)	(12.74)	-	(10.23)	(11.74)	1.51
Employee benefit balance transferred to Silver Spark Apparel Limited*	70.49	153.06	(82.57)	84.68	128.94	(44.26)
As at 31st March 2020	-	-	-	84.68	128.94	(44.26)

The weighted average duration of the defined benefit plans is Nil years (2018-19 : 8 Years)
The Company expects to contribute Rs. Nil to the funded plans in financial year 2020-21.

*During the current year, all Employees of the Company are transferred to Silver Spark Apparel Limited as per Business Transfer Agreement (BTA) dated December 10th, 2019 (Note 36)

C. Statement of Profit and Loss

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses:		
Current service cost	27.52	37.92
Total	27.52	37.92
Finance cost/(income)	2.26	2.43
Net impact on the Profit / (Loss) before tax	29.78	40.35
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(0.68)	(0.75)
Actuarial gains/(losses) arising from changes in financial assumptions	(10.29)	(3.71)
Experience gains/(losses) arising on pension plan and other benefit plan liabilities	7.54	18.73
Net impact on the Other Comprehensive Income before tax	(3.43)	14.27

D. Assets	(Rs. In Lakhs)	
	Defined benefit plans	
	As at 31st March, 2020	As at 31st March, 2019
Insurer managed funds	-	84.68
Total	-	84.68

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at 31st March, 2020	As at 31st March, 2019
Financial Assumptions		
Discount rate	Nil	8.01%
Salary Escalation Rate	Nil	7.50%

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	(Rs. In Lakhs)			
		As at 31st March, 2020		As at 31st March, 2019	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	-	-	(10.40)	12.09
Salary Escalation Rate	1%	-	-	11.99	(10.51)
Employee Turnover	4%	-	-	(5.06)	5.16

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

G. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

Year ending 31 March, 2020	(Rs. in lakhs)	
	Defined benefit obligation	
	As at 31st March, 2020	As at 31st March, 2019
2020	-	6.61
2021	-	7.95
2022	-	10.31
2023	-	11.83
2024	-	12.86
Thereafter	-	57.43

Celebrations Apparel Limited
Notes to the financial statements

30 Related Party disclosures as per Ind AS - 24

1. Relationships

a. Holding Company - Raymond Limited

b. Fellow Subsidiary Companies

Colorplus Realty Limited (formerly known as Colorplus Fashions Limited)
Silver Spark Apparel Limited
Silver Spark Apparel Ethiopia PLC
Raymond Apparel Limited
Raymond (Europe) Limited
Dress Master Apparel Private Limited
R&A Logistics, INC
Raymond Luxury Cottons Limited.

c) Key management personnel

Vishal Bist - Director
Bibek Agarwala - Director - Resigned w.e.f. 3rd March 2020
Vijay Patil - Director

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business :

Nature of Transactions	Referred in 1 (a) above	Referred in 1 (b) above
Purchase		
Raymond Limited	22.53 (29.13)	
Raymond Apparel Limited		64.38 (77.21)
Raymond Luxury Cotton Limited		1,644.81 (2,134.07)
Silver Spark Apparel Limited		994.54 (17.30)
Income		
<i>Job Work Charges</i>		
Raymond Limited	162.39 (239.06)	
<i>Sales</i>		
Raymond Limited	126.25 (88.81)	
Raymond Apparel Limited		2,442.75 (4,100.49)
Silver Spark Apparel Limited		165.13 (48.62)
Silver Spark Apparel Ethiopia PLC		- (-)
Dress Master Apparel Private Limited		13.05 (17.33)
Raymond (Europe) Limited		16.30 (75.86)
R&A Logistics, INC		40.61 (13.55)
<i>Rent Income</i>		
Silver Spark Apparel Limited		34.23 (-)
<i>Others</i>		
Silver Spark Apparel Limited		- (229.75)
Dress Master Apparel Private Limited		0.24 (1.02)
Expenses		
<i>Interest</i>		
Raymond Limited	79.58 (104.26)	-
<i>Job Work Charges</i>		
Dress Master Apparel Private Limited		- (5.11)
<i>Others</i>		
Raymond Limited	73.34 (81.82)	
Silver Spark Apparel Limited		396.21 (281.61)

(Previous year figures are in brackets)

	31st March, 2020	31st March, 2019
Outstandings :		
<i>Payable</i>		
Holding Company		
Raymond Limited	1.06	167.87
Fellow Subsidiaries		
Dress Master Apparel Private Limited	-	0.00
Raymond Luxury Cotton Limited	131.08	706.59
Raymond Apparel Limited	-	64.91
Silver Spark Apparel Limited	686.94	51.41
<i>Receivable</i>		
Holding Company		
Raymond Limited	-	63.11
Fellow Subsidiaries		
Raymond (Europe) Limited	-	41.44
Raymond Apparel Limited	-	1430.00
Silver Spark Apparel Limited	-	0.00
Dress Master Apparel Private Limited	-	0.04
R&A Logistics, INC	-	2.90
<i>Loans Taken</i>		
Holding Company		
Raymond Limited	-	1031.08
Fellow Subsidiaries		(-)
<i>Loans Repaid</i>		
Holding Company		
Raymond Limited	64.75	
Fellow Subsidiaries	(-)	
<i>Other Advances</i>		
Holding Company		
Raymond Limited	-	0.12
Fellow Subsidiaries		(-)

Celebrations Apparel Limited
Notes to the financial statements

31 - Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March, 2020	Routed through P & L						Routed through OCI			Carrying at amortised cost	Total Amount
	Non Current		Current		Total	Level 1	Level 2	Level 3	Total		
Financial Assets											
Other Assets											
Trade receivable	-	1,014.14	-	1,014.14	-	-	-	-	1,014.14	1,014.14	
Cash and Cash equivalents	-	96.43	-	96.43	-	-	-	-	96.43	96.43	
	-	1,110.57	-	1,110.57	-	-	-	-	1,110.57	1,110.57	
Financial Liabilities											
Borrowings	-	42.75	-	42.75	-	-	-	-	42.75	42.75	
Other Financial Liabilities	-	51.61	-	51.61	-	-	-	-	51.61	51.61	
Trade Payables	-	1,097.39	-	1,097.39	-	-	-	-	1,097.39	1,097.39	
	-	1,191.75	-	1,191.75	-	-	-	-	1,191.75	1,191.75	

Financial Assets and Liabilities as at 31st March, 2019	Routed through P & L						Routed through OCI			Carrying at amortised cost	Total Amount
	Non Current		Current		Total	Level 1	Level 2	Level 3	Total		
Financial Assets											
Other Assets											
Loans to Employees	-	118.58	-	133.97	-	-	-	-	133.97	133.97	
Other Financial Assets	15.39	-	1,927.04	1,927.04	-	-	-	-	1,927.04	1,927.04	
Trade receivable	-	14.37	-	14.37	-	-	-	-	14.37	14.37	
Cash and Cash equivalents	-	0.26	-	0.26	-	-	-	-	0.26	0.26	
Other Bank Balance	15.39	2,060.25	-	2,075.64	-	-	-	-	2,075.64	2,075.64	
Financial Liabilities											
Borrowings	1,067.89	1,083.01	-	2,150.90	-	-	-	-	2,150.90	2,150.90	
Other Financial Liabilities	-	403.38	-	403.38	-	-	-	-	403.38	403.38	
Trade Payables	-	1,804.88	-	1,804.88	-	-	-	-	1,804.88	1,804.88	
	1,067.89	3,291.27	-	4,359.16	-	-	-	-	4,359.16	4,359.16	

Fair value of financial assets and liabilities measured at amortised cost -

Financial Assets and Liabilities	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Other Financial Assets	-	133.97	-	133.97
Trade receivable	1,014.14	1,014.14	1,927.04	1,927.04
Cash and Cash equivalents	96.43	96.43	14.37	14.37
Other Bank Balance	-	0.26	-	0.26
	1,110.57	1,110.57	2,075.64	2,075.64
Trade receivable				
Borrowings	42.75	42.75	2,150.90	2,150.90
Other Financial Liabilities	51.61	51.61	403.38	403.38
Trade Payables	1,097.39	1,097.39	1,804.88	1,804.88
	1,191.75	1,191.75	4,359.16	4,359.16

Note - The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

32 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	(Rs in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Borrowings bearing variable rate of interest	-	1,194.82

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

	(Rs in lakhs)	
	2019-2020	2018-2019
50 bp increase- decrease in profits	-	(4.44)
50 bp decrease- Increase in profits	-	4.44

Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in different currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods and services in the respective currencies.

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Particulars	(Foreign currency in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Forward contracts to sell USD	USD -	EURO -

(b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31st March, 2020

Particulars	GBP	EUR	USD
Receivable	-	-	1.63
Payable	-	0.71	6.69

As at 31st March, 2019

Particulars	GBP	EUR	USD
Receivable	-	2.84	2.59
Payable	-	0.08	0.51

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax

	(Rs in lacs)			
	2019-2020		2018-2019	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	(3.83)	3.83	1.44	(1.44)
EURO	(0.59)	0.59	2.15	(2.15)
GBP	-	-	-	-
Increase / (decrease) in profit or (loss)	(4.42)	4.42	3.59	(3.59)

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments or on case to case basis. Where loans or receivables have been written off, the company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account receivables

	(Rs in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Not due	178.89	737.16
0-3 months	822.54	1,107.20
3-6 months	12.71	82.68
6 months to 12 months	-	-
beyond 12 months	-	-
Total	1,014.14	1,927.04

Liquidity Risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time, or at a reasonable price. The group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

As at 31st March, 2020		(Rs in lakhs)			
	0-1 years	1-5 years	beyond 5 years	Total	
Long term borrowings (Including current maturity of long term debt)	-	-	-	-	
Short term borrowings	42.75	-	-	42.75	
Total	42.75	-	-	42.75	

As at 31st March, 2019

	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	75.00	1,067.89	-	1,142.89
Short term borrowings	1,083.01	-	-	1,083.01
Total	1,158.01	1,067.89	-	2,225.90

Maturity patterns of other Financial Liabilities

As at 31st March, 2020		(Rs in lakhs)				
	Overdue	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	130.53	735.19	210.09	21.58	-	1,097.39
Other Financial liabilities (Current and Non Current)	-	51.61	-	-	-	51.61
Total	130.53	786.80	210.09	21.58	-	1,149.00

As at 31st March, 2019

	Overdue	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	513.38	1,275.60	15.90	-	-	1,804.88
Other Financial liabilities (Current and Non Current)	-	103.85	-	224.53	-	328.38
Total	513.38	1,379.45	15.90	224.53	-	2,133.26

Celebrations Apparel Limited
Notes to the financial statements

33 Assets Pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Immovable Assets		
Buildings	377.51	386.69
Total	377.51	386.69
Movable Assets		
Plant & equipment	-	908.78
Furniture & fixtures	-	8.13
Vehicles	-	6.30
Computers	-	14.99
Office equipment	-	5.75
Total	-	943.95
Other Assets		
Receivables	-	1,927.04
Inventories	-	1,208.27
Total	-	3,135.31
Total assets pledged as security	377.51	4,465.95

34 Segment reporting

The Company's business activity falls within a single primary business segment of manufacture of shirts. Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment". The company has disclosed the segment information based on the location of customer.

Summary of Segment Revenue :-

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment Revenue	2,972.98	4,650.69	4,138.73	4,689.23	7,111.71	9,339.92

Further, no single customer contributes to more than 10% of the company's revenue.

35 Capital risk management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Celebrations Apparel Limited
Notes to the financial statements

36 Business transfer agreement

During the current year, the Company had entered into a Business Transfer Agreement (BTA) dated December 10th, 2019, with Silver Spark Apparel Limited (Both the parties are wholly owned subsidiaries of same Holding companies i.e, Raymond Limited) for sale of garmenting business by way of slump sale on going concern basis with effect from 1st December, 2019, for a lump sum consideration of INR 5.00 Lacs. The Company had received the consideration in cash.

Accordingly, the Company has derecognised the tangible, intangible fixed asset and other assets and liabilities at book value in its books of account. The shortage of consideration received over the value of assets and liabilities was recognised as loss on sale of assets and liabilities on slump sale and debited to Profit & Loss account. The summary of assets and liabilities derecognised pursuant to the BTA, is as under:

Particulars	Rs. In lakhs
Tangible Assets	896.58
Capital Work in progress	9.91
Current Assets	3,124.80
Other Current Assets	450.48
Other Financial assets	141.36
Loan from Holding Companies	(966.33)
Other current liabilities & Provisions	(2,778.19)
Other financial liabilities	(212.59)
Other Non-current liabilities	(96.94)
Net Assets Acquired	569.09
Total Consideration	(5.00)
Loss on Sale of Assets on Slump Sale	564.09

37 In March 20, the WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant, equipments, and other intangible assets and in relation to other financial statements captions.

The impact of covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financials statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities on gradual basis in line with guideline issued by the Government Authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.

38 The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statements on receipt of the balance confirmations post the balance sheet date.

Celebrations Apparel Limited
Notes to the financial statements

39 Earnings per share

	Year ended 31st March 2020	Year ended 31st March 2019
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year (Rs. in lakhs)	(235.33)	270.10
Weighted average number of equity shares outstanding (No. in lakhs)	27.10	27.10
Earnings Per Share (Rs.) - Basic (Face value of Re. 10 per share)		
Basic	(8.68)	9.97
Diluted	(8.68)	9.97

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number: 101720W/W100355

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Date :- 23rd June, 2020 Place -
Mumbai

For and on behalf of the Board of Directors

Sd/-
Vishal Bist

Director
DIN : 07215218

Sd/-
Vijay Patil

Director
DIN : 07173161

COLORPLUS REALTY LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI M. L. BAPNA SHRI VIJAY DESHPANDE SHRI SANDIP MAHESWARI SHRI R. A. PRABHUDESAI (retired w.e.f 12-02-2020) SHRI R. NARAYANAN (retired w.e.f 12-02-2020) SHRI BIBEK AGARWALA(resigned w.e.f 03-03-2020)
STATUTORY AUDITORS	:	MESSERS. CHATURVEDI AND SHAH, CHARTERED ACCOUNTANTS
REGISTERED OFFICE	:	JEKEGRAM, POKHRAN ROAD NO. 1, THANE – 400 606, MAHARASHTRA

COLORPLUS REALTY LIMITED
(Formerly known as COLOR PLUS FASHIONS LIMITED)
CIN: U70100MH1987PLC260720

Board's Report

To
The Members,

Your Directors have pleasure in presenting their Thirty Third Annual Report on the Business and Operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY

During the year under review Gross Revenue of the Company for FY 2019-20 stood at Rs. NIL (Previous Year: Rs. 8.75 Lakh) and Company registered a loss of Rs. 19 Lakh (Previous Year Loss: Rs. 15 Lakh).

2. DIVIDEND

In view of the loss incurred during the year under review, no dividend has been recommended.

3. RESERVES

Your Company has not transferred any amount to the General Reserves of the Company.

4. AUDITORS

Messrs. Chaturvedi & Shah, Chartered Accountants (ICAI Firm Registration Number 101720W) were appointed as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of 30th AGM till the conclusion of 35th AGM.

There is no qualification made by the auditors in their audit report for the year under review.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system.

The Company has entrusted the internal and operational audit to M/s Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

6. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was Rs. 1.00 Crore. During the year under review, the Company has not issued any shares. As on March 31, 2020, none of the Directors of the Company hold shares in the Company.

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any Loan, Guarantee or Investments falling within Section 186 of the Companies Act, 2013.

9. DIRECTORS

Shri R. A. Prabhudesai and Shri R. Narayanan ceased to be the Independent Directors of the Company on completion of their tenure with effect from February 12, 2020 and Shri Bibek Agarwala resigned from the Board of Directors with effect from March 03, 2020. The Board places on record its appreciation for contributions made by them during the tenure as Directors.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Vijay Deshpande, Director, retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment.

During the year, four Board Meetings were held on April 26, 2019, July 29, 2019, October 21, 2019, and January 21, 2020.

Date of Board Meeting	Name of Directors					
	Shri M.L. Bapna	Shri Bibek Agarwala	Shri R.A. Prabhudesai	Shri R. Narayanan	Shri Vijay Deshpande	Shri Sandip Maheswari
26.04.2019	✓	L.O.A	L.O.A.	✓	✓	L.O.A.
29.07.2019	✓	✓	✓	✓	✓	✓
21.10.2019	✓	✓	✓	✓	✓	✓
21.01.2020	✓	✓	✓	✓	✓	✓

10. Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

11. COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the Secretarial Standards applicable on it.

12. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. The

Company has developed a Related Party Transactions Framework and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

13. RISK MANAGEMENT

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed periodically and steps as appropriate are taken to mitigate the risks.

14. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

15. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems are adequate and operating effectively.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no commercial activity during the year under review. The Company has not made any capital investment in technology absorption or research development. Foreign exchange earnings and outgo during the year was Nil.

17. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure A” to this Report.

18. PARTICULARS OF EMPLOYEES

Since your company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

20. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there were no material changes and commitments for the period under review, which affects the financial position of the Company.

21. DISCLOSURE UNDER SEXUAL HARASSMENT ACT

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, redressal is placed on the intranet for the benefit of its employees. There were no complaints filed against any of the employees of the Company under this Act.

22. ACKNOWLEDGEMENT

Your Directors express their warm appreciation to all its employees for their diligence and contribution. The Board records its grateful appreciation for the co-operation, support and valuable guidance received from banks, central and state government authorities, customers, and suppliers.

For and on behalf of the Board

Sd/-
Mithu Lal Bapna
Director
DIN: 06383502

Sd/-
Vijay Deshpande
Director
DIN: 08250378

Mumbai
June 24, 2020

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U51102MH1987PLC260720
2.	Registration Date	04/06/1987
3.	Name of the Company	COLORPLUS REALTY LIMITED (Formerly known as COLOR PLUS FASHIONS LIMITED)
4.	Category/Sub-category of the Company	Company Limited by shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	Jekegram, Pokhran Road No. 1, Thane – 400606, Maharashtra
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Men's Shirts	62052002	-

III. PARTICULARS OF HOLDING COMPANIES

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	Raymond Apparel Limited Jekegram, Pokhran Road No.1, Thane – 400606. Maharashtra	U18109MH2006PLC262077	Holding Company	100%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	99993	7	100000	100%	99993	7	100000	100%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	99993	7	100000	100%	99993	7	100000	100%	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) VC Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign VCF	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	99993	7	100000	100%	99993	7	100000	100%	-

B. Shareholding of Promoter:-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raymond Apparel Limited and its Nominees	100000	100%	-	100000	100%	-	-

C. Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in the Promoters' Shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease				
	At the end of the year				

D. Shareholding Pattern of top ten Shareholders(Other than Directors, Promoters and Holders of GDRs and ADRs):

The entire shareholding of the Company is held by Raymond Apparel Limited and its Nominees.

E. Shareholding of Directors and Key Managerial Personnel:

None of the Directors hold any shares in the Company. Also, there are no Key Managerial Personnel in the Company.

F. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. In Lac)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

No person holds the office of Managing Director/Whole-time Directors and/or Manager.

B. REMUNERATION TO OTHER DIRECTORS:

(Rs. In Lac)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	R. A. Prabhudesai*	R. Narayanan*	M. L. Bapna	
	Fee for attending board / committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	Bibek Agarwala**	Vijay Deshpande	Sandip Maheswari	
	Fee for attending board / committee meetings	-	-	-	-

SN.	Particulars of Remuneration	Name of Directors			Total Amount
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA

*Shri R. A. Prabhudesai and Shri R. Narayan ceased to be the Directors of the Company w.e.f. Feb. 12, 2020.

** Shri Bibek Agarwala resigned from Board of Directors w.e.f. March 03, 2020.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:

Not Applicable

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

INDEPENDENT AUDITOR’S REPORT

To the Members of Colorplus Realty Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Colorplus Realty Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss (including other comprehensive income) , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI’s Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provide for any remuneration to its directors during the year.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has no pending litigations as on March 31, 2020.
 - b. The Company has no long term contracts including derivative contracts outstanding as on March 31, 2020.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADH5731

Place: Mumbai

Date: June 24, 2020

Annexure A to Independent Auditor's Report – March 31, 2020

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of Raymond Apparel Limited ('the Company') on the financial statements for the year ended March 31, 2020, we report the following:

- i. The company did not have any fixed assets during the year ended March 31, 2020. Accordingly paragraph 3(i) of the Order is not applicable to the Company.
- ii. The Company does not hold any inventory. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act Accordingly paragraph 3(iv) of the Order is not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost record under sub-section (1) of section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax and other material statutory dues applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Entry Tax (VAT), Income Tax, Wealth Tax, and Cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax which have not been deposited on account of dispute .
- viii. As the company does not have any loans of borrowings from any financial institutions or banks or the Government, nor it has issued any debentures as at the balance sheet date. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- ix. During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company; accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015. Further, the Company is not required to constitute an Audit Committee Under section 177 of the Act, and Accordingly, to this extent, Paragraph 3(xiii) of the Order is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No. - 101720W/W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No: 103418

UDIN: 20103418AAAADH5731

Place: Mumbai

Date: June 24, 2020

Annexure B to Independent Auditor’s Report – March 31, 2020

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Raymond Apparel Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components

of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No. - 101720W/W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No: 103418

UDIN: 20103418AAAADH5731

Place: Mumbai

Date: June 24, 2020

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Balance Sheet as at March 31, 2020

(Rs. in Lakhs)

	Note	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Current assets			
(a) Financial Assets			
Trade receivables	2	-	9.80
(b) Other current assets	3	0.23	0.18
TOTAL ASSETS		0.23	9.98
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity share capital	4	100.00	100.00
(b) Other equity	5	(148.93)	(129.69)
2 Current liabilities			
(a) Financial Liabilities			
(i) Trade Payables	6		
(A) total outstanding dues of micro & small enterprises		-	-
(B) total outstanding dues of creditors other than micro & small enterprises		45.54	38.07
(ii) Other financial liabilities	7	1.90	0.34
(b) Other current liabilities	8	0.50	0.49
(c) Short term provisions	9	1.22	0.77
TOTAL LIABILITIES		0.23	9.98
Statement of Significant Accounting Policies			
The accompanying notes form an integral part of the Ind AS Financial Statements	1		
As per our report of even date attached			
For Chaturvedi & Shah LLP			
Chartered Accountants			
Firm Registration Number: 101720W/ W100355			
		For and on behalf of the Board of Directors	
Sd/-		Sd/-	
Lalit R. Mhalsekar		Mithulal Shankarlal Bapna	
Partner		Director	
Membership Number: 103418		DIN : 06383502	Sd/-
Place: Mumbai		Place: Mumbai	Vijay Deshpande
Date: June 24, 2020		Date: June 24, 2020	Director
			DIN: 08250378

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Statement of Profit and Loss for the year ended March 31, 2020

(Rs. in Lakhs)

	Note	Year ended March 31, 2020	Year ended March 31, 2019
I Income			
Revenue from Operations	10	-	8.75
Total Income (I)		-	8.75
II Expenses			
Purchases of Stock-in-Trade	11	-	5.80
Employee benefits expense	12	18.67	17.11
Other expenses	13	0.57	0.76
Total expenses (II)		19.24	23.67
III Loss before tax (I- II)		(19.24)	(14.92)
IV Tax expense			
Current tax		-	-
Deferred tax charge/(credit)		-	-
V Loss for the year (III-IV)		(19.24)	(14.92)
VI Other Comprehensive Income		-	-
VII Total Comprehensive Income for the year (V + VI)		(19.24)	(14.92)
VIII Earnings per equity share of Rs. 100 each :			
Basic and diluted earnings per share (Rs.)	17	(19.24)	(14.92)
Statement of Significant Accounting Policies	1		
The accompanying notes form an integral part of the Ind AS Financial Statements			
As per our report of even date attached			

For Chaturvedi & Shah LLP

Chartered Accountants
Firm Registration Number: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Place: Mumbai
Date: June 24, 2020

Sd/-
Mithulal Shankarlal Bapna
Director
DIN : 06383502
Place: Mumbai
Date: June 24, 2020

Sd/-
Vijay Deshpande
Director
DIN: 08250378

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Statement of Cash Flow

(Rs. in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
A Cash Flow from Operating Activities:		
Net Loss before Tax and Exceptional items as per Statement of Profit and Loss.	(19.24)	(14.77)
Operating Profit before Working Capital changes.	<u>(19.24)</u>	<u>(14.77)</u>
Add/(Deduct)		
a) (Increase)/Decrease in Inventories	-	-
a) (Increase)/Decrease in Trade and Other Receivables	9.75	(15.82)
b) Increase/(Decrease) in Trade and Other Payable	9.49	30.59
	<u>19.24</u>	<u>14.77</u>
Cash Inflow/(Outflow) from operations	-	-
Less : Direct Taxes paid (net of refund)	-	-
Net cash Inflow/(Outflow) from Operating Activities	<u>-</u>	<u>-</u>
B Cash Flow from Investing Activities:		
Net cash Inflow/(Outflow) from Investing activity	<u>-</u>	<u>-</u>
C Cash Flow from Financing Activities:		
Net Cash Inflow / (Outflow) from Financing Activity	<u>-</u>	<u>-</u>
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)	<u>-</u>	<u>-</u>
Cash and Cash equivalents at the beginning of the year	<u>-</u>	<u>-</u>
Cash and Cash equivalents at the close of the year	<u>-</u>	<u>-</u>
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and Cash equivalent as per above comprises of the following		
Cash and Cash Equivalents	-	-
Bank Overdrafts	-	-
Balances as per statement of Cash Flows	<u>-</u>	<u>-</u>
Statement of Significant Accounting Policies		
The accompanying notes form an integral part of the Ind AS Financial Statements As per our report of even date	1	
For Chaturvedi & Shah LLP Chartered Accountants Firm Registration Number: 101720W/ W100355	For and on behalf of the Board of Directors	
Sd/- Lalit R. Mhalsekar Partner Membership Number: 103418 Place: Mumbai Date: June 24, 2020	Sd/- Mithulal Shankarlal Bapna Director DIN : 06383502 Place: Mumbai Date: June 24, 2020	
	Sd/- Vijay Deshpande Director DIN: 08250378	

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Statement of Changes in Equity

A. Equity Share Capital

	Note	(Rs. in Lakhs) Amount
Balance as at March 31, 2019	4	100.00
Changes in equity share capital		-
Balance as at March 31, 2020		100.00

B. Other Equity

	Reserves and Surplus					(Rs. in Lakhs) Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
Balance as at March 31, 2018	(7,233.38)	548.00	347.52	1,196.53	5,026.56	(114.77)
Profit for the year					(14.92)	(14.92)
Other Comprehensive Income for the year					-	-
Total Comprehensive Income for the year	-	-	-	-	(14.92)	(14.92)
Balance as at March 31, 2019	(7,233.38)	548.00	347.52	1,196.53	5,011.64	(129.69)
Profit for the year					(19.24)	(19.24)
Other Comprehensive Income for the year					-	-
Total Comprehensive Income for the year	-	-	-	-	(19.24)	(19.24)
Balance as at Mar 31, 2020	(7,233.38)	548.00	347.52	1,196.53	4,992.40	(148.93)

Statement of Significant Accounting Policies

The accompanying notes form an integral part of the Ind AS Financial Statements
As per our report of even date.

1

For Chaturvedi & Shah LLP

Chartered Accountants
Firm Registration Number: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Place: Mumbai
Date: June 24, 2020

Sd/-
Mithulal Shankarlal Bapna
Director
DIN : 06383502
Place: Mumbai
Date: June 24, 2020

Sd/-
Vijay Deshpande
Director
DIN: 08250378

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements

Note 1 - Statement of Significant Accounting Policies

1. Background

Colorplus Realty Limited (the "Company"), headquartered in Mumbai, Maharashtra (CIN: U51102MH1987PLC260720), is one of India's most respected apparel company. The Company brings to the consumers best of fabric and style.

2. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

These separate financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

(c) Property, plant and equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Plant and Machinery and Electric installation is provided on a Straight Line Method and in case of other assets on Written Down Value Method, over the estimated useful lives of assets. Leasehold improvements are amortised over the period of lease or estimated useful life, whichever is lower.

Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful life of assets are same as those prescribed in schedule II of the Act.

Useful life of Property, Plant and Equipment including intangible assets: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The residual values are not more than 5% of the original cost of the asset. The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Computer software

Computer software are stated at historical cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 5 years, being its useful life.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Operating Lease

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

Exemptions availed by Company:

- The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:
- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
- Leases for which the underlying asset is of low value

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss account as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

Critical accounting estimates and judgements

Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised
- determining whether or not variable leased payments are truly variable, or in-substance fixed
- for lessors, determining whether the lease should be classified as an operating or finance lease.

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate.
- estimating the lease term.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Stock-in-trade is stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of purchase is ascertained based on the continuous moving weighted average basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(h) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and;
- (2) those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- (1) **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

(2) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses) Interest income from these financial assets is included in other income using the effective interest rate method.

(3) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its investment in subsidiary at cost less impairment, if any. The Company subsequently measures all equity investments other than above at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(i) Impairment of non-financial assets

Non- financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(k) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(l) Financial Liabilities

(i) Financial Liabilities initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(m) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

(n) Revenue recognition

The entity derives revenues primarily from sale of manufactured goods, traded goods and related services.

IND AS 115 – Revenue from Contracts with Customers has been notified by Ministry of Corporate affairs on March 28, 2018 and is effective for accounting period beginning on or after April 01, 2018. According to IND AS 115, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time when performance obligation and Control of goods or services transferred.

Sale of goods

In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading.

Sale of goods :- customer loyalty programme (Deferred revenue and Loyalty Income)

The entity operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. The expenditure of loyalty programme is netted against the revenue.

The entity also charges fixed percentage of sales to franchises who participates in this scheme, which is recognised as revenue.

Sales Return

The Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

(o) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(p) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Colorplus Realty Limited's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(q) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(r) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(t) Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

3 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event, if required, as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The areas involving critical estimates or judgement are:

(i) Estimation uncertainty relating to the global health pandemic on COVID-19 - note 20

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements

Note 2 - Trade receivables

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Considered good		
Outstanding for a period less than six months from the date they are due for payment		
Unsecured		
Related parties [refer Note 14]	-	-
Other parties	-	9.80
Total	-	9.80

Note 3 - Other current assets

(Unsecured, considered good unless otherwise stated)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deposits with customs, port trust, excise and other govt. authorities	0.20	0.10
Prepaid expenses	0.03	0.08
Total	0.23	0.18

Colorplus Realty Limited (Formerly Known As Color Plus Fashions Limited)
Notes to the financial statements

Note 4 - Equity Share capital

Authorised

2,00,000 (March 31, 2018: 2,00,000) Equity Shares of Rs.100 each
 5,50,000 (March 31, 2018: 5,50,000) 0.1% Redeemable Non-Cumulative preference shares of Rs 100 each

	As at March 31, 2020	As at March 31, 2019
	200.00	200.00
	550.00	550.00
	<u>750.00</u>	<u>750.00</u>

Issued

1,00,000 (March 31, 2018: 1,00,000) Equity Shares of Rs.100 each

	100.00	100.00
	<u>100.00</u>	<u>100.00</u>

Subscribed and Paid up

1,00,000 (March 31, 2018: 1,00,000) Equity Shares of Rs. 100 each fully paid up

	100.00	100.00
	<u>100.00</u>	<u>100.00</u>

a) Reconciliation of number of shares

Equity Shares :

Balance as at the beginning of the year

Add: Shares issued during the year

Balance as at the end of the year

	As at March 31, 2020	As at March 31, 2019
	100,000	100,000
	-	-
	<u>100,000</u>	<u>100,000</u>

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by Parent Company

Equity Shares of Rs. 100 each held by:

Equity shares [31st March, 2019: 100,000 shares] held by Raymond Apparel Limited and its nominees

	As at March 31, 2020	As at March 31, 2019
	100,000	100,000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2020		As at March 31, 2019	
%	No. of shares	%	No. of shares
100	100,000	100	100,000

Raymond Apparel Limited and its nominees

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements

Note 5 - Other Equity

	Reserves and Surplus					Total
	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
Balance as at March 31, 2018	(7,233.38)	548.00	347.52	1,196.53	5,026.56	(114.77)
Profit for the year	-	-	-	-	(14.92)	(14.92)
Other Comprehensive Income for the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(14.92)	(14.92)
Balance as at March 31, 2019	(7,233.38)	548.00	347.52	1,196.53	5,011.64	(129.69)
Profit for the year	-	-	-	-	(19.24)	(19.24)
Other Comprehensive Income for the year	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	(19.24)	(19.24)
Balance as at Mar 31, 2020	(7,233.38)	548.00	347.52	1,196.53	4,992.40	(148.93)

Note 6 - Trade payables**(Rs. in Lakhs)**

	As at March 31, 2020	As at March 31, 2019
Trade payables (A) total outstanding dues of micro & small enterprises	-	-
(B) total outstanding dues of creditors other than micro & small enterprises		
(i) Amounts due to related parties [Refer Note 14]	38.57	31.71
(ii) Others	6.97	6.36
Total	45.54	38.07

Refer Note 16 for information about credit risk and market risk of trade receivables.

Note 7 - Other current financial liabilities**(Rs. in Lakhs)**

	As at March 31, 2020	As at March 31, 2019
Salary and Wages payable and other employee benefit expense	1.90	0.34
Total	1.90	0.34

Note 8 - Other current liabilities**(Rs. in Lakhs)**

	As at March 31, 2020	As at March 31, 2019
Statutory dues	0.50	0.49
Total	0.50	0.49

Note 9 - Short term provisions**(Rs. in Lakhs)**

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits	1.22	0.77
Total	1.22	0.77

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements

Note 10 - Revenue from Operations

(Rs. in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products		
(i) Stock-in trade	-	8.75
Total	-	8.75

Note 11 - Purchases of Stock-in-Trade

(Rs. in Lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Purchases of Stock-in-Trade	-	5.80
Total	-	5.80

Note 12 - Employee benefits expense

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	17.50	16.05
Contribution to provident funds and other funds	0.59	0.42
Defined contribution plan expense	0.32	0.23
Staff welfare expenses	0.26	0.41
Total	18.67	17.11

Note 13 - Other expenses

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Legal and Professional Expenses	0.07	0.25
Payment to auditors (Refer Note A below)	0.50	0.50
Miscellaneous Expenses	-	0.01
Total	0.57	0.76

Note A. Payment to Auditors:

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Auditors' remuneration and expenses:		
Statutory Audit fees	0.50	0.50
Fees for other audit related services	-	-
Reimbursement of out-of-pocket expenses	-	-
Total	0.50	0.50

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements

Note 14 - Related Party Disclosure as per Ind AS 24

I. Relationships	Country of Incorporation	Ownership Interest	
		March 31, 2020	March 31, 2019
(a) Ultimate Holding Company			
Raymond Limited	India	100%	100%
(b) Holding Company			
Raymond Apparel Limited	India	100%	100%
(c) Fellow Subsidiary Companies :			
(i) Silver Spark Apparel Limited	India		
(ii) Celebrations Apparel Limited	India		
(iii) Raymond Luxury Cottons Limited	India		
(d) Joint Ventures of Related Party referred to in (a) above			
Raymond UCO Denim Private Limited	India		
(e) Related Party which has significant influence on Related Party stated in (a) above			
J K Investors (Bombay) Limited	India		
(f) Key management personnel			
R. Narayanan *	India		
R. A. Prabhudesai *	India		
Bibek Agarwala *	India		
Mithulal Bapna *	India		
Vijay Deshpande *	India		
Sandip Maheswari *	India		

* No transactions during the year

II. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

(Rs. in lakhs)

Nature of Transaction	Related Parties					
	Referred to 1 (a) above	Referred to 1 (b) above	Referred to 1 (c) above	Referred to 1 (d) above	Referred to 1 (e) above	Referred to 1 (f) above
Purchases						
Goods and Materials						
Raymond Limited	-					
Director Fees						
R. Narayanan						-
R. A. Prabhudesai						-
Expenses						
Reimbursement of Expenses						
Raymond Apparel Limited			15.52 (16.31)			

III. Balances receivable or payable at the year end:

	31-Mar-20	31-Mar-19
Payables		
Raymond Limited	13.87	13.87
Raymond Apparel Limited	24.70	17.84
Total	38.57	31.71

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements

Note 15 - Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial Instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March 2020	Non Current		Routed through P & L			Routed through OCI			Carried at amortised cost			Total Amount		
		Current	Total	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2		Level 3	Total
Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Financial Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	45.54	45.54	-	-	-	-	-	-	-	-	45.54	45.54	45.54
Other Financial Liabilities	-	1.90	1.90	-	-	-	-	-	-	-	-	1.90	1.90	1.90
	-	47.44	47.44	-	-	-	-	-	-	-	-	47.44	47.44	47.44

Financial Assets and Liabilities as at 31st March 2019	Non Current		Routed through P & L			Routed through OCI			Carried at amortised cost			Total Amount		
		Current	Total	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2		Level 3	Total
Financial Assets	-	9.80	9.80	-	-	-	-	-	-	-	-	-	-	9.80
Trade receivable	-	9.80	9.80	-	-	-	-	-	-	-	-	9.80	9.80	9.80
Financial Liabilities	-	38.07	38.07	-	-	-	-	-	-	-	-	38.07	38.07	38.07
Trade Payables	-	0.34	0.34	-	-	-	-	-	-	-	-	0.34	0.34	0.34
Other Financial Liabilities	-	38.41	38.41	-	-	-	-	-	-	-	-	38.41	38.41	38.41

Fair values of financial assets and liabilities carried at amortised cost:

	As at 31st March 2020		As at 31st March 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets	-	-	9.80	9.80
Trade receivable	-	-	9.80	9.80
Cash and Cash equivalents	-	-	-	-
	-	-	9.80	9.80
Financial Liabilities	45.54	45.54	38.07	38.07
Trade Payables	1.90	1.90	0.34	0.34
Other Financial Liabilities	47.44	47.44	38.41	38.41

**Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements**

Note 16 - Financial Risk Management

Financial risk management objectives and policies

The Company financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	(Rs. in lakhs)	
	As at 31st March'20	As at 31st March'19
Borrowings bearing variable rate of interest	-	-

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

	(Rs. in lakhs)	
	As at 31st March'20	As at 31st March'19
50 bps increase would decrease the profit before tax by	-	-
50 bps decrease would increase the profit before tax by	-	-

Market Risk- Foreign currency risk.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

Colorplus Realty Limited (Formerly known as Color Plus Fashions Limited)
Notes to the financial statements

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Ageing of Account receivables

	(Rs. in lakhs)	
	As at 31st March'20	As at 31st March'19
Not due	-	9.80
Total	-	9.80

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of other Financial Liabilities

As at 31st March'20

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	45.54	-	-	-	-	45.54
Other Financial liabilities (Current and Non Current)	-	1.90	-	-	-	1.90
Total	45.54	1.90	-	-	-	47.44

As at 31st March'19

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	13.87	24.20	-	-	-	38.07
Other Financial liabilities (Current and Non Current)	-	0.34	-	-	-	0.34
Total	13.87	24.54	-	-	-	38.41

DRESS MASTER APPAREL PRIVATE LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI VISHAL BIST SHRI M. L. BAPNA SHRI MOHANRAJ SANJEEVI SHRI KAUSHLENDRA NARAYAN
STATUTORY AUDITORS	:	MESSERS. CHATURVEDI AND SHAH CHARTERED ACCOUNTANTS
REGISTERED OFFICE	:	NEW HIND HOUSE, NAROTTAM MORARJEE MARG, BALLARD ESTATE, MUMBAI – 400 001.

DRESS MASTER APPAREL PRIVATE LIMITED
(CIN: U31909MH1978PTC331792)

DIRECTORS' REPORT

To,
The Members of
Dress Master Apparel Private Limited

Your Directors present their Forty Ninth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS/ OPERATIONAL PERFORMANCE

The company is engaged in garment manufacturing at its plant located in Bangalore. The Gross Revenue of the company for FY 2020 stood at Rs. 39.09 crore (Previous Year: Rs. 39.88 crore). The company registered a Loss of Rs. 5.77 crore (Previous Year: Loss of Rs. 3.81 crore) during the year under review.

2. DIVIDEND

Since, there was no profit, no dividend has been recommended for the FY 2019-20.

3. RESERVES

Your Company has not transferred any amount to the reserves of the Company.

4. AUDITORS

Messrs Chaturvedi & Shah, Chartered Accountants (ICAI Firm Registration Number 101720W) are the statutory auditors of the Company for the year ended March 31, 2019. Their appointment as statutory auditor to hold office is valid from the conclusion of the 46th Annual General Meeting of the Company till the conclusion of the 51st Annual General Meeting of the Company.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is periodically assessed and strengthened with new / revised standard operating procedures.

6. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

7. SHARE CAPITAL

The paid up Share Capital as on March 31, 2020 was Rs 12.00 Lakh. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity shares.

As on March 31, 2020, none of the Directors of the Company hold shares or convertible instruments of the Company.

8. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no Loans, Guarantees and Investments under the provisions of Section 186 of the Companies Act, 2013, accepted or given by the Company.

10. DIRECTORS AND THEIR MEETINGS

During the year under review, Shri Mohanraj Sanjeevi and Shri Kaushlendra Narayan has been appointed as an Additional Director on the Board of the Company with effect from April 18, 2019, whose appointment was regularized by the member at their Extraordinary General Meeting of the Company held on April 25, 2019.

During the year, 7 Board Meetings were convened and held as mentioned below.

The Board Meeting held and Attendance of Directors at the Meetings is given below:

SN	Name of the Directors	Date of the Meeting						
		18.04.2019	10.06.2019	30.07.2019	20.09.2019	18.10.2019	22.10.2019	20.01.2020
1	Shri Vishal Bist	✓	✓	✓	✓	✓	✓	✓
2	Shri M. L. Bapna	✓	✓	✓	✓	✓	✓	✓
3	Shri Mohanraj Sanjeevi	-	-	-	-	-	L.O.A	✓
4	Shri Kaushlendra Narayan	-	-	-	-	-	L.O.A	✓

The intervening gap between the Meetings was within the period prescribed under the Act.

11. COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the Secretarial Standards applicable on it.

12. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted.

13. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies had been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Annual Financial statements have been prepared on a going concern basis; and
- e. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed as "**Annexure A**" and forms an integral part of this Report.

15. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "**Annexure B**" to this Report.

16. PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 are not applicable.

17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR TRIBUNALS

During the year, your company received the approval from Regional Director, Southern Region, Ministry of Corporate Affairs, Karnataka on September 13, 2019 for shifting Registered Office of the Company from Bangalore, in the State of Karnataka to Mumbai, in the State of Maharashtra. The new Corporate Identity Number of the Company is U31909MH1978PTC331792.

18. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there were no material changes and commitments which affects the financial position of the Company, between the financial year ending March 31, 2020 and the date of this report, except for the impact arising out of COVID-19, which is detailed below in point no. 19 of this Report.

19. IMPACT OF COVID-19

In March 2020, WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020 which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of Company's assets.

The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financials statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities on gradual basis in line with guideline issued by the Government Authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.

20. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. There were no complaints filed against any of the employees of the Company under this Act.

21. SCHEME OF ARRANGEMENT

At their Meeting held on October 18, 2019, the Board of Directors of the Company has approved a Scheme of arrangement ("Scheme"), which comprises of demerger of Garmenting business undertaking of the Company with Silver Spark Apparel Limited (Holding Company). The Scheme was approved by the Hon'ble NCLT, Mumbai Bench on February 27, 2020. However due to the COVID-19 outbreak and subsequent nation-wide lockdown, the Certified True Copy of the Order approving the Scheme was not made available by Hon'ble NCLT, Mumbai.

The Scheme contemplates the Effective Date as the date on which the Certified True Copy of the Order is filed with the Registrar of Companies. Pending receipt of the Certified True Copy of the Order and consequent filing with the Registrar of Companies, the Company has not given effect of the Scheme in the financial results for the year ended March 31, 2020.

22. ACKNOWLEDGEMENT

The Board records its appreciations for the co-operation, support and valuable guidance received from Banks, Central and State Government Authorities.

For and on behalf of the Board of
DRESS MASTER APPAREL PRIVATE LIMITED

Place: Mumbai
Date: June 23, 2020

Sd/-
M. L. Bapna
Director
DIN: 07215218

Sd/-
Vishal Bist
Director
DIN: 07215110

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Section 134(3) (m) of the Companies Act, 2013 read with
Rule 8(3) of the Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

Rain water harvesting was implemented. The life cycle of factory bore well is increased. Also this is the green project to maintain the ground water level.

B. TECHNOLOGY ABSORPTION

Replace old sewing machine electronic board to new version of electronic board. Due to this, The Efficiency of the machine is increased.

C. RESEARCH AND DEVELOPMENT

The Company has not incurred any separate expenditure for Research and Development activities during the period under review.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year foreign exchange earnings was Rs. NIL (Previous Year: NIL). The Foreign Exchange outgo during the year was Rs. 534.25 Lacs (Previous year: 2.71 Lacs).

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U31909MH1978PTC331792
2.	Registration Date	29/04/1971
3.	Name of the Company	Dress Master Apparel Private Limited Erstwhile Robot Systems Private Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	New Hind House, 3 Narottam Morarjee Marg, Ballard Estate, Mumbai, Mumbai City - 400001
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Men's Trousers	18101	23.33%
2.	Men's Jackets	18101	72.19%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Silver Spark Apparel Limited and its Nominees New Hind House, N M Marg Ballard Estate Mumbai-400001	U72900MH2000PLC127831	Holding Company	100%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	12000	12000	100	-	12000	12000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	-	12000	12000	100	-	12000	12000	100	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a)NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.									
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	12000	12000	100	-	12000	12000	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	12000	12000	100	-	12000	12000	100	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Silver Spark Apparel Limited and its nominees	12000	100	0	12000	100	0	100

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	There was no change in Promoter's Shareholding during the year			
2	At the end of the year	-	-	-	-

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors hold shares in the Company			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)				
	At the end of the year				

V) INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excl. deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY				
i) Principal Amount	-	3420.72	-	3420.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	-	3420.72	-	3420.72
Change in Indebtedness during the FY				
* Addition	-	-	-	-
* Reduction	-	900.00	-	900.00
Net Change	-	-	-	-
Indebtedness at the end of the FY				
i) Principal Amount	-	2520.72	-	2520.72
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ ii+ iii)	-	2520.72	-	2520.72

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/Manager				Total Amount
		----	----	----	----	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		-	-	-	-	
1	Independent Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2	Other Non-Executive Directors	M. L. Bapna	Mohanraj Sanjeevi	Kaushlendra Narayan	Vishal Bist	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	-
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in S. 17(1) of the IT Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-

	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Cos. Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

INDEPENDENT AUDITOR’S REPORT

To the Members of Dress Master Apparel Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dress Master Apparel Private Limited (“the Company”), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013(‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its Loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI’s Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- a) We draw attention to Note no. 37 in the financial statements regarding accumulated losses of the company exceeding the net worth of the company and financial statements being prepared on going concern basis based on letter of support provide by its parent company Silver spark Apparel Limited.
- b) We draw your attention to Note no 40 to the financial statements, which explains the uncertainties and the management’s assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve.

Our opinion is not modified in respect of above matters.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The going concern matter described under Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended.

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provide for any remuneration to its directors during the year.

- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has no pending litigations as on March 31, 2020.
 - b. The Company has no long term contracts including derivative contracts outstanding as on March 31, 2020.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADF7704

Place: Mumbai

Date: June 23, 2020

Annexure A to Independent Auditor's Report – March 31, 2020

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of Dress Master Apparel Private Limited ('the Company') on the financial statements for the year ended March 31, 2020, we report the following:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(b) We are informed that, the fixed assets are physically verified by the Management according to phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2 to the financial statements, are held in the name of the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or made any investment, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, paragraph 3(iv) of the order not applicable to the company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, Paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost record under sub-section (1) of section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax

(GST) , Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, Cess, and other material statutory dues applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax, Entry Tax (VAT), Income Tax, Wealth Tax, and Cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us , there are no dues of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, and Cess which have not been deposited on account of dispute.

- viii. As the company does not have any loans or borrowings from any financial Institutions or banks or the Government, nor has it issued any debenture as at the balance sheet date. Hence paragraph 3(viii) of the Order requiring comment on period and amount is not applicable to the Company.
- ix. During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided for managerial remuneration during the year. Accordingly, Paragraph 3(xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company, Accordingly, paragraph (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015. Further, the Company is not required to constitute an Audit Committee Under section 177 of the Act, and Accordingly, to this extent, Paragraph 3(xiii) of the Order is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADF7704

Place: Mumbai

Date: June 23, 2020

Annexure B to Independent Auditor's Report – March 31, 2020 on the Financial Statements of Dress Master Apparel Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Dress Master Apparel Private Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADF7704

Place: Mumbai

Date: June 23, 2020

Dress Master Apparel Private Limited

Balance Sheet

(Rs. in Lakhs)

	Note	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2	2,601.50	1,936.15
(b) Capital work - in - progress	2	-	186.71
(c) Intangible assets	3	0.46	0.28
(d) Financial Assets			
(i) Other Non Current financial assets	4	313.65	303.64
(e) Deferred tax assets (net)	29	323.35	334.02
(f) Asset for Income tax- Net		60.94	53.62
(g) Other non - current assets	5	3.27	134.21
2 Current assets			
(a) Inventories	6	426.62	341.32
(b) Financial Assets			
(i) Trade receivables	7	509.65	809.66
(ii) Cash and cash equivalents	8	21.15	21.46
(iii) Loans	9	-	1.03
(vi) Others Financial Assets	10	29.34	5.14
(c) Other current assets	11	126.91	52.02
TOTAL ASSETS		4,416.84	4,179.26
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	12	12.00	12.00
b) Other equity	13	(1,760.41)	(1,179.16)
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	14	2,520.72	3,420.72
(b) Other non-current liabilities	15	30.11	31.66
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,500.00	-
(ii) Trade payables	17		
a) Total outstanding dues of Small enterprise and micro enterprise		3.92	-
b) Total outstanding dues of other than Small enterprise and micro enterprise		1,592.94	1,318.18
(iii) Other financial liabilities	18	280.60	320.56
(b) Other current liabilities	19	56.45	95.36
(c) Provisions	20	180.51	159.94
TOTAL EQUITY AND LIABILITIES		4,416.84	4,179.26
Statement of significant accounting policies	1		
The accompanying notes are an integral part of these financial statements			
As per our Report of even date			
For Chaturvedi & Shah LLP Chartered Accountants Firm Registration Number: 101720W/W100355		For and on behalf of the Board of Directors	
Sd/-		Sd/-	
Lalit R. Mhalsekar		Mithulal Shankar Lal Bapna	Vishal Bist
Partner		Director	Director
Membership Number: 103418		DIN-06383502	DIN-07215218
Date : 23rd June, 2020		Date : 23rd June, 2020	
Mumbai, Maharashtra		Mumbai, Maharashtra	

Dress Master Apparel Private Limited

Statement of Profit and Loss

(Rs. in Lakhs)

	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
I INCOME			
Revenue from Operations	21	3,909.66	3,988.31
Other Income	22	34.46	19.30
Total Income		3,944.12	4,007.61
II EXPENSES			
Cost of materials consumed	23	1,048.04	1,563.38
Changes in inventories of finished goods, work-in-progress and accumulated cost of conversion	24	(73.69)	(39.56)
Employee benefits expense	25	2,344.70	1,885.88
Finance costs	26	396.61	335.44
Depreciation and amortization expense	27	144.10	126.26
Other expenses :-	28		
(A) Manufacturing and Operating Costs		451.03	345.71
(B) Other expenses		210.89	171.89
Total expenses		4,521.68	4,389.00
III profit/(loss) before tax (I-II)		(577.56)	(381.39)
IV Tax expense			
Current tax	29	-	-
Deferred tax charge/(credit)		10.66	-
V profit/(loss) for the period (III-IV)		(588.22)	(381.39)
VI Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	30	6.97	13.39
Tax effect of above		-	(3.48)
VII Total Comprehensive Income for the period (V+VI)		(581.25)	(371.48)
VIII Earnings per equity share of Rs. 100 each :			
Basic (in Rs.)	42	(4,901.83)	(3,178.25)
Diluted (in Rs.)		(4,901.83)	(3,178.25)
Nominal Value per share (in Rs.)		100.00	100.00
Statement of significant accounting policies	1		

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number: 103418

Date : 23rd June, 2020

Mumbai, Maharashtra

For and on behalf of the Board of Directors

Sd/-

Vishal Bist

Director

DIN-07215218

Sd/-

Mithulal Shankar Lal Bapna

Director

DIN-06383502

Date : 23rd June, 2020

Mumbai, Maharashtra

Dress Master Apparel Private Limited

Cash Flow Statement

(Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before exceptional items & tax from	(577.56)	(381.39)
Adjustments for:		
Depreciation and amortization expenses	144.10	126.26
Other Comprehensive Income	6.97	13.39
Finance cost	396.61	335.44
Provision no longer required	-	(5.12)
Interest income	(32.91)	(11.43)
Profit on Sale of asset	-	(0.08)
Other Income	-	(1.12)
Government Grant Amortised	(1.55)	(1.55)
	513.22	455.79
	(64.34)	74.40
Operating profit before working capital changes		
Adjustments for:		
(Increase)/decrease in trade & other receivables	300.01	(340.96)
(Increase)/decrease in Loan	1.03	2.44
Increase/(decrease) in trade & other payables	278.68	719.73
Increase/(decrease) in Other financial liabilities	(39.96)	123.66
Increase/(decrease) in Other current liabilities	2.66	19.80
Increase/(decrease) in provisions	20.57	15.10
Increase/(decrease) in liability in current tax		
	402.80	594.96
Cash (used in) / from operations	338.46	669.36
Direct taxes paid (net of refunds)	(7.32)	18.05
Net cash (used in) / from operating activities	331.14	687.41
	331.14	687.41
CASH FLOW FROM INVESTING ACTIVITIES:		
Add: Inflows from investing activities		
Interest received on Deposits	8.71	7.41
Other Interest	-	1.12
	8.71	8.53
Less: outflows from investing activities		
Purchase of property, plant and equipment/ intangible assets	(533.54)	(480.88)
Sale of assets (gross proceeds)	-	7.31
Investments in term deposits	(10.01)	(272.67)
Net cash (used in) / from investing activities	(543.55)	(746.24)
	(543.55)	(746.24)
CASH FLOW FROM FINANCING ACTIVITIES:		
Add: Inflows from financing activities		
Proceeds from long-term borrowings	(900.00)	250.00
Proceeds of short term borrowings (net)	1,500.00	-
	600.00	250.00
Less: outflows from financing activities		
Interest paid	(396.61)	(335.44)
Cash (used in) / from financing activities	(396.61)	(335.44)
	(396.61)	(335.44)
	203.39	(85.44)
	203.39	(85.44)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(0.31)	(135.74)
Cash and Cash equivalents at beginning of the year (Note 8)	21.46	157.20
Cash and Cash equivalents at end of the year (Note 8)	21.15	21.46

Statement of Significant Accounting Policies (Refer Note 1)

The accompanying notes are an integral part of these financial statements

Notes:

1) The above Cashflow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.

2) Changes in liabilities arising from financing activities

Year ended 31st March, 2020	Opening Balance	Non Cash / Fair Value Changes	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	3,420.72	-	(900.00)	2,520.72

Year ended 31st March, 2019	Opening Balance	Non Cash / Fair Value Changes	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	3,170.72	-	250.00	3,420.72

As per our Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number: 101720W/W100355

For and on behalf of the Board of Directors

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Date: 23rd June, 2020
Mumbai, Maharashtra

Sd/-
Mithulal Shankar Lal Babna
Director
DIN-06383502
Date: 23rd June, 2020
Mumbai, Maharashtra

Sd/-
Vishal Bist
Director
DIN-07215218

Dress Master Apparel Private Limited

Statement of Changes in Equity for the year ended 31st March, 2020

A. Equity share capital

	Note	(Rs. in Lakhs)
As at 31st March, 2020	12	12.00
As at 31 March 2019		12.00

B. Other Equity

(Rs. in Lakhs)

	Note	Reserves and Surplus			Total
		Capital Reserve	Retained Earnings	General Reserves	
Balance as at 31st March 2018		0.22	(833.32)	25.42	(807.68)
Profit for the year		-	(381.39)	-	(381.39)
Other Comprehensive Income for the year (Remeasurement of Net Defined Benefit Plans)		-	9.91	-	9.91
Total Comprehensive Income for the year		-	(371.48)	-	(371.48)
Balance as at 31st March 2019	13	0.22	(1,204.80)	25.42	(1,179.16)
Profit for the year		-	(588.22)	-	(588.22)
Other Comprehensive Income for the year (Remeasurement of Net Defined Benefit Plans)		-	6.97	-	6.97
Total Comprehensive Income for the year		-	(581.25)	-	(581.25)
Balance as at 31st March, 2020		0.22	(1,786.05)	25.42	(1,760.41)
Statement of significant accounting policies	1				

The accompanying notes are an integral part of these financial statements

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/W100355

Sd/-

Lalit R. Mhalsekar
Partner

Membership Number: 103418

Date : 23rd June, 2020

Mumbai, Maharashtra

For and on behalf of the Board of Directors

Sd/-

Mithulal Shankar Lal Bapna
Director

DIN-06383502

Date : 23rd June, 2020

Mumbai, Maharashtra

Sd/-

Vishal Bist

Director

DIN-07215218

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. Background

Dress Master Apparel Private Limited ('DMAPL' or 'the Company'), CIN: 31909KA1978PTC003267, registered office in Bangalore, Karnataka, India, carries on business of Manufacturing of trousers, jackets, vest and shirts. DMAPL is a 100% subsidiary of Silver Spark Apparel Limited.

II. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

These separate financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2015 being the date of transition to Ind AS.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(v) Recent Accounting Development

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

The company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND-AS. Hence regarded thereafter as historical cost.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Building, Plant & Machinery, Electrical Installations and Equipments and Computers are provided on Straight Line Method (SLM) and on other assets is provided on Written down Value Method (W.D.V), over the estimated useful life of assets.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, except for plant and machinery which based on an independent technical evaluation has been estimated as 24 years (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Computer software

Computer software are stated at historical cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 3 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS the company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

(e) Lease

Company as a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019).

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

As a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Material, Work in Progress, Finished Goods and Stores & Spares are stated at 'Cost or Net realizable value whichever is lower'. Goods-In-Transit are stated 'at cost'. Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'Weighted Average cost'. All the costs incurred on unfinished/finished jobs, but not invoiced and dispatched, under conversion contracts, are carried forward as "Accumulated Costs on Conversion Contracts" at cost or net realizable value whichever is lower. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on past experience of the company.

(h) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

* Fair value through profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its investment in subsidiaries, jointventures and associates at cost less impairment if any. The company subsequently measures all equity investments other than above at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(i) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(k) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(l) Borrowing

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(m) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to statement of profit and loss.

(n) Financial Liability

(i) Initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(o) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed, where an inflow of economic benefits is probable. The Company does not recognize a contingent asset unless the recovery is virtually certain.

(p) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

As per IND AS 115 - Revenue from Contracts with Customers, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and Control of goods or services transferred over a time.

Sale of goods

In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading. The Company also undertakes contract for converting Fabrics into Readymade Garments. Revenue from such contracts is recognized only after the work is completed and dispatched.

Revenue from services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other operating revenue - Export incentives

Export Incentives under the "Duty Draw back Scheme", "Merchandise Exports Incentive Scheme (MEIS)" etc. is accounted in the year of export.

Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of the employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

Gratuity: The Company has unfunded Defined Benefit Plan for post-employment benefits in the form of Gratuity. The Gratuity plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss Account as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(r) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Dress Master Apparel Private Limited's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(s) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(t) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(u) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions

Government grants relating to income are deferred and recognised in the Statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and are deducted from the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non- current liabilities/current liabilities as deferred income and are credited to the Statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Accounting Policy- Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

Dress Master Apparel Private Limited

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

III. Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

1. Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2. Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

3. Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4. Export benefits receivables are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount or such assets may not be recoverable. If any such indications exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

5. Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

6. Estimate with respect to uncertainties related to Covid 19. (Refer Note 40)

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

2 Property, Plant and Equipment

	Freehold Land	Building	Plant & Equipment	Furniture & fixtures	Vehicles	Office equipment	Total	Capital work in progress
Gross carrying amount								
Balance as at 31st March 2018	0.97	380.00	1,714.87	5.22	3.28	9.12	2,113.46	76.06
Additions			243.60				243.60	354.30
Disposals			8.63				8.63	243.65
Balance as at 31st March 2019	0.97	380.00	1,949.84	5.22	3.28	9.12	2,348.43	186.71
Additions	-	9.24	785.39	0.09	-	13.28	808.00	
Disposals	-	-	-	-	-	-	-	186.71
Balance as at 31st March, 2020	0.97	389.24	2,735.23	5.31	3.28	22.40	3,156.43	-
Accumulated Depreciation								
Balance as at 31st March 2018	-	40.56	240.57	3.40	1.93	4.56	291.02	-
Additions		15.70	103.67	0.82	0.42	2.05	122.66	
Disposals			1.40				1.40	
Balance as at 31st March 2019	-	56.26	342.84	4.22	2.35	6.61	412.28	-
Additions	-	15.79	121.99	0.47	0.29	4.11	142.65	
Disposals	-	-	-	-	-	-	-	
Balance as at 31st March, 2020	-	72.05	464.83	4.69	2.64	10.72	554.93	-
Net carrying amount								
Balance as at 31st March 2019	0.97	323.74	1,607.00	1.00	0.93	2.51	1,936.15	186.71
Balance as at 31st March, 2020	0.97	317.19	2,270.40	0.62	0.64	11.68	2,601.50	-

Note:

(a) Refer to note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

3 Intangible assets

(Rs. in Lakhs)

	Computer Software	Total
Gross carrying amount		
Balance as at 31st March 2018	10.79	10.79
Additions		-
Balance as at 31st March 2019	10.79	10.79
Additions	1.64	1.64
Balance as at 31st March, 2020	12.43	12.43
Accumulated Depreciation		
Balance as at 31st March 2018	6.91	6.91
Additions	3.60	3.60
Balance as at 31st March 2019	10.51	10.51
Additions	1.46	1.46
Balance as at 31st March, 2020	11.97	11.97
Net carrying amount		
Balance as at 31st March 2019	0.28	0.28
Balance as at 31st March, 2020	0.46	0.46

(a) Other than internally generated

(b) Balance useful life as on 31st March 20 is 1 year for addition in Computer Software.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

4 Other Non Current financial assets

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, Considered good)		
Deposits	16.29	10.86
Margin money deposits with bank*	297.36	292.78
*(Held as lien by bank against bank guarantee.)		
Total	313.65	303.64

5 Other non-current assets

	As at 31st March, 2020	As at 31st March, 2019
Capital advances	3.27	134.21
Total	3.27	134.21

6 Inventories

	As at 31st March, 2020	As at 31st March, 2019
Raw Materials (including Packing Material)	155.74	135.41
Raw Material in Transit	0.58	3.43
Work-in-progress	56.11	1.06
Finished goods	179.02	24.01
Accumulated Costs on Conversion contracts		
Completed	25.56	154.46
Work in Progress	-	7.47
Stores and Spares	9.61	15.48
Total	426.62	341.32

7 Trade receivables

	As at 31st March, 2020	As at 31st March, 2019
Trade receivables (Refer note 41)	13.69	225.49
Receivables from related parties (Refer Note 31)	498.97	587.18
Less: Allowance for bad and doubtful debts	3.01	3.01
Total	509.65	809.66

The movement in Allowance for bad and doubtful debts is as follows:

	As at 31st March, 2020	As at 31st March, 2019
Balance as at beginning of the year	3.01	-
Allowance for bad and doubtful debts during the year	-	3.01
Less: Trade receivables written off during the year	-	-
Balance as at the end of the year	3.01	3.01

Refer note 34 for information about credit risk and market risk of trade receivables.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

8 Cash and cash equivalents

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks In current accounts	21.15	21.46
Total	21.15	21.46

9 Current Loans

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good) Loans to employees	-	1.03
Total	-	1.03

Refer note 34 for information about credit risk and market risk for loans.

10 Other Current Financial Assets

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good) Interest receivable on Deposit	29.34	5.14
Total	29.34	5.14

11 Other current assets

	As at 31st March, 2020	As at 31st March, 2019
Advances to Suppliers	120.47	43.05
Prepaid expenses	5.60	7.90
Other advances	0.84	1.07
Total	126.91	52.02

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

12 Equity Share capital

	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Authorised		
25,000 [31st March, 2019: 25,000] Equity Shares of Rs.100 each	25.00	25.00
Issued, subscribed and fully paid up		
12,000 [31st March, 2019: 12,000] Equity Shares of Rs.100 each	12.00	12.00
	12.00	12.00

a) Reconciliation of number of shares

	31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	12,000	12.00	12,000	12.00
Equity share of Rs.100 each full paid				
Balance as at the end of the year	12,000	12.00	12,000	12.00

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by Holding Company

	As at 31st March, 2020	As at 31st March, 2019
Equity Shares :		
12,000 shares [31st March, 2019: 12,000] held by Parent (including Shares jointly held with Nominee Shareholders)	12,000	12,000
Total	12,000	12,000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2020		As at 31st March, 2019	
	%	No. of Shares	%	No. of Shares
Silver Spark Apparel Limited, the Holding Company	100.00	12,000	100.00	12,000
Total	100.00	12,000	100.00	12,000

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

13 Other Equity

(Rs. in Lakhs)

	Reserves and Surplus			Total
	Capital Reserve	Retained Earnings	General Reserves	
Balance as at 31st March 2018	0.22	(833.32)	25.42	(807.68)
Profit for the year	-	(381.39)	-	(381.39)
Other Comprehensive Income for the year (Remeasurement of Net Defined Benefit Plans)	-	9.91	-	9.91
Total Comprehensive Income for the year	-	(371.48)	-	(371.48)
Balance as at 31st March 2019	0.22	(1,204.80)	25.42	(1,179.16)
Profit for the year	-	(588.22)	-	(588.22)
Other Comprehensive Income for the year (Remeasurement of Net Defined Benefit Plans)	-	6.97	-	6.97
Total Comprehensive Income for the year	-	(581.25)	-	(581.25)
Balance as at 31st March, 2020	0.22	(1,786.05)	25.42	(1,760.41)

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

14 Non Current Borrowings

	As at 31st March, 2020	As at 31st March, 2019
Unsecured		
Loans from Holding Company (Refer note 31)	2,520.72	3,420.72
Total	2,520.72	3,420.72

Terms of repayment for Non Current Unsecured borrowings:

These unsecured loans are repayable between 12 to 20 months from the year end and carry interest at the rate of 10.5% p.a. (P.Y. 10.5% p.a.)

15 Other non-Current liabilities.

	As at 31st March, 2020	As at 31st March, 2019
Government grants related to Assets Refer note 1(2) (u)	30.11	31.66
Total	30.11	31.66

Note :

- Under the Government Scheme, the Company is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme. The subsidy being Government Grant is accounted as stated in the Accounting policy on Government Grant (Refer Note 1 (2) (u)). The Government Grant shown above represents unamortised amount of the subsidy referred to above, with the corresponding adjustment to the carrying amount of property, plant and equipment.
- Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant (Refer Note 1(2)(u)). The Government Grant shown above represents unamortised amount of the duty saved referred to above. Export obligation to be fulfilled subsequent to the reporting date, within the period allowed under the Scheme is disclosed in Note 33.

16 Current Borrowings

	As at 31st March, 2020	As at 31st March, 2019
Unsecured		
Loans from Fellow Subsidiary Company - (Refer note 31)	1,500.00	-
Total	1,500.00	-

Terms of repayment for Non Current Unsecured borrowings:

These unsecured loans are repayable within 12 months from the period end and carry interest at the rate of 8.5% p.a. (P.Y. Nil p.a.)

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

17 Trade payables

	As at 31st March, 2020	As at 31st March, 2019
Trade payables*		
Amounts payable to related parties (Refer note 31)	1,188.92	790.83
Others (Refer note 41)	404.02	527.35
Amounts due to Small enterprise and micro enterprise	3.92	-
Total	1,596.86	1,318.18

*Includes Provision for expenses

Refer note 34 for information about liquidity risk and market risk of trade payables.

Note:

Dues to Small enterprise and micro enterprise

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As at 31st March, 2020	As at 31st March, 2019
a) The principal amount remaining unpaid to any supplier at the end of the year	3.92	-
b) Interest due remaining unpaid to any supplier at the end of the year	0.25	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.25	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of amount payable to vendors as defined as "micro, Small & Medium Enterprise Act, 2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act. The Company has provided Rs. 0.25 Lacs towards delayed payments to such vendors at the Balance Sheet date.

18 Other financial liabilities

	As at 31st March, 2020	As at 31st March, 2019
Salary and Wages payable	280.60	205.41
Other Payables to related party	-	115.15
Total	280.60	320.56

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

19 Other current liabilities

	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues	33.36	40.75
Capital creditors	11.49	53.06
Advance from customers	10.05	-
Government grants related to Assets (Refer note 15)	1.55	1.55
Total	56.45	95.36

20 Provisions

	As at 31st March, 2020	As at 31st March, 2019
Provision for Gratuity (Refer Note 30)	108.08	96.28
Provision for Leave Entitlement	72.43	63.66
Total	180.51	159.94

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

21 Revenue from Operations

	Year ended 31st March, 2020	Year ended 31 March, 2019
Sale of Products		
Manufactured goods	1,764.78	2,903.68
Sales of Services		
Job Work	2,144.78	1,083.75
Other operating revenue		
Process waste sale	0.10	0.88
Total	3,909.66	3,988.31

There is no impact on account of application of Ind AS- 115 Revenue from Contracts with Customers.

22 Other income

	Year ended 31st March, 2020	Year ended 31 March, 2019
Interest income	32.91	11.43
Provision no longer required	-	5.12
Profit on sale of assets	-	0.08
Other income	-	1.12
Deferred Income on Government Grants (Refer Note 15)	1.55	1.55
Total	34.46	19.30

23 Cost of materials consumed

	Year ended 31st March, 2020	Year ended 31 March, 2019
Raw materials consumed		
Opening Stock	135.41	142.39
Purchases	1,068.95	1,556.40
Less : Closing Stock	156.32	135.41
# Includes cost of packing material consumed during the year		
Total	1,048.04	1,563.38

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

24 Changes in inventories of finished goods, work-in-progress and accumulated cost of conversion :

	Year ended 31st March, 2020	Year ended 31 March, 2019
Opening inventories		
Finished goods	24.01	39.88
Work-in-progress	1.06	1.84
Accumulated cost of conversion contracts		
Completed	154.46	95.45
In Process	7.47	10.27
	187.00	147.44
Closing inventories		
Finished goods	179.02	24.01
Work-in-progress	56.11	1.06
Accumulated cost of conversion contracts		
Completed	25.56	154.46
In Process	-	7.47
	260.69	187.00
Total	(73.69)	(39.56)

25 Employee benefits expense

	Year ended 31st March, 2020	Year ended 31 March, 2019
Salaries and wages	1,906.05	1,523.45
Contribution to provident funds and other funds	159.73	104.78
Defined benefit plan expense (Refer note 30)	46.86	42.61
Workmen and Staff welfare expenses	232.06	215.04
Total	2,344.70	1,885.88

26 Finance costs

	Year ended 31st March, 2020	Year ended 31 March, 2019
Interest expense on borrowings	396.61	335.44
Total	396.61	335.44

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

27 Depreciation and amortization expense

	Year ended 31st March, 2020	Year ended 31 March, 2019
Property, Plant and Equipment	142.64	122.66
Intangible Assets	1.46	3.60
Total	144.10	126.26

28 Other Expense

(A) Manufacturing and Operating Costs

	Year ended 31st March, 2020	Year ended 31 March, 2019
Consumption of stores and spare parts	134.19	103.17
Power and fuel	134.08	118.11
Job work charges	111.85	99.58
Repairs to buildings	12.92	7.99
Repairs to machinery	20.81	10.23
Other Manufacturing and Operating expenses	37.18	6.63
Total	451.03	345.71

(B) Other expenses

	Year ended 31st March, 2020	Year ended 31 March, 2019
Insurance	11.90	3.57
Rates and Taxes	10.55	10.32
Freight, Octroi, etc	6.46	10.99
Legal and Professional Expenses	49.47	25.51
Travelling & Conveyance	4.99	6.27
Provision for bad and doubtful debts	-	3.01
Exchange Fluctuation - Others	18.41	1.07
IT Outsourcing Cost	3.30	3.30
Security Charges	20.51	19.21
Miscellaneous Expenses	85.30	88.64
Total	210.89	171.89

Details of Payments to Auditor (Included in Legal and Professional Charges)

	Year ended 31st March, 2020	Year ended 31 March, 2019
Audit Fees	3.30	3.00
Reimbursement of Expenses	-	-
Total	3.30	3.00

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

29 Income taxes

Tax expense recognised in the Statement of Profit and Loss (Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax		
Current year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary difference	10.66	-
Total deferred income tax expense/(credit)	10.66	-
Total income tax expense/(credit)	10.66	-

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

	Year ended 31st March, 2020	Year ended 31st March, 2019
Enacted income tax rate in India	25.170%	30.900%
Profit before tax	(577.56)	(381.39)
Tax calculated at domestic tax rates applicable to profits in the respective countries	(145.37)	(117.85)
Differences due to:		
Non recognition of Deferred tax asset	145.37	117.85
Total income tax expense/(credit)	-	-
Effective tax rate	0.00%	0.00%

The effective tax rate was 0% (2018-19: 30.90%).

The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2019:

Movement during the year ended 31st March, 2020	(Rs. in Lakhs)			
	As at 1st April, 2019	Credit/(charge) in Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2020
Deferred tax assets/(liabilities)				
Expenses allowable for tax purposes when paid	62.80	(2.01)	-	60.79
Depreciation	(147.27)	4.70	-	(142.57)
Unabsorbed losses/depreciation	418.48	(13.35)	-	405.13
Total	334.01	(10.66)	-	323.35

Movement during the year ended 31st March, 2019	(Rs. in Lakhs)			
	As at 1st April, 2018	Credit/(charge) in Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31st Mar, 2019
Deferred tax assets/(liabilities)				
Expenses allowable for tax purposes when paid	66.29	-	(3.49)	62.80
Depreciation	(147.27)	-	-	(147.27)
Unabsorbed losses/depreciation	418.48	-	-	418.48
Total	337.50	-	(3.49)	334.01

The company is expecting revenue to be generated in foreseeable future and accordingly the deferred tax asset will be utilized. Further, at their Meeting held on October 18, 2019, the Board of Directors of the Company has approved a Scheme of arrangement ("Scheme"), which comprises of demerger of Garmenting business Undertaking of the Company with Silver Spark Apparel Limited (Holding Company). The Scheme was approved by the Hon'ble NCLT, Mumbai Bench on February 27, 2020. However due to the COVID-19 outbreak and subsequent nation-wide lockdown, the Certified True Copy of the Order approving the Scheme was not made available by Hon'ble NCLT, Mumbai. Accordingly, the Deferred Tax Assets will be utilized by Silver Spark Apparel Limited.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

30 Post retirement benefit plans

Defined Contribution Plan

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs.159.73 Lakhs (31st March 2019: Rs.104.78 Lakhs).

Defined Benefit Plan

As per Actuarial Valuation as on 31st March, 2018 and 2017 recognised in the financial statements in respect of Employee Benefit Schemes:

The Company has unfunded Defined Benefit plan for post employment in the form of gratuity.

A. Balance Sheet	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Defined benefit plans		
Present value of plan liabilities	108.08	96.28
Plan liability net of plan assets	108.08	96.28

B. Movements in plan assets and plan liabilities

	Year ended 31st March, 2020		Year ended 31st March, 2019		(Rs. in Lakhs)
	Plan liabilities	Plan Assets	Plan liabilities	Plan Assets	
As at 1st April	96.28	-	88.90	-	88.90
Obligation taken over during the year.					-
Current service cost	39.64	-	35.67	-	35.67
Interest cost	7.22	-	6.94	-	6.94
Actuarial (gain)/loss arising from changes in financial assumptions	(5.89)	-	2.32	-	2.32
Actuarial (gain)/loss arising from experience adjustments	(1.08)	-	(15.71)	-	(15.71)
Benefit payments	(28.09)	-	(21.84)	-	(21.84)
As at 31st March	108.08	-	96.28	-	96.28

The weighted average duration of the defined benefit plans is 7 years (2018-19 : 7 Years)

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

C. Statement of Profit and Loss

	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses:		
Current service cost	39.64	35.67
Total	39.64	35.67
Finance cost/(income)	7.22	6.94
Net impact on the Profit / (Loss) before tax	46.86	42.61

Remeasurement of the net defined benefit liability:

Actuarial gains/(losses) arising from changes in financial assumptions	5.89	(2.32)
Experience gains/(losses) arising on pension plan and other	1.08	15.71
Net impact on the Other Comprehensive Income before tax	6.97	13.39

E. Assumptions

With the objective of presenting the plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Financial Assumptions

Discount rate	6.59%	7.50%
Salary Escalation Rate	0% - 7.50%	7.50%

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	Increase in assumption (Rs Lakhs)	Decrease in assumption (Rs Lakhs)
Discount rate	-1%	(8.52)	9.82
Salary Escalation Rate	1%	9.78	(7.69)
Employee Turnover	4%	(8.14)	10.08

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

G. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

Year ending 31 March,	Defined benefit obligation
2020	4.22
2021	5.81
2022	8.01
2023	8.96
2024	10.49
Thereafter	51.00

(Rs. in Lakhs)

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

31 Related Party Disclosures as per Ind AS -24

1. Relationship

(a) Ultimate Holding Company

Raymond Limited

(b) Holding Company

Silver Spark Apparel Limited

c) Fellow subsidiary Companies with whom transaction have taken place:

Raymond Apparel Limited
 Celebrations Apparel Limited
 Raymond Luxury Cottons Limited
 Everblue Apparel Limited
 Silver Spark Apparel Ethiopia PLC

d) Key management personnel

Vishal Pratap Singh - Director
 Mithulal Shankar Lal Bapna - Director

2 Transactions carried out with related parties referred in 1 above, in ordinary course of business:

(Rs. in Lakhs)

Nature of transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Income			
<u>Sales of Products</u>			
Silver Spark Apparel Limited		33.90 (37.17)	
Raymond Apparel Limited			1,568.66 (2,186.43)
Sales of Services (Job Work)			
Silver Spark Apparel Limited		2141.74 (999.90)	
Raymond Apparel Limited			-
Celebrations Apparel Limited			- (5.11)
<u>Sale of Fixed assets</u>		- (7.31)	
Purchase			
<u>Purchase of Products</u>			
Raymond Limited	348.38 (554.66)		
Silver Spark Apparel Limited		49.34 (37.20)	
Raymond Apparel Limited			7.89 (1.62)
Celebrations Apparel Limited			13.05 (17.33)
Raymond Luxury Cottons Ltd.			6.48 (-)
<u>Purchase of Fixed Assets</u>			
Silver Spark Apparel Ethiopia PLC			0.01 (25.53)
	(-)	(-)	
Expenses			
<u>Job Work charges</u>			
Silver Spark Apparel Limited		111.85 (98.46)	
<u>Others reimbursement</u>			
Raymond Limited	1.52 (1.23)		
Silver Spark Apparel Limited		189.35 (203.39)	
Celebrations Apparel Limited			0.24 (1.02)

Nature of transactions	Referred in 1(a) above	Referred in 1(b) above	Referred in 1(c) above
Receipts			
<u>Others reimbursement</u>			
Silver Spark Apparel Limited		443.00 (390.56)	
Finance			
<u>Unsecured Loan Received</u>			
Silver Spark Apparel Limited		400.00 (250.00)	
<u>Unsecured Loan Received</u>			
Silver Spark Apparel Limited		1300.00 (-)	
Ring Plus Aqua Limited			1500.00 (-)
<u>Interest Expense</u>			
Silver Spark Apparel Limited		330.24 (335.44)	
Ring Plus Aqua Limited			66.37 (-)

Previous Year Figures are in brackets

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Outstandings :		
Payable		
<u>Ultimate Holding Company</u>		
Raymond Limited	734.49	764.15
<u>Holding Company</u>		
Silver Spark Apparel Limited	437.87	116.26
<u>Fellow Subsidiaries Company</u>		
Raymond Apparel Limited	8.28	(-)
Celebrations Apparel Limited	(-)	0.04
Silver Spark Apparel Ethiopia PLC	8.28	25.53
Ring Plus Aqua Limited	59.73	(-)
Raymond Luxury Cottons Ltd.	0.51	(-)
Receivable		
<u>Holding Company</u>		
Silver Spark Apparel Limited	130.92	131.53
<u>Fellow Subsidiaries Company</u>		
Raymond Apparel Limited	368.05	455.65
Celebrations Apparel Limited	-	
Interest Accrued		
<u>Holding Company</u>		
Silver Spark Apparel Limited	59.39	(-)
Loans Taken		
<u>Holding Company</u>		
Silver Spark Apparel Limited	2580.11	3420.72
Ring Plus Aqua Limited	1500.00	(-)

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

32 Contingent Liabilities

The company has no contingent liabilities/contingent assets as at end of the year.

33 Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Property, plant and equipment	3.27	506.38
Less: Capital advances (Refer Note 5)	3.27	134.21
Net Capital commitments	-	372.17

(b) Other Commitments

	As at 31st March, 2020	As at 31st March, 2019
Guarantees given by the Company's Banker to Government Authorities for purchase under concessional duty/exemption scheme in respect of (net obligation fulfilled) (Refer note 15)	-	1.91
Net other commitments	-	1.91
Total Commitments (a+b)	-	374.08

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

34 Financial Risk Management

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and payables, loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control through approved policies and procedures over the entire process of market risk management.

Market Risk- Interest rate risk

The Company currently does not have variable interest rate borrowing and also does not have material transactions in foreign currency.

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of costumers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

Ageing of Account receivables

	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Not due	8.80	332.23
0-3 months	456.74	457.15
3-6 months	29.48	20.28
6 months to 12 months	10.89	-
beyond 12 months	3.74	-
Total	509.65	809.66

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

As the current liabilities of the company is more than its current assets as at 31st March, 2020, the accounts have been prepared on the basis on the understanding that Silver Spark Apparel Limited hereby undertakes directly or indirectly to provide the Company with such financial support, as may be required to continue the business activities and to meet its working capital requirements.

Maturity patterns of borrowings

	As at 31st March, 2020				As at 31st March, 2019			
	0-1 year	1-5 years	beyond 5 years	Total	0-1 year	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	-	2,520.72	-	2,520.72	-	3,420.72	-	3,420.72
Short term borrowings	1,500.00	-	-	1,500.00	-	-	-	-
Expected Interest payable during the term of these borrowings	328.43	76.86	-	405.29	359.18	104.31	-	463.48
Total	1,828.43	2,597.58	-	4,426.01	359.18	3,525.03	-	3,884.21

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

Maturity patterns of other Financial Liabilities

		(Rs. in Lakhs)					
		Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable		365.21	372.77	858.88	-	-	1,596.86
Other Current Financial liabilities		-	280.60	-	-	-	280.60
Total		365.21	653.37	858.88	-	-	1,877.46

		(Rs. in Lakhs)					
		Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable		835.79	479.74	2.65	-	-	1,318.18
Other Current Financial liabilities		-	221.97	-	98.59	-	320.56
Total		835.79	701.71	2.65	98.59	-	1,638.74

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

35 Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments;
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March, 2020	(Rs. in Lakhs)									
	Routed through P & L		Routed through OCI			Carrying at amortised cost	Total Amount			
	Level 1	Level 2	Level 3	Total	Level 1			Level 2	Level 3	Total
Financial Assets										
Other Assets										
Loans and Advances	-	-	-	-	-	-	-	-	-	-
Deposits with Others	313.65	-	-	-	-	313.65	-	-	-	313.65
Other Financial Assets	-	29.34	-	-	-	29.34	-	-	-	29.34
Trade receivable	-	509.65	-	-	-	509.65	-	-	-	509.65
Cash and Cash equivalents	-	21.15	-	-	-	21.15	-	-	-	21.15
	313.65	560.14	-	-	-	873.79	-	-	-	873.79
Financial Liabilities										
Borrowings	2,520.72	-	-	-	-	2,520.72	-	-	-	2,520.72
Other Financial Liabilities	-	280.60	-	-	-	280.60	-	-	-	280.60
Trade Payables	-	1,592.94	-	-	-	1,592.94	-	-	-	1,592.94
	2,520.72	1,873.54	-	-	-	4,394.26	-	-	-	4,394.26

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March, 2020

Financial Assets and Liabilities as at 31st March, 2019	(Rs. in Lakhs)														
	Routed through P & L		Routed through OCI				Carrying at amortised cost	Total Amount							
	Non Current	Current	Total	Level 1	Level 2	Level 3			Total	Level 1	Level 2	Level 3	Total		
Financial Assets															
Other Assets															
Loans to Employees	-	1.03	1.03	-	-	-	-	-	-	-	-	-	-	-	1.03
Deposits with Others	303.64	-	303.64	-	-	-	-	-	-	-	-	-	-	-	303.64
Other Financial Assets	-	5.14	5.14	-	-	-	-	-	-	-	-	-	-	-	5.14
Trade receivable	-	809.66	809.66	-	-	-	-	-	-	-	-	-	-	-	809.66
Cash and Cash equivalents	-	21.46	21.46	-	-	-	-	-	-	-	-	-	-	-	21.46
	303.64	837.29	1,140.93	-	-	-	-	-	-	-	-	-	-	-	1,140.93
Financial Liabilities															
Borrowings	3,420.72	-	3,420.72	-	-	-	-	-	-	-	-	-	-	-	3,420.72
Other Financial Liabilities	-	320.56	320.56	-	-	-	-	-	-	-	-	-	-	-	320.56
Trade Payables	-	1,318.18	1,318.18	-	-	-	-	-	-	-	-	-	-	-	1,318.18
	3,420.72	1,638.74	5,059.46	-	-	-	-	-	-	-	-	-	-	-	5,059.46

Fair value of financial assets and liabilities measured at amortised cost -

Financial Assets and Liabilities	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Loans and Advances	-	-	1.03	1.03
Deposits with Others	313.65	313.65	303.64	303.64
Other Financial Assets	29.34	29.34	5.14	5.14
Trade receivable	509.65	509.65	809.66	809.66
Cash and Cash equivalents	21.15	21.15	21.46	21.46
	873.79	873.79	1,140.93	1,140.93
Financial Liabilities				
Borrowings	2,520.72	2,520.72	3,420.72	3,420.72
Other Financial Liabilities	280.60	280.60	320.56	320.56
Trade Payables	1,592.94	1,592.94	1,318.18	1,318.18
	4,394.26	4,394.26	5,059.46	5,059.46

Note - The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

36 Segment Reporting

The Company's business activity falls within a single primary business segment of manufacture of Garments and one reportable geographical segment which is "within India". Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment". Further the Company meets the quantitative threshold as mentioned in Ind AS 108 and hence separate information has been disclosed below:

The Company is having combined revenue of more than 10% with the related parties amounts to Rs. 3744.31 lakhs (FY 2018-19 - 3228.61 lakhs). Further there is no external customer having revenue of more than 10%.

37 As the accumulated losses of the company as at 31st March, 2019 exceeds 50% of its paid up capital resulting in an erosion of its net worth, the accounts have been prepared on the 'Going Concern' basis on the understanding that Silver Spark Apparel Limited hereby undertakes directly or indirectly to provide the Company with such financial support, as may be required to continue the business activities.

38 Capital risk management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

- 39** At their Meeting held on October 18, 2019, the Board of Directors of the Company has approved a Scheme of arrangement ("Scheme"), which comprises of demerger of Garmenting business Undertaking of the Company with Silver Spark Apparel Limited (Holding Company). The Scheme was approved by the Hon'ble NCLT, Mumbai Bench on February 27, 2020. However due to the COVID-19 outbreak and subsequent nation-wide lockdown, the Certified True Copy of the Order approving the Scheme was not made available by Hon'ble NCLT, Mumbai. The Scheme contemplates the Effective Date as the date on which the Certified True Copy of the Order is filed with the Registrar of Companies. Pending receipt of the Certified True Copy of the Order and consequent filing with the Registrar of Companies, the Company has not given effect of the Scheme in the financial statements for the year ended March 31, 2020
- 40** In March 20, the WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant, equipments, and other intangible assets and in relation to other financial statements captions. In the case of Inventory, Management has performed the year-end inventory verification at each of its locations after the year end due to COVID 19 pandemic.
- The impact of covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financials statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities on gradual basis in line with guideline issued by the Government Authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.
- 41** The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statements on receipt of the balance confirmations post the balance sheet date.

Dress Master Apparel Private Limited

Notes to the financial statements for the year ended 31st March,2020

42 Earnings per share

	Year ended 31st March, 2020	Year ended 31st March, 2019
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year (Rs. in Lakhs)	(588.22)	(381.39)
Weighted average number of equity shares outstanding	12,000	12,000
Earnings Per Share (Rs.) - Basic (Face value of Rs. 100 per share)		
Basic	(4,901.83)	(3,178.25)
Diluted	(4,901.83)	(3,178.25)

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/W100355

For and on behalf of the Board of Directors

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number: 103418

Date : 23rd June, 2020

Maharashtra

Sd/-

Mithulal Shankar Lal Bapna

Director

DIN-06383502

Date : 23rd June, 2020

Maharashtra

Sd/-

Vishal Bist

Director

DIN-07215218

EVERBLUE APPAREL LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	: SHRI S. K. GUPTA SHRI PRASAD THAKUR SHRI R. NARAYANAN (retired w.e.f. 12-02-2020) SHRI R.A. PRABHUDESAI (retired w.e.f. 12-02-2020) SHRI VIJAY NANA PATIL (appointed w.e.f. 12-02-2020)
MANAGER	: SHRI PRASAD THAKUR
CHIEF FINANCIAL OFFICER	: SHRI ASHOK BANSAL (appointed w.e.f. 23-10- 2019)
COMPANY SECRETARY	: KUM. ARUNA SUBRAMANIAN
STATUTORY AUDITORS	: MESSRS. WALKER CHANDIOK & CO LLP
REGISTERED OFFICE	: NEW HIND HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI – 400 001 MAHARASHTRA.

EVERBLUE APPAREL LIMITED
(CIN: U72900MH2000PLC124912)
DIRECTORS' REPORT

To,
THE MEMBERS

Your Directors are pleased to present the Twentieth Annual Report together with the Audited Financial Statements for the Financial Year ended March 31, 2020.

1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY

The Company has a state-of-the art denim-wear facility offering complete denim solutions. During the year under review the net turnover of the Company was Rs. 98.47 Crores (Previous year: Rs. 92.69 crore). The Company earned a Profit after Tax of Rs. 0.10 Crores (Previous Year: Rs. 0.63 crore).

The Company has assessed the impact of this COVID19 pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements. The Company is adhering to all COVID-19 guidelines for employees and customers.

2. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year and the date of this Report.

3. DIVIDEND

In order to conserve resources, no dividend has been recommended for the Financial Year 2019-20.

4. RESERVES

Your company has not transferred any amount to the reserves of the Company.

5. AUDITORS

Messrs Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration Number 001076N/N500013) were appointed as the Statutory Auditors of the Company at the Seventeenth Annual General Meeting for a period of 5 years commencing from the conclusion of Seventeenth AGM till the conclusion of Twenty-Second AGM. Accordingly, they shall continue to be the Statutory Auditors for the Financial Year 2020-21.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

6 INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures.

7 SHARE CAPITAL

The paid up Share Capital as on March 31, 2020 was Rs. 11.50 Crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. None of the Directors or Key Managerial Personnel of the Company holds shares or convertible instruments of the Company.

8 PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

9 PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, form part of the notes to the Financial Statements.

10 DIRECTORS & KEY MANAGERIAL PERSONNEL

I) Directors

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Prasad Thakur (DIN: 07278555), Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

Shri Vijay Patil (DIN: 07173161) was appointed as an Additional Director designated as Non-Executive Director of the Company with effect from February 12, 2020. In terms of Section 161 of the Companies Act, 2013, Shri Vijay Patil holds office up to the date of ensuing Annual General Meeting. The Board of Directors has recommended the appointment of Shri Vijay Patil at the ensuing Annual General Meeting.

During the year under review, Shri R. A. Prabhudesai (DIN: 07095983) and Shri R. Narayanan (DIN: 00631703) ceased to be Independent Directors of the Company effective from February 12, 2020 on completion of their terms as Independent Directors of the Company. The Board places on record its appreciation for the services rendered by Shri Prabhudesai and Shri Narayanan during their tenure as an Independent Directors and Members of various committees of the Board of Directors of the Company.

During the year, 7 Board Meetings were convened and held as detailed below. The Board Meeting held and Attendance of Directors at the Meetings is given below:

Details of Attendance of Directors at Board Meetings:

Name of Director	DATE OF BOARD MEETING						
	26.04.2019	17.06.2019	31.07.2019	23.10.2019	20.01.2020	12.02.2020	17.03.2020
Shri S. K. Gupta	✓	✓	✓	✓	✓	✓	✓
Shri Prasad Thakur	✓	✓	✓	✓	✓	✓	✓
Shri R. A. Prabhudesai ¹	✓	✓	✓	✓	✓	N.A.	N.A.
Shri R. Narayanan ¹	✓	✓	✓	✓	✓	N.A.	N.A.
Shri Vijay Patil ²	N.A.	N.A.	N.A.	N.A.	N.A.	✓	✓

1. Shri R. A. Prabhudesai and Shri R. Narayanan retired on completion of tenure as an Independent Directors w.e.f February 12, 2020.
2. Shri Vijay Patil was appointed as an Additional Director designated as Non-Executive Director w.e.f. February 12, 2020.

II) Key Managerial Personnel (KMP)

As on March 31, 2020, the Company has the following Key Managerial Personnel:-

Sr. No.	Name of the Person	Designation	Date of the Appointment
1	Shri Ashok Kumar Bansal ²	Chief Financial Officer	23/10/2019
2	Shri Prasad Thakur	Manager	30/10/2018
3	Kum. Aruna Subramanian	Company Secretary	23/01/2017

1. Shri Narayana Reddy ceased to be Chief Financial Officer w.e.f. May 25, 2019.
2. Shri Ashok Kumar Bansal was appointed as Chief Financial Officer w.e.f. October 23, 2019

III) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The Directors express their satisfaction with the evaluation process.

11 COMMITTEES OF THE BOARD

With a view to have a more focused attention on the business and for better governance and accountability, the Board constituted the following committees:

Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rule, 2014, the Audit Committee had been constituted. The composition of the Audit Committee was as under:

1. Shri R. A. Prabhudesai : Independent Director, Chairman
2. Shri R. Narayanan : Independent Director, Member
3. Shri Prasad Thakur : Non-executive Director, Member

The terms of reference of the Committee were determined by the Board and their relevance reviewed from time to time.

During the year, four Audit Committee Meetings were held viz. April 26, 2019, July 31, 2019, October 23, 2019 and January 20, 2020.

Details of Attendance of Members at Audit Committee Meetings:

Sr. No.	Name of Director	DATE OF MEETING			
		26.04.2019	31.07.2019	23.10.2019	20.01.2020
1	Shri R. A. Prabhudesai	✓	✓	✓	✓
2	Shri R. Narayanan	✓	✓	✓	✓
3	Shri Prasad Thakur	✓	✓	✓	✓

Pursuant to the Notification dated July 05, 2017 and July 13, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was exempted from the requirements of appointment of Independent Directors and thereby was also exempted from the requirements of constituting an Audit Committee.

Accordingly, on completion of terms of Shri R. Narayanan and Shri R. A. Prabhudesai as Independent Directors of the Company on February 12, 2020, the Audit Committee was not reconstituted and dissolved with immediate effect.

Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Nomination and Remuneration Committee (NRC) had been constituted. The composition of the NRC, was as under:

1. Shri S. K. Gupta : Non-executive Director, Chairman
2. Shri R. A. Prabhudesai : Independent Director, Member
3. Shri R. Narayanan : Independent Director, Member

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The terms of reference of Nomination and Remuneration Committee are as under:

1. to help in determining the appropriate size, diversity and composition of the Board;
2. to recommend to the Board appointment/re-appointment and removal of Directors;
3. to frame criteria for determining qualifications, positive attributes and independence of Directors;
4. to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
5. to create an evaluation framework for Independent Directors and the Board;
6. to assist the Board in fulfilling responsibilities entrusted from time-to-time; and
7. to delegate of any of its powers to any Member of the Committee.

Pursuant to the Notification dated July 05, 2017 and July 13, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was exempted from the requirements of appointment of Independent Directors and thereby was also exempted from the requirements of constituting an Nomination and Remuneration Committee.

Accordingly, on completion of terms of Shri R. Narayanan and Shri R. A. Prabhudesai as an Independent Directors of the Company on February 12, 2020, the Nomination and Remuneration Committee was not reconstituted and dissolved with immediate effect.

During the year under review, no NRC Meeting was held.

12 RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review are on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. The Company has developed a Related Party Transactions framework and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

13 RISK MANAGEMENT

The Company is exposed to risks from market fluctuations, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the risks.

14 DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems are adequate and operating effectively.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as "**Annexure A**" to this Report.

17. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "**Annexure B**" to this Report.

18. PARTICULARS OF EMPLOYEES

Since your Company is not a listed Company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

19. DISCLOSURE UNDER SEXUAL HARASSMENT ACT

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary and trainees) are covered under this Policy. No Complaints have been received during the year under the review.

20. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

21. SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the Secretarial Standards applicable on it.

19. ACKNOWLEDGEMENT

Your Directors express their warm appreciation to all its employees for their diligence and contribution. The Board records its grateful appreciation for the co-operation, support and valuable guidance received from Banks, Central and State Government Authorities, Customers, and Suppliers.

For and on behalf of the Board of
EVERBLUE APPAREL LIMITED

Sd/-
Surya Kant Gupta
Director
DIN: 00323759

Sd/-
Prasad Thakur
Director
DIN: 07278555

Place: Mumbai
Date: June 27, 2020

ANNEXURE A

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO (Pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.)

(A) Conservation of energy-

The operations of your Company are not energy intensive. Your Company takes various measures to reduce energy consumption by using energy efficient systems, machines and procuring energy efficient equipment's.

(B) Technology absorption-

The Company has strengthened its in-house product development facility which will lead to introduction of garments with varied finishes and styles. Product innovation and customer satisfaction has been an integral part of the unit. The Company has not invested funds in Research and development.

(C) Foreign exchange earnings and Outgo –

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

- (i) Earnings: Nil
- (ii) Outgo: Rs. 22.50 Lac in INR (Last Year :- NIL)

For and on behalf of the Board of
EVERBLUE APPAREL LIMITED

Sd/-
Surya Kant Gupta
Director
DIN: 00323759

Sd/-
Prasad Thakur
Director
DIN: 07278555

Place: Mumbai
Date: June 27,2020

**ANNEXURE B
FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on March 31, 2020
(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U72900MH2000PLC124912
2.	Registration Date	March 14, 2000
3.	Name of the Company	Everblue Apparel Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non- government Company
5.	Address of the Registered office & contact details	New Hind House Narottam Morarjee, Ballard Estate, Mumbai- 400001, Maharashtra Ph. No.:022 - 22686000
6.	Whether listed company	Unlisted Company
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Private Limited Karvy Selenium, Tower- B, Plot No. 31 & 32., Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad, 500032

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY
(All the business activities contributing 10% or more of the total turnover of the company shall be stated)**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Denim Garments	14101	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1.	Raymond Limited with its Nominees Plot No. 156/H. No.2, Village Zadgaon, Ratnagiri 415 612, Maharashtra	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)

IV. A) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	11500000	11500000	100	-	11500000	11500000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1) :-	-	11500000	11500000	100	-	11500000	11500000	100	-
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	11500000	11500000	100	-	11500000	11500000	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-

b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total B:-	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	11500000	11500000	100	-	11500000	11500000	100	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raymond Limited with its nominees	11500000	100	-	11500000	100	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

The promoters' shareholding has not increased during the relevant financial year.

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Since the entire share capital is held by Raymond Limited and its nominees, this is not applicable.

E) Shareholding of Directors and Key Managerial Personnel:

None of the Directors and/or Key Managerial Personnel holds shares in the Company.

IV) INDEBTEDNESS – Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in lac)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	196.49	1400.00	-	1596.49
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.45	135.04	-	135.49
Total (i+ii+iii)	196.94	1535.04	-	1731.98
Change in Indebtedness during the financial year (Only Term Loan)				
* Addition	400.00	-	-	400.00
* Reduction	64.75	-	-	64.75
Net Change	332.50	-	-	332.50
Indebtedness at the end of the financial year				
i) Principal Amount	697.60	1400.00	-	2097.60
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	3.47	132.66	-	136.13
Total (i+ii+iii)	701.07	1532.66	-	2233.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company does not have any Managing Director or Whole-time Director. Manager did not receive remuneration from the Company.

B. Remuneration to other directors

None of the Independent Directors or Non- Executive Directors receives remuneration from the Company.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel				
		Manager	CS	CFO*	CFO**	Total (Rs. In Lac)
		Shri Prasad Thakur	Kum. Aruna Subramanian	Shri Narayana Reddy	Shri Ashok Kumar Bansal	
1	Gross salary	-	-			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	8.16	15.20	23.36
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-		-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-		-
2	Stock Option	-	-	-		-
3	Sweat Equity	-	-	-		-
4	Commission	-	-	-		-
	- as % of profit	-	-	-		-
	others, specify...	-	-	-		-
5	Others, please specify	-	-	-		-
	Total	-	-	8.16	15.20	23.36

* Shri Narayan Reddy ceased to be as Chief Financial Officer of the Company w.e.f. May 25, 2019.

* Shri Ashok Kumar Bansal was appointed as Chief Financial Officer of the Company w.e.f. October 23, 2019.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

Type	Section of Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of
**EVERBLUE APPAREL
LIMITED**

Sd/-
Surya Kant Gupta
Director
DIN: 00323759

Sd/-
Prasad Thakur
Director
DIN: 07278555

Place: Mumbai
Date: June 27, 2020

Independent Auditor's Report

To the Members of Everblue Apparel Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of **Everblue Apparel Limited** ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to note 37 to the accompanying financial statements, which describes the effects of uncertainties relating to COVID - 19 pandemic outbreak on the Company's operations and management's evaluation of its impact on the accompanying financial statements as at the balance

sheet date, the impact of which is dependent on future developments. Our opinion is not modified in respect of this matter

Information other than the Financial Statements and Auditor's Report thereon

5. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

6. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable
12. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
13. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;

- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 27 June 2020 as per Annexure II expressed unmodified opinion; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-

Adi P. Sethna
Partner
Membership No.: 108840

UDIN: **20108840AAAACC1989**

Place: Mumbai
Date: 27 June 2020

Annexure I to the Independent Auditor's Report of even date to the members of Everblue Apparel Limited, on the financial statements for the year ended 31 March 2020

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the property, plant and equipment is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and services tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, goods and services tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to a financial institution or government and did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

Annexure I to the Independent Auditor's Report of even date to the members of Everblue Apparel Limited, on the financial statements for the year ended 31 March 2020

- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-

Adi P. Sethna
Partner
Membership No.: 108840

UDIN:- **20108840AAAACC1989**

Place: Mumbai
Date: 27 June 2020

Annexure II to the Independent Auditor's Report of even date to the members of Everblue Apparel Limited on the financial statements for the year ended 31 March 2020

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Everblue Apparel Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of Internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal financial controls with reference to financial statements and their operating effectiveness. Our audit of Internal financial controls with reference to financial statements includes obtaining an understanding of such Internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A Company's Internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's Internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Annexure II to the Independent Auditor's Report of even date to the members of Everblue Apparel Limited on the financial statements for the year ended 31 March 2020

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of Internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal financial controls with reference to financial statements to future periods are subject to the risk that Internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

Adi P. Sethna

Partner

Membership No.: 108840

UDIN: **20108840AAAACC1989**

Place: Mumbai

Date: 27 June 2020

Everblue Apparel Limited
Balance Sheet as at 31 March 2020

	Note	As at 31 March 2020 (Rs in lakhs)	As at 31 March 2019 (Rs in lakhs)
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2	2,907.79	3,076.94
(b) Capital work - in - progress		-	-
(c) Intangible assets	3	18.02	0.59
(d) Financial assets			
(i) Other financial assets	4	91.59	96.09
(e) Deferred tax assets (net)	26	146.96	159.26
(f) Current tax asset (net)	26	591.62	409.75
(g) Other non - current assets	5	11.20	19.07
Total non-current assets		3,767.18	3,761.70
2 Current assets			
(a) Inventories	6	39.53	0.95
(b) Financial assets			
(i) Trade receivables	7	129.97	0.74
(ii) Cash and cash equivalents	8	2.64	3.50
(c) Other current assets	9	1,380.70	691.18
Total current assets		1,552.84	696.37
TOTAL ASSETS		5,320.02	4,458.07
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	10	1,150.00	1,150.00
b) Other equity		4.24	(66.33)
Total equity		1,154.24	1,083.67
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	1,727.72	1,435.70
(ii) Other financial liabilities	12	132.66	135.04
(b) Provisions	14	153.97	176.87
(c) Other non current liabilities	13	102.92	135.76
Total non-current liabilities		2,117.27	1,883.37
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	262.35	96.49
(ii) Trade payables	16		
Total outstanding dues to micro enterprises and small enterprises		50.29	-
Total outstanding dues to creditors other than micro enterprises and small enterprises		697.66	428.60
(iii) Other financial liabilities	17	826.71	682.77
(b) Provisions	14	77.76	139.83
(c) Other current liabilities	18	133.74	143.34
Total current liabilities		2,048.51	1,491.03
TOTAL EQUITY AND LIABILITIES		5,320.02	4,458.07

Notes 1 to 37 form an integral part of the financial statements

This is the balance sheet referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N / N500013

For and on behalf of Board of Directors

Sd/-
Prasad Thakur
Manager and Director
DIN: 07278555

Sd/-
S.K. Gupta
Director
DIN: 00323759

Sd/-
Adi P. Sethna
Partner
Membership No.: 108840

Sd/-
Ashok Kumar Bansal
Chief Financial Officer
Mumbai , Date : 27 June 2020

Sd/-
Aruna Subramanian
Company Secretary
ACS: 29737

Mumbai , Date : 27 June 2020

Everblue Apparel Limited
Statement of profit and loss for the year ended 31 March 2020

	Note	Year ended 31 March 2020 (Rs in lakhs)	Year ended 31 March 2019 (Rs in lakhs)
I Income			
Revenue from operations	19	9,846.62	9,269.44
Other income	20	37.01	35.51
Total income		9,883.63	9,304.95
II Expenses			
Change in value of contract assets	21	(592.54)	(185.48)
Employee benefits expense	22	6,026.55	6,125.27
Finance costs	23	212.12	159.70
Depreciation and amortisation expense	24	203.17	212.57
Other expenses			
(a) Operating costs	25A	3,402.15	2,325.23
(b) Other expenses	25B	618.01	569.12
Total expenses		9,869.46	9,206.41
III Profit before tax		14.17	98.54
IV Tax expense/ (credit)			
	26		
Minimum alternate tax (MAT)		15.32	20.78
Less: MAT credit entitlement		(15.32)	(20.78)
Current tax		-	-
Deferred tax charge		4.25	35.84
Tax in respect of earlier years		-	-
V Profit for the year		9.92	62.70
VI Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	30	84.02	2.45
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans		(23.37)	-
Total other Comprehensive Income for the year		60.65	2.45
VII Total Comprehensive Income for the year		70.57	65.15
VIII Earnings per equity share of Rs 10 each:			
	27		
Basic earnings per share (Rs)		0.09	0.55
Diluted earnings per share (Rs)		0.09	0.55

Notes 1 to 37 form an integral part of the financial statements

This is the statement of profit and loss referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N / N500013

Sd/-
Adi P. Sethna
Partner
Membership No.: 108840

Mumbai, Date : 27 June 2020

For and on behalf of Board of Directors

Sd/-
Prasad Thakur
Manager and Director
DIN: 07278555

Sd/-
S.K. Gupta
Director
DIN: 00323759

Sd/-
Ashok Kumar Bansal
Chief Financial Officer

Sd/-
Aruna Subramanian
Company Secretary
ACS: 29737

Mumbai, Date : 27 June 2020

Everblue Apparel Limited
Cash Flow Statement for the year ended 31 March 2020

	Year ended 31 March 2020 (Rs in lakhs)	Year ended 31 March 2019 (Rs in lakhs)
CASH FLOW FROM OPERATING ACTIVITIES :		
Profit before tax	14.17	98.54
Adjustments for:		
Remeasurements of net defined benefit plans	84.02	2.45
Depreciation and amortization expenses	203.17	212.57
Government grant amortised	(32.84)	(32.84)
Finance cost	212.12	159.70
Interest income	(2.55)	(1.60)
Operating profit before working capital changes	478.09	438.82
Adjustments for:		
(Increase) / Decrease in trade and other receivables	(815.60)	(556.58)
Decrease / (Increase) in inventories	(38.58)	508.08
Increase / (Decrease) in trade and other payables	414.24	(129.78)
(Decrease) / increase in provisions	(84.97)	123.44
Cash generated from operations	(46.82)	383.98
Direct taxes paid/ (refund) [net]	(197.19)	(191.29)
Net cash (used in) / generated from operating activities	(244.01)	192.69
CASH FLOW FROM INVESTING ACTIVITIES :		
Interest received	2.55	1.60
Purchase of property, plant and equipment/ intangible assets	(51.41)	(85.68)
Net cash (used in) investing activities	(48.86)	(84.08)
CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds / (Repayment) of short term borrowings	165.86	96.49
Proceeds from long term borrowings	403.02	100.45
Repayment of long term borrowings	(64.75)	(112.50)
Net Interest paid	(212.12)	(194.53)
Net cash (used in) /generated from financing activities	292.01	(110.09)
Net decrease in cash and cash equivalents	(0.86)	(1.48)
Cash and cash equivalents at beginning of the year	3.50	4.98
Cash and cash equivalents at end of the year	2.64	3.50

Notes 1 to 37 form an integral part of the financial statements

Note:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows. Effective 1 April 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

This is the statement of cash flows referred to in our audit report of even date.

For Walker Chandio & Co LLP

Chartered Accountants
Firm's Registration No. 001076N / N500013

Sd/-

Adi P. Sethna

Partner
Membership No.: 108840

Mumbai , Date : 27 June
2020

For and on behalf of Board of Directors

Sd/-

Prasad Thakur

Manager and Director
DIN: 07278555

Sd/-

Ashok Kumar Bansal
Chief Financial Officer

Mumbai , Date : 27 June 2020

Sd/-

S.K. Gupta

Director
DIN: 00323759

Sd/-

Aruna Subramanian
Company Secretary
ACS: 29737

Everblue Apparel Limited
Statement of changes in equity for the year ended 31 March 2020

A. Equity share capital	Number	(Rs in lakhs)
Equity shares of Rs 10 each issued, subscribed and paid		
As at 1 April 2018	11,500,000	1,150.00
Issue of equity shares	-	-
As at 31 March 2019	11,500,000	1,150.00
Issue of equity shares	-	-
As at 31 March 2020	11,500,000	1,150.00

B. Other Equity	Reserve and surplus		Total
	Retained earnings	Securities premium	
Particulars			
Balance as at 1 April 2018	(481.48)	350.00	(131.48)
Profit for the year ended 31 March 2019	62.70	-	62.70
Other comprehensive income for 31 March 2019	2.45	-	2.45
Balance as at 31 March 2019	(416.33)	350.00	(66.33)
Profit for the year ended 31 March 2020	9.92	-	9.92
Other comprehensive income for 31 March 2020	60.65	-	60.65
Balance as at 31 March 2020	(345.76)	350.00	4.24

Notes 1 to 37 form an integral part of the financial statements

This is the Statement of changes in equity referred to in our audit report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No. 001076N / N500013

For and on behalf of Board of Directors

Sd/-
Adi P. Sethna
Partner
Membership No.: 108840

Sd/-
Prasad Thakur
Manager and Director
DIN: 07278555

Sd/-
S.K. Gupta
Director
DIN: 00323759

Sd/-
Ashok Kumar Bansal
Chief Financial Officer

Sd/-
Aruna Subramanian
Company Secretary
ACS: 29737

Mumbai , Date : 27 June 2020

Mumbai , Date : 27 June 2020

Note: 1

Note 1.1 CORPORATE INFORMATION

Everblue Apparel Limited ('EBAL' or 'the Company') is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in business of converting fabrics into readymade garments on contractual basis.

The financial statements ("the financial statements") of the Company for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the Board of Directors on 27 June 2020

Note 1.2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Financial Statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013('Act') read with the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements, except where a new accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities are measured at fair value;
- 2) defined benefit plans — plan assets measured at fair value;

(iii) Current non-current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Use of Estimates and Judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date

Critical estimates and assumptions

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(c) Property, plant and equipment

Property, plant and equipment is stated at historical cost, less accumulated depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

Depreciation methods, estimated useful lives and residual value

Depreciation on buildings, plant and equipment is provided on a Straight Line Method and in case of other assets on Written Down Value Method, over the estimated useful life of assets in the manner prescribed in Schedule II to the Act, and management believe that useful life of assets are same as those prescribed in Schedule II to the Act, except for plant and equipment which based on a technical evaluation has been estimated as 24 years which is different from that prescribed in Schedule II to the Act.

The residual value is not more than 5% of the original cost of an assets.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Computer Software

Intangible assets comprise of license fees and implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably, less accumulated amortisation and accumulated impairment losses, if any.

Amortisation methods and useful life.

The Company amortises computer software using the straight-line method over the period of 3 Years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss.

(e) Leases

Company as a lessee

The Company assesses whether a contract contains lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognizes a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a lease term of twelve months or less (short-term leases) and low value leases.

For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the fixed lease payments including variable lease payments that depend on an index or a rate. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate of the Company. Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

(h) Inventories

Inventory of Stores and Spare parts are stated at cost or net realisable value whichever is lower. Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used are "weighted average" basis. All the costs incurred on unfinished / finished, but not invoiced jobs, under conversion contracts, are carried forward as "Accumulated Costs on Conversion Contracts – In process", at cost or net realizable value whichever is lower. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(i) Financial instruments

a) Financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through Statement of Profit and Loss are expensed in Statement of Profit and Loss.

(iii) Impairment of Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

(i) Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Measurement

The measurement of financial liabilities depends on their classification, as described below :

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

c) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

(j) Borrowing Cost

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(k) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

(l) Revenue Recognition

The Company undertakes contract for converting Fabrics into Readymade Garments.

Revenue from contracts with customers

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services.

Contract costs are costs of obtaining a contract which are recognised as assets.

(m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity and

(b) defined contribution plans such as provident fund and employees state insurance scheme

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined Contribution Plans

Defined Contribution Plan viz Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis. The Company has categorised its Provident Fund and the Employees State Insurance Scheme as a defined contribution plan since it has no further obligations beyond these contributions is charged to the Statement of Profit and Loss Account as incurred.

(iii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees and is determined based on valuations as at balance sheet date made by an independent actuary using projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(n) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(o) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the balance sheet method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are excepted to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(p) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company.
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

(q) Government grants

Grant from Government are recognised at their fair value, when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grant related to income are deferred and recognised in the profit and loss over the period necessary to match them with the costs that these are intended to compensate and reduced from such expenses.

Government grant related to property, plant and equipment are included in the non current liabilities/current liabilities as deferred income, and are credited to profit and loss on straight line basis over the expected lives of the related assets and presented within other income.

(r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors assesses the financial performance and position of the company, and makes strategic decisions.

Note 1.3 Recent accounting pronouncements

Ministry of Corporate Affairs (MCA) notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

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Everblue Apparel Limited
Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

Note 2- Property, plant and equipment

	Freehold Land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipment	Total
(Rs in lakhs)							
Gross carrying amount							
As at 1 April 2018	567.10	1,351.61	1,919.71	82.30	4.13	34.47	3,959.32
Additions / adjustments	-	8.75	39.98	1.65	-	8.20	58.58
Deletions / adjustments	-	-	-	-	-	-	-
Balance as at 31 March 2019	567.10	1,360.36	1,959.69	83.95	4.13	42.67	4,017.90
Additions / adjustments	-	-	26.84	0.33	-	4.92	32.09
Deletions / adjustments	-	-	5.84	-	-	-	5.84
Balance as at 31 March 2020	567.10	1,360.36	1,980.69	84.28	4.13	47.59	4,044.15
Accumulated Depreciation							
As at 1 April 2018	-	150.91	505.62	46.41	2.88	23.61	729.43
Additions	-	51.80	145.13	9.10	0.27	5.23	211.53
Deletions / adjustments	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	202.71	650.75	55.51	3.15	28.84	940.96
Additions	-	42.50	145.61	7.18	0.15	5.59	201.03
Deletions / adjustments	-	-	5.63	-	-	-	5.63
Balance as at 31 March 2020	-	245.21	790.73	62.69	3.30	34.43	1,136.36
Net carrying amount							
Balance as at 31 March 2019	567.10	1,157.65	1,308.94	28.44	0.98	13.83	3,076.94
Balance as at 31 March 2020	567.10	1,115.15	1,189.96	21.59	0.83	13.16	2,907.79

Notes:

- Refer Note 29 (a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer Note 28 for information on property, plant and equipment pledged as security by the Company.
- The Company had made a representation to Karnataka Industrial Area Development Board (KIADB) towards possible loss of civil construction on account of 1.50 acres land required to be surrendered to National Highway Authority of India (NHAI). However, in view of no written communication from KIADB relating to the date by which the portion of land is to be handed over to NHAI, no adjustment to Property, Plant and Equipment has been accounted as at 31 March 2020.

Everblue Apparel Limited**Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020****Note 3- Intangible assets****(Rs in lakhs)**
**Computer
Software**

Gross carrying amount	
As at 1 April 2018	12.03
Additions / adjustments	-
Deletions / adjustments	-
Balance as at 31 March 2019	12.03
Additions / adjustments	19.57
Deletions / adjustments	-
Balance as at 31 March 2020	31.60
Accumulated amortisation	
As at 1 April 2018	10.40
Additions / adjustments	1.04
Deletions / adjustments	-
Balance as at 31 March 2019	11.44
Additions / adjustments	2.14
Deletions / adjustments	-
Balance as at 31 March 2020	13.58
Net carrying amount	
Balance as at 31 March 2019	0.59
Balance as at 31 March 2020	18.02

Everblue Apparel Limited
Summary of the significant accounting policies and other explanatory information as at and for
the year ended 31 March 2020

	As at 31 March 2020 (Rs in lakhs)	As at 31 March 2019 (Rs in lakhs)
Note 4 :- Non-current financial assets (Unsecured, considered good)		
Deposits with others	91.59	96.09
Total	91.59	96.09
Note 5- Other non-current assets		
Capital advances	5.46	14.68
Prepaid expenses	5.74	4.39
Total	11.20	19.07
Note 6- Inventories		
Stores and spares	39.53	0.95
Total	39.53	0.95
Note 7- Trade receivables (Unsecured, considered good unless otherwise stated)		
Trade receivables	-	-
Receivables from related parties (refer note 31)	129.97	0.74
Total	129.97	0.74
Refer note 33 for information about credit risk and market risk of trade receivables.		
Note 8- Cash and cash equivalents		
Balances with Banks - in current accounts	2.00	2.99
Cash on hand	0.64	0.51
Total	2.64	3.50
Note 9- Other current assets		
Prepaid expenses	2.36	9.83
Interest subsidy receivable	1.43	1.43
Accumulated costs on conversion contract - in process (refer note 1.2 (I))	1,083.18	490.64
Balance with government authorities	16.03	-
Advances to suppliers	273.68	181.30
Other advances	4.02	7.98
Total	1,380.70	691.18

Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

	As at 31 March 2020	As at 31 March 2019
	(Rs in lakhs)	(Rs in lakhs)
Note 10: Equity share capital		
Authorised		
20,000,000 [31 March 2019: 20,000,000] equity shares of Rs 10 each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued, subscribed and fully paid up		
11,500,000 [31 March 2019 : 11,500,000] equity shares of Rs 10 each	1,150.00	1,150.00
	1,150.00	1,150.00

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year - Refer Statement of changes in equity

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

c) Equity shares held by Holding company and its nominee and shareholders more than 5%

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares of Rs. 10 held by:				
Raymond Limited (Holding Company) and its nominees.	11,500,000	100	11,500,000	100

d) Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - Nil

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - Nil

(iii) Aggregate number and class of shares bought back - Nil

Everblue Apparel Limited**Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020**

	As at 31 March 2020 (Rs in lakhs)	As at 31 March 2019 (Rs in lakhs)
Note 11 - Non Current Borrowings		
Secured		
Term loans		
From bank #	327.72	35.70
Unsecured		
Loan from Holding Company - Raymond Limited ##	1,400.00	1,400.00
Total	1,727.72	1,435.70

Refer note 33 for liquidity risk.

Nature of security and terms of repayment for long-term secured borrowings:**Nature of security**

Term loan amounting to Rs. 438.72 lakhs (31 March 2019 : Rs. 100.45 lakhs) secured by equitable mortgage of industrial land and building thereon situated at Dodaballapur, Bangalore.

Terms of repayment

Repayment will commence after 6 months of moratorium period from date of disbursement i.e 18 March 2019.

53 equal instalments of Rs. 9.25 lakhs per month and 54th instalment of Rs. 9.75 lakhs.

Interest at the rate of 1 year marginal cost of funds based lending rate (MCLR) + 0.70% p.a i.e. 8.85% p.a. as at 31 March 2020.

(31 March 2018: 9.60%)

Instalments falling due within twelve months of the year end aggregating Rs. 111.00 lakhs (31 March 2019: Rs. 64.75 lakhs) in respect of all the loans has been grouped under 'Current maturities of long term debt' (Refer Note 16)

Terms of repayment of loan from Raymond Limited - Holding Company

The loan amounting to Rs. 1,400 lakhs is due for payment on 30 April 2023 (as at 31 March 2019: Rs. 1,400 lakhs)

Rate of interest as at year end 10.50% p.a (as at 31 March 2019: 10.50% p.a)

The carrying amounts of financial and non financial assets as security for secured borrowings are disclosed in Note 28.

Note 12- Other non - current financial liabilities

Interest accrued but not due on borrowings	132.66	135.04
Total	132.66	135.04

Note 13- Other non - current liabilities

Government grant [Refer note 13 (a)]	102.92	135.76
Total	102.92	135.76

Everblue Apparel Limited**Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020**

	As at 31 March 2020 (Rs in lakhs)	As at 31 March 2019 (Rs in lakhs)
Note- 13 (a) Movement of Government grant		
Opening: Government grant	171.06	203.90
Add: Addition during the year	-	-
Less: released to statement of profit and loss	32.84	32.84
Closing: Government grant	138.22	171.06
Current portion	35.30	35.30
Non-current portion	102.92	135.76
Total	138.22	171.06

Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant (Refer Note 1). The Government Grant shown above represents unamortised amount of the duty saved referred to above. There are no export obligation to be fulfilled subsequent to the reporting date.

Under the Government Scheme, the Company is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in the said Scheme. The subsidy being Government Grant is accounted as stated in the Accounting policy on Government Grant (Refer Note 1). The Government Grant shown above represents unamortised amount of the subsidy referred to above, with the corresponding adjustment to the carrying amount of property, plant and equipment (Refer note 2).

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Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

	As at 31 March 2020 (Rs in lakhs)	As at 31 March 2019 (Rs in lakhs)
Note 14- Provisions		
Non-current		
Provision for employee benefits [Refer note 30]		
Leave entitlement	153.97	176.87
Total	153.97	176.87
Current		
Provision for employee benefits [Refer note 30]		
Leave entitlement	39.11	35.87
Gratuity	38.65	103.96
Total	77.76	139.83
Note 15- Current borrowings		
Working capital loan from banks	262.35	96.49
Total	262.35	96.49

Nature of security

Amount of Rs. 262.35 lakhs (31 March 2019: 96.49) primarily secured by entire current assets both present and future and collaterally secured by equitable mortgage of industrial land and building thereon situated at Dodaballapur, Bangalore, Karnataka.

Note 16- Trade payables

Amount due to related party (refer note 31)	-	58.86
Total outstanding dues of Micro Enterprises and Small Enterprises [Refer note 16 (a)]	50.29	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	697.66	369.74
Total	747.95	428.60

(a) Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

	(Rs. in lakhs)	
	31 March 2020	31 March 2019
a) The principal amount remaining unpaid to any supplier at the end of the year	50.29	-
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

(b) Refer Note 33 for information about liquidity risk and market risk of trade payables.

Note 17- Other financial liabilities

(a) Current maturities of long-term debt	111.00	64.75
(b) Capital creditors	4.00	13.18
(c) Salary and wages payable	598.48	532.06
(d) Payable to holding company [Refer note 31]	113.23	72.78
Total	826.71	682.77

a) There are no amounts due for payment to the Investor Education and Protection Fund Under Section 125 of the Companies Act, 2013 as at the year end.

Note 18- Other current liabilities

Statutory dues	96.93	106.82
Government grant [Refer note 13]	35.30	35.30
Rent equalisation	1.51	1.22
Total	133.74	143.34

Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

	Year ended 31 March 2020 (Rs in lakhs)	Year ended 31 March 2019 (Rs in lakhs)
Note 19- Revenue from operations		
Sale of services		
Job work	9,846.62	9,269.44
Total	9,846.62	9,269.44
Note 20- Other income		
Interest income	2.55	1.60
Government grant amortised [Refer note 13 (a)]	32.84	32.84
Miscellaneous income	1.62	1.07
Total	37.01	35.51
Note 21- Change in value of contract assets (refer note 1.2 (I))		
Decrease/(increase) in accumulated costs on conversion contract	(592.54)	(185.48)
Total	(592.54)	(185.48)
Note 22- Employee benefits expense		
Salaries and wages	4,899.82	4,927.01
Contribution to provident fund and other funds (Refer note 30)	480.05	459.77
Gratuity and compensated expense (Refer note 30)	171.87	247.64
Workmen and staff welfare expenses	474.81	490.85
Total	6,026.55	6,125.27
Note 23- Finance costs		
Interest expense [net of subsidy under TUF Scheme - Nil (31 March 2019: Rs 0.31 lakhs)]	212.12	151.24
Other borrowing cost	-	8.46
Total	212.12	159.70
Note 24- Depreciation and amortization expense		
Depreciation on property, plant and equipment	201.03	211.53
Amortization of intangible assets	2.14	1.04
Total	203.17	212.57
Note 25A- Manufacturing and operating costs		
Consumption of stores and spare parts	487.27	-
Power and fuel	478.49	333.09
Job work charges	1,687.57	1,834.35
Repairs to buildings	4.92	7.38
Repairs to machinery	20.41	13.28
Machine hire charges	723.49	137.13
Total	3,402.15	2,325.23
Note 25B- Other expenses		
Rent	60.69	75.51
Insurance	31.72	10.00
Rates and taxes	11.88	10.87
Legal and professional expenses	110.13	84.43
Travelling & conveyance	35.87	44.35
Security charges	72.57	88.82
Housekeeping charges	99.93	113.40
Miscellaneous expenses (Refer note below)	195.22	141.74
Total	618.01	569.12
(a) Miscellaneous expenses include:		
Auditors' remuneration and expenses		
Audit fees (Including goods and service tax)	5.31	4.72
Reimbursement of out-of-pocket expenses	0.37	0.39

Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

Note 26- Income taxes

i. The following table provides the details of income tax assets and liabilities:

	As at 31 March 2020	As at 31 March 2019
(Rs in lakhs)		
Non-current		
a) Income tax assets	591.62	409.75
b) Current income tax liabilities	-	-
Current tax assets (net)	591.62	409.75
Tax expense recognised in the statement of profit and loss		
(Rs in lakhs)		
	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	-	-
Current year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of temporary difference	4.25	35.84
Total deferred income tax expense	4.25	35.84
Total income tax expense/(credit)	4.25	35.84

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	Year ended 31 March 2020	Year ended 31 March 2019
(Rs in lakhs)		
Enacted income tax rate in India	27.82%	27.82%
Profit before tax	14.17	98.54
Income Tax expense as per enacted rate	3.94	27.41
Tax effect of adjustment to reconcile income tax expenses as per enacted rate with reported income tax expenses:		
Others	0.31	(1.93)
Minimum alternate tax credit (inclusive of Rs. Nil for earlier years ; 31 March 2019 Rs 20.78 lakhs)	(15.32)	(20.78)
Minimum alternate tax charge	15.32	20.78
Due to change in tax rate	-	10.36
Total income tax expense/(credit)	4.25	35.84

Everblue Apparel Limited
Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

(Rs in lakhs)

The movement in deferred tax assets and liabilities during the year ended 31 March 2019 and 31 March 2020:

	(Rs in lakhs)		(Rs in lakhs)	
	As at 1 April 2019	Credit/(charge) in statement of profit and loss	Credit/(charge) in other comprehensive income	As at 31 March 2020
Movement during the year ended 31 March 2020				
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	149.86	7.59	(23.37)	134.08
Depreciation and amortisation	(311.98)	(0.82)	-	(312.80)
Unabsorbed tax depreciation - Refer note below	216.05	(11.02)	-	205.03
Total	53.93	(4.25)	(23.37)	26.31
MAT credit entitlement - Refer note below	105.33	15.32	-	120.65
Total	159.26	11.07	(23.37)	146.96
Movement during the year ended 31 March 2019				
Deferred tax assets/(liabilities)				
Provision for post retirement benefits and other employee benefits	112.90	36.96	-	149.86
Depreciation and amortisation	(350.44)	38.46	-	(311.98)
Unabsorbed tax depreciation - Refer note below	327.31	(111.26)	-	216.05
Total	89.77	(35.84)	-	53.93
MAT credit entitlement -Refer note below	84.55	20.78	-	105.33
Total	174.32	(15.06)	-	159.26

Note:

The Company has been consistently profitable for last few years and estimates that future taxable income will generate to utilise the unabsorbed depreciation which can be carried forward indefinitely as per tax laws. Since, MAT credit is available for a period of 15 years, based on the Company's performance, it has estimated that future taxable income will be sufficient to absorb the same.

Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

	Year ended 31 March 2020	Year ended 31 March 2019
27 Earnings per share (EPS)		
Basic and Diluted :		
Profit as per the Statement of profit and loss available for equity shareholders (Rs. in lakhs)	9.92	62.70
Weighted average number of equity shares outstanding	11,500,000	11,500,000
Earnings Per Share (Rs.) - Basic and diluted (Face value of Rs. 10 per share)	0.09	0.55
	As at 31 March 2020	As at 31 March 2019
	(Rs in lakhs)	(Rs in lakhs)

Note 28 :Assets hypothecated as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Current Assets

Trade receivables	129.97	0.74
Inventories	39.53	0.95
Cash and cash equivalents	2.64	3.50
Other current assets (refer note 1.2 (I))	1,380.70	691.18
Total Current assets Hypothecated as security	1,552.84	696.37

Non Current Assets

Land	567.10	567.10
Building	1,115.15	1,157.65
Total non-current assets Hypothecated as security	1,682.25	1,724.75

Total assets hypothecated as security (Refer note 11 and 15)

3,235.09 2,421.12

Note 29 : Commitments (to the extent not provided for) and contingent liabilities and contingent assets:

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Property, plant and equipment	2.56	25.70
	2.56	25.70
Less: Capital advances	-	14.68
Net Capital commitments	2.56	11.02

(b) Provident fund

The Honourable Supreme Court, in one of the matters considered by it, has passed decision on 28 February, 2019 in relation to non-exclusion of certain allowances from the definition of "Basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Considering the uncertainties on the applicability of the judgement to the Company with respect to timing and components of its compensation structure, past provident fund liability, is currently not determinable. Accordingly, the Company has been advised to await further developments in this matter to reasonably assess the implications on its financial statements, if any.

(c) Contingent Assets - Refer Note 2 (iii)

Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

Note 30 : Post retirement benefit plans

i) Defined benefit plans - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to recognised funds. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

A. Balance Sheet

	(Rs. in lakhs)	
	Defined benefit plans	
	As at 31 March 2020	As at 31 March 2019
Present value of plan liabilities	376.79	372.62
Fair value of plan assets	338.14	268.66
Plan liability net of plan assets	38.65	103.96

B. The amount recognised in the balance sheet and movements in the net defined benefit obligation over the years are as under: -

Particulars	(Rs. in lakhs)		
	Plan liabilities	Plan assets	Net amount
As at 1 April 2018	273.38	219.68	53.70
Current service cost	102.29	-	102.29
Interest expense/(income)	20.99	16.87	4.12
Total amount recognised in Statement of Profit and Loss account	396.66	236.55	160.11
Remeasurements			
Return on plan assets excluding amounts included in interest expense/(income)	-	(0.51)	0.51
(Gain)/loss from changes in financial assumptions	10.52	-	10.52
Experience (gains)/losses	(13.48)	-	(13.48)
Total amount recognised in other comprehensive income	(2.96)	(0.51)	(2.45)
Employer contributions	-	53.70	(53.70)
Benefit payments	(21.08)	(21.08)	-
As at 31 March 2019	372.62	268.66	103.96

Particulars	(Rs. in lakhs)		
	Plan liabilities	Plan assets	Net amount
As at 1 April 2019	372.62	268.66	103.96
Current service cost	115.15	-	115.15
Interest expense/(income)	27.09	19.53	7.56
Total amount recognised in profit or loss	514.86	288.19	226.67
Remeasurements			
Return on plan assets excluding amounts included in interest expense/(income)	-	(10.23)	10.23
(Gain)/loss from changes in financial assumptions	(90.83)	-	(90.83)
Experience (gains)/losses	(3.42)	-	(3.42)
Total amount recognised in other comprehensive income	(94.25)	(10.23)	(84.02)
Employer contributions	-	104.00	(104.00)
Benefit payments	(43.82)	(43.82)	-
As at 31 March 2020	376.79	338.14	38.65

The weighted average duration of the defined benefit plans is 8 Years (2018-19 :- 8 years)

The Company expects to contribute Rs 135.99 lakhs to the funded plans in financial year 2020-2021 (2018-19 : Rs. 219.12 lakhs)

C. Assets

	(Rs. in lakhs)	
	Defined benefit plans	
	As at 31 March 2020	As at 31 March 2019
Unquoted		
Insurer managed funds	338.14	268.66
Total	338.14	268.66

Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

D. Significant estimates - actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at 31 March 2020	As at 31 March 2019
Financial Assumptions		
Discount rate	6.43%	7.27%
Salary escalation rate	1% for first 2 years, 2% for next 3 years, & thereafter, 5.5%	7.50%
Employee turnover rate	7% for staff & 13% for operators	7% for staff & 13% for operators

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table mortality in retirement

E. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	Increase in assumption	(Rs in lakhs) Decrease in assumption
Discount rate	1%	(21.93)	24.78
Salary escalation rate	1%	25.30	(22.78)
Employee turnover	4%	(2.92)	0.21

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

F. The defined benefit obligations shall mature after year end 31 March 2020 as follows:

	(Rs. in lakhs)	
	Defined benefit obligation	
	As at 31 March 2020	As at 31 March 2019
1st Following Year	36.41	23.97
2nd Following Year	40.52	31.64
3rd Following Year	40.67	36.86
4th Following Year	41.82	38.27
5th Following Year	39.95	40.89
6th to 10 th Year	163.61	176.89

(ii) Defined contribution plans :

The Company also has certain defined contribution plans. Contributions are made to provident fund and employees state insurance scheme in India at the fixed percentage of eligible employees salary. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 480.05 lakhs (31 March 2019: Rs 459.77 lakhs).

(iii) Leave Obligations :

The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of Rs 193.08 lakhs has been made as at 31 March 2019 (31 March 2019: Rs 212.74 lakhs) .

Everblue Apparel Limited

Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

Note 31 : Related party disclosures as per IND AS 24:-

A. Relationships

Country of Incorporation

a) Holding Company :-

Raymond Limited India

b) Fellow Subsidiary Company where transactions have taken place :-

Silver Spark Apparel Limited India

c) Joint Venture of Holding company where transactions have taken place :-

Raymond UCO Denim Private Limited India

d) Key Management Personnel

S. K. Gupta - Director

Prasad Thakur - Manager and Director

B. Nature of Transactions

		Year ended 31 March 2020 Rs in lakhs	Year ended 31 March 2019 Rs in lakhs
Rendering of services			
Raymond UCO Denim Private Limited	Joint venture	9,846.50	9,268.72
Silver Spark Apparel Limited	Fellow subsidiary	0.12	0.72
Reimbursement of expenses			
Raymond Limited	Holding Company	105.69	72.78
Finance cost			
Raymond Limited	Holding Company	147.4	150.05
Loan repaid			
Raymond Limited	Holding Company	-	100.00
Guarantee Revoked			
Raymond Limited	Holding Company	-	4,300.00
Machine Hire Charges Paid			
Raymond UCO Denim Private Limited	Joint venture	660.00	-

C. Outstanding balances:

		As at 31 March 2020 Rs in lakhs	As at 31 March 2019 Rs in lakhs
Interest accrued			
Raymond Limited	Holding Company	132.66	135.04
Other financial liabilities			
Raymond Limited	Holding Company	113.23	72.78
Borrowings			
Raymond Limited	Holding Company	1,400.00	1,400.00
Trade receivables			
Raymond UCO Denim Private Limited	Joint Venture	129.84	-
Silver Spark Apparels Limited	Fellow subsidiary	0.13	0.74
Trade payables			
Raymond UCO Denim Private Limited	Joint Venture	-	58.86

Note 32: Financial instruments

a) Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash and cash equivalent, other current financial asset, short term borrowing, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances, if any, are recognised to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying value and fair value of financial instruments by categories and hierarchy as at 31 March 2020 were as follows:

Financial Assets and Liabilities as at 31 March 2020	Routed through statement of profit and loss			Routed through other comprehensive income			Carried at amortised cost				Total Amount	
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Total		
Financial assets												
Other financial assets	-	-	-	-	-	-	-	-	91.59	91.59	91.59	91.59
Trade receivable	-	-	-	-	-	-	-	-	129.97	129.97	129.97	129.97
Cash and cash equivalents	-	-	-	-	-	-	-	-	2.64	2.64	2.64	2.64
	-	-	-	-	-	-	-	-	224.20	224.20	224.20	224.20

Everblue Apparel Limited
Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

(Rs in lakhs)

Financial Assets and Liabilities as at 31 March 2020	Routed through statement of profit and loss			Routed through other comprehensive income			Carried at amortised cost				Total Amount		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2		Level 3	Total
	Financial liabilities												
Borrowings	-	-	-	-	-	-	-	-	-	-	2,101.07	2,101.07	
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	848.37	848.37	
Trade payables	-	-	-	-	-	-	-	-	-	-	747.95	747.95	
	-	-	-	-	-	-	-	-	-	-	3,697.39	3,697.39	

The carrying value and fair value of financial instruments by categories and hierarchy as at 31 March 2019 were as follows:

(Rs in lakhs)

Financial Assets and Liabilities as at 31 March 2019	Routed through statement of profit and loss			Routed through other comprehensive income			Carried at amortised cost				Total Amount		
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2		Level 3	Total
	Financial assets												
Other financial assets	-	-	-	-	-	-	-	-	-	-	96.09	96.09	
Trade receivable	-	-	-	-	-	-	-	-	-	-	0.74	0.74	
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	3.50	3.50	
	-	-	-	-	-	-	-	-	-	-	100.33	100.33	
Financial liabilities													
Borrowings	-	-	-	-	-	-	-	-	-	-	1,596.94	1,596.94	
Other financial liabilities	-	-	-	-	-	-	-	-	-	-	753.06	753.06	
Trade payables	-	-	-	-	-	-	-	-	-	-	428.60	428.60	
	-	-	-	-	-	-	-	-	-	-	2,778.60	2,778.60	

Everblue Apparel Limited
Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

Note 33 : Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies.

A) Market Risk:

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control through approved policies and procedures over the entire process of market risk management.

i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	(Rs in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Borrowings bearing variable rate of interest	701.07	196.94
50 bp increase- decrease in profits	3.51	0.98
50 bp decrease- Increase in profits	(3.51)	(0.98)

B) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

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Everblue Apparel Limited
Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020

- i) Actual or expected significant adverse changes in business,
ii) Actual or expected significant changes in the operating results of the counterparty,
iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
iv) Significant increase in credit risk on other financial instruments of the same counterparty,
v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantors or credit enhancements.
Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

i) Ageing of trade receivables

	(Rs in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Not due	129.84	-
0-3 months	-	0.26
3-6 months	0.13	0.48
6-12 months	-	-
Beyond 12 months	-	-
Total	129.97	0.74

There is no bad debt amount as per experience of previous period.

C) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities:

	As at 31 March 2020		As at 31 March 2019		Total
	0-1 years	1-5 years	0-1 years	1-5 years	
Long term borrowings (Including current maturity of long term debt)	111.00	1,727.72	-	1,435.70	1,500.45
Short-term borrowings	262.35	-	262.35	96.49	96.49
Trade payables	747.95	-	747.95	428.60	428.60
Other financial liabilities	715.71	132.66	848.37	618.02	753.06
Total	1,837.01	1,860.38	1,207.86	1,570.74	2,778.60

(Rs in lakhs)

The company had access to the following undrawn facilities at the end of the reporting period :

	As at 31 March 2020	As at 31 March 2019
Floating Rate		
Working capital loan	237.65	403.51
Term Loan	-	399.55

Everblue Apparel Limited**Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020****Note 34 : Capital risk management**

The primary objectives of the capital management is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

Company manages its capital structure and makes its adjustments in the light of changes in economic environments.

The Company monitors capital on the basis of the following gearing ratio which is total debt net of cash and cash equivalents divided by total equity. The management monitors the return on capital.

The gearing ratios were as follows:

	As at 31 March 2020	As at 31 March 2019
	(Rs in lakhs)	(Rs in lakhs)
Net debt	1,836.08	1,496.95
Total equity	1,154.24	1,083.67
Net Debt to Total Equity	159%	138%

In the long run, the Company's strategy is to maintain a gearing ratio between 130% to 160%.

Note 35 : Leases

The Company's leasing arrangement is in respect of operating leases for office premises occupied and machines taken on hire by the Company .

a. The expense relating to payment not included in the measurement of lease liabilities is as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
	Rs in lakhs	Rs in lakhs
Short term leases	775.18	212.64
Leases of low value assets	9.00	-
Total lease expenses	784.18	212.64

b. Lease commitments

Future payments related to leases of low value assets and lease with term less than twelve months :

Particulars	(Rs in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Not later than 1 year	63.43	51.41
Later than 1 year but not later than 5 years	31.28	232.65
Later than 5 years	-	-
Total	94.71	284.06

(This space has been intentionally left blank)

Everblue Apparel Limited**Summary of the significant accounting policies and other explanatory information as at and for the year ended 31 March 2020****Note 36 : Segment Reporting**

The Company's business activity falls within a single primary business segment of "Manufacturing of Denim Garments" as a job processor and one reportable geographical segment which is "within India". Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment". Further the Company meets the quantitative threshold as mentioned in Ind AS 108 and hence separate information has been disclosed below:

The Company having combined revenue of more than 10% with the related parties amounts to Rs. 9,846.62 lakhs (31 March 2019 : Rs 9,268.72 lakhs). Further there is no external customer having revenue of more than 10%.

Note 37 : In March 2020, the World Health Organisation (WHO) declared COVID-19 a global pandemic. Consequent to this, Government of India declared nation-wide lockdown on 24 March 2020, which has impacted normal business operations of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, to determine the impact on the Company's revenue from operations and the consequent impact on liquidity position for the next year and the recoverability and carrying value of certain assets such as property, plant and equipment, inventories and trade receivables. The impact of Covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financial statements. As the situation is unprecedented, while the lockdown is gradually lifting, the Company is yet closely monitoring the situation as it evolves in the future. The Company has resumed its business activities by taking steps to strengthen liquidity position, initiating cost restructuring exercises and reopening factory, in line with guideline issued by the Government authorities. The Company does not anticipate any challenges in its ability to continue as going concern or meeting its financial obligations.

This is a summary of significant accounting policies and other explanatory information referred to in our report of even date**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No. 001076N / N500013

For and on behalf of Board of Directors

Sd/-
Prasad Thakur
Manager and Director
DIN: 07278555

Sd/-
S.K. Gupta
Director
DIN: 00323759

Sd/-
Adi P. Sethna
Partner
Membership No.: 108840

Sd/-
Ashok Kumar Bansal
Chief Financial Officer
Mumbai , Date : 27 June 2020

Sd/-
Aruna Subramanian
Company Secretary
ACS: 29737

Mumbai , Date : 27 June 2020

JK FILES (INDIA) LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI RAVIKANT UPPAL SHRI K. A. NARAYAN SHRI VIPIN AGARWAL SMT. RASHMI MUNDADA SHRI GANESHKUMAR SUBRAMANIAN SHRI R. NARAYANAN (Completion of term as an Independent Director on February 12, 2020) SHRI R.A. PRABHUDESAI (Completion of term as an Independent Director February 12, 2020)
WHOLE TIME DIRECTOR	:	SHRI GANESHKUMAR SUBRAMANIAN (Resigned as Whole-time Director w.e.f. May 31, 2020 and continue as a Non- Executive Director)
CHIEF FINANCIAL OFFICER	:	SHRI SRINIVASAN GANAPATHY
COMPANY SECRETARY	:	SMT. ARCHANA PANCHAL
STATUTORY AUDITORS	:	MESSRS. PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
SECRETARIAL AUDITOR LLP.	:	MESSRS DM & ASSOCIATES, COMPANY SECRETARIES LLP.
INTERNAL AUDITORS	:	MESSRS. MAHAJAN & AIBARA, CHARTERED ACCOUNTANTS LLP
REGISTERED OFFICE	:	NEW HIND HOUSE, NAROTTAM MORARJI MARG, BALLARD ESTATE, MUMBAI – 400 001 MAHARASHTRA.

JK FILES (INDIA) LIMITED
(CIN: U27104MH1997PLC105955)
DIRECTORS' REPORT

To,
The Members of JK FILES (INDIA) LIMITED

Your Directors present their **Twenty Third** Annual Report on the business and Operations of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS / OPERATIONAL PERFORMANCE

This company manufactures steel files and cutting tool and markets, hands tools and power tools. It is the leading manufacturer of steel files in the world with a domestic market share of ~60%.

The company reported a Gross Revenue of Rs. 379.07 crore for the FY 2020 (Previous Year: Rs. 404.39 crore). The Company registered a profit before exceptional item of Rs.18.56Crores (Previous year profit of Rs 22.86 Crores) mainly due to adverse economic conditions amidst Covid-19 pandemic which has impacted the operating margins.

The Company registered a Profit After Tax of Rs. 12.32 Crores (Previous Year: Profit of Rs. 15.13 Crore).

2. Material changes and commitment – if any, affecting financial position of the Company from the end of the Financial Year till the date of this Report:

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report, except for the impact arising out of COVID-19, which is detailed below in point no. 3 of this Report.

3. COVID-19 and its impact:

Your Company is in the business of manufacturing steel files and cutting tool and markets hands tools and power tools and, a key supplier in tools and hardware supply chain market. Files and cutting tools are going to remain key and a top priority going forward as well. Your Company's strong contingency plans are in place to secure operations and supply chain so that files and cutting tool manufacturing production continues, however considering the logistics challenges and low demand at customers' end during early phases of lockdown, the production was impacted in first two months, however with unlock phase being started, demand will improve in tandem with economic and industrial trends. Further, there are significant geographic, new customer and new proposition opportunities that will continue to drive growth in mid and long term.

The management has performed a detailed assessment of the situation and believes that no adjustments are required in the financial statements as it does not impact the current financial year; however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

4. DIVIDEND

In order to conserve resources, no dividend has been recommended for the FY 2019-20.

5. RESERVES

Your company has not transferred any amount to the reserves of the Company.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

JK TALABOT LIMITED

Your company holds 90% of equity shares of this company and the remaining 10% equity shares are held by M.O.B. Mondelin SAS, France.

This company manufactures files and rasps at its plant at Chiplun in Ratnagiri District, in the State of Maharashtra. During FY 2019-20, the Gross Revenue of the company stood at Rs. 23.27 Crores (previous Year: Rs.25.06 crore). The Company reported a profit after tax of Rs. 2.30 Crores during FY 2019-20 (Previous Year: Profit of Rs. 2.11 crores).

7. CONSOLIDATED ACCOUNTS

In accordance with the requirements of Indian Accounting Standard (Ind AS 110) – Consolidated Financial Statements, the Consolidated Accounts of the Company have been prepared. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rules made thereunder, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part of this Annual Report.

8. AUDITORS

8.1 STATUTORY AUDIT

M/s Price Waterhouse Chartered Accountants LLP (ICAI Firm Registration Number FRN 012754N/N500016) , registered with the Institute of Chartered Accountants of India, was appointed as the Statutory Auditor of the Company for a period of 5 years at the Annual General Meeting (AGM) held on June 02, 2017. Accordingly, M/s Price Waterhouse Chartered Accountants LLP was the statutory auditors of the Company for the Financial Year 2019-20. There is no audit qualification in the financial statements by the statutory auditors for the year under review.

8.2 SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s. DM & Associates Company Secretaries LLP to undertake the Secretarial Audit Report of the Company. The Secretarial Audit Report is included as **Annexure – A** and forms an integral part of this Report. There is no secretarial audit qualification for the year under review.

9.1 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures. The Company has entrusted the internal and operational audit to M/s. Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The main Thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of control mechanism. The Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

9.2 SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

9.3 REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

10. SHARE CAPITAL

The paid up Share Capital as on March 31, 2020 was **Rs. 30.74 Crore**. During the year under review, the Company has not issued any shares with differential voting rights neither granted stock options nor sweat equity. As on March 31, 2020 none of the Directors or Key Managerial Personnel of the Company holds any Shares or convertible instruments of the Company.

11. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

13. DIRECTORS

A) Changes in Directors and Key Managerial Personnel

I) Directors:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri K.A. Narayan (DIN: 00950589) , Director of the Company retires by rotation at the forthcoming Annual General Meeting and, being eligible offer himself for re-appointment.

During the year under review, on recommendation of Nomination and Remuneration Committee the Board of Directors at their meeting on April 08, 2019 has appointed Shri Ravikant Uppal (DIN: 00025970) and Shri Vipin Agarwal (DIN: 02963480) as an Additional director of the Company.

Shri Ravikant Uppal was appointed as a Chairman of the Board of Directors w.e.f April 25, 2019 with the consent of all the Board Members.

The first five years term of Shri R. A. Prabhudesai (DIN: 07095983) and Shri R. Narayanan (DIN: 00631703) as an Independent Director of the Company had ended on February 12, 2020 and they ceased to be an Independent Director of the Company.

Pursuant to Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being an Wholly-owned Subsidiary of the Raymond Limited is exempted from the requirements of appointment of Independent Director thereby also exempt from the requirements of constituting Audit Committee and Nomination and Remuneration Committee respectively. Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on

February 12, 2020, the Audit Committee and Nomination and Remuneration Committee was not reconstituted and dissolved with immediate effect.

The Board places on record its appreciation for the contribution made by Shri Prabhudesai and Shri R. Narayanan towards the welfare of the Company during their tenure as an Independent Director.

Pursuant to Section 149 of the Companies Act, 2013, Smt. Rashmi Mundada continues to be a Independent Women Director of the Company as the turnover of your Company is more than Rs. 300 Crore for FY 2019-20.

All Independent Directors have given declarations that they meet criteria of independence as laid down under Section 149(7) of the Companies Act, 2013.

During the year, Five Board Meetings were held viz. April 08, 2019, April 25, 2019, July 30, 2019, October 21, 2019 and January 20, 2020.

Sr. No.	Name of Director	DATE OF BOARD MEETING				
		08.04.2019	25.04.2019	30.07.2019	21.10.2019	20.01.2020
1	Shri Ravikant Uppal	-	✓	✓	✓	✓
2	Shri Ganeshkumar Subramanian	✓	✓	✓	✓	✓
3	Shri K. A. Narayan	✓	✓	✓	-	✓
4	Shri R. A. Prabhudesai	✓	✓	✓	✓	✓
5	Shri R. Narayanan	✓	✓	✓	✓	✓
6	Smt. Rashmi Mundada	✓	✓	✓	✓	✓
7	Shri Vipin Agarwal	-	✓	-	✓	✓

II) DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Ministry of Corporate Affairs vide Notification Number G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced an amendment relating to inclusion of names of Independent Directors in the Data Bank maintained by Institute of Corporate Affairs (IICA). All Independent Directors of your Company are registered with IICA.

III) Key Managerial Personnel

As on March 31, 2020 your company has the following KMP's:

Sr. No.	Name of the Person	Designation	Date of the Appointment
1	Shri Ganeshkumar Subramanian	Whole time Director	01/12/2016
2	Shri Srinivasan Ganapathy	Chief Financial Officer	24/07/2014
3	Smt. Archana Panchal	Company Secretary	19/07/2016

IV) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors at their Meeting held on January 17, 2020. The Directors express their satisfaction with the evaluation process.

14. COMMITTEES OF THE BOARD

With a view to have a more focused attention on the business and for better governance and accountability, the Board constituted the following committees:

Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 and the Rule 6 of the Companies (Meetings of Board and its Powers) Rule, 2014, the Audit Committee has been re-constituted on April 24, 2015.

The Composition of the Audit Committee was as under:

- | | |
|--------------------------|--------------------------------|
| 1. Shri K.A. Narayan | : Non-executive, Chairman |
| 2. Shri R. Narayanan | : Independent Director, Member |
| 3. Shri R.A. Prabhudesai | : Independent Director, Member |

The terms of reference of the Committee are determined by the Board and their relevance reviewed from time to time.

Pursuant to the Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was made exempt from the requirements of appointment of Independent Directors thereby also made exempted from the requirements of constituting an Audit Committee.

Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on February 12, 2020, the Audit Committee was not reconstituted and dissolved with immediate effect.

During the year, four meetings of the Audit Committee were held viz. April 25, 2019, July 30, 2019, October 21, 2019 and January 17, 2020.

Sr. No.	Name of Director	DATE OF MEETING			
		25.04.2019	30.07.2019	21.10.2019	17.01.2020
1	Shri K. A. Narayan	✓	✓	-	-
2	Shri R. A. Prabhudesai	-	✓	✓	✓
3	Shri R. Narayanan	✓	✓	✓	✓

Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Nomination and remuneration Committee was re-constituted on April 24, 2015. The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The Composition of the Committee was as under:

- | | |
|--------------------------|--------------------------------|
| 1. Shri K.A. Narayan | : Non-executive, Chairman |
| 2. Shri R. Narayanan | : Independent Director, Member |
| 3. Shri R.A. Prabhudesai | : Independent Director, Member |

Pursuant to the Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was made exempt from the requirements of

appointment of Independent Directors thereby also made exempted from the requirements of constituting a Nomination and Remuneration Committee.

Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on February 12, 2020, the Nomination and Remuneration Committee was not reconstituted and dissolved with immediate effect.

The terms of reference of Nomination and Remuneration Committee are as under:

1. to help in determining the appropriate size, diversity and composition of the Board;
2. to recommend to the Board appointment/re-appointment and removal of Directors;
3. to frame criteria for determining qualifications, positive attributes and independence of Directors;
4. to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
5. to create an evaluation framework for Independent Directors and the Board;
6. to assist the Board in fulfilling responsibilities entrusted from time-to-time;
7. Delegation of any of its powers to any Member of the Committee or the Company Secretary.

During the year, three meeting of the Nomination and Remuneration Committee were held viz. April 5, 2019, April 25, 2019 and October 21, 2019.

Sr. No.	Name of Director	DATE OF MEETING		
		05.04.2019	25.04.2019	21.10.2019
1	Shri K. A. Narayan	✓	✓	-
2	Shri R. A. Prabhudesai	✓	-	✓
3	Shri R. Narayanan	✓	✓	✓

Corporate Social Responsibility Committee

A report on CSR activities and the contents of Corporate Social Responsibility policy is annexed as **Annexure – B**.

The policy is displayed on the Company's website i.e. www.jksuperdrive.com.

The Composition of the Committee is as under:

1. Shri K.A. Narayan : Non-executive, Chairman
2. Shri R. Narayanan : Independent Director, Member
3. Shri R.A. Prabhudesai : Independent Director, Member

The first five years term of Shri R. A. Prabhudesai and Shri R. Narayanan as an Independent Director of the Company had ended on February 12, 2020 and they ceased to be an Independent Director of the Company. Hence, Corporate Social Responsibility was re-constituted by inducting Shri Vipin Agarwal and Smt. Rashmi Mundada as a Member w.e.f June 29, 2020

During the year, a meeting of Corporate Social Responsibility Committee was held viz. February 12, 2020.

Sr. No.	Name of Director	DATE OF MEETING
		12.02.2020
1	Shri K. A. Narayan	✓
2	Shri R. A. Prabhudesai	✓
3	Shri R. Narayanan	✓

Committee of Directors

The Committee of Directors has been re-constituted on July 21, 2017. The Composition of the Committee is as under:

1. Shri Vipin Agarwal : Non-executive, Chairman
2. Shri Ganeshkumar Subramanian : Whole Time Director, Member
3. Smt. Rashmi Mundada : Independent Director, Member

During the year, three meetings of Committee of Directors were held viz. July 31, 2019, December 04, 2019 and January 24, 2020.

Sr. No.	Name of Director	DATE OF MEETING		
		31.07.2019	04.12.2019	24.10.2020
1	Shri Vipin Agarwal	✓	✓	✓
2	Shri Ganeshkumar Subramanian	✓	✓	✓
3	Smt. Rashmi Mundada	✓	✓	✓

15. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to Section 177(9) of the Companies Act, 2013, your company has formulated the Vigil Mechanism / Whistle Blower Policy to report genuine concerns to be disclosed. The policy is displayed on the Company's website (www.jksuperdrive.com).

16. RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the year under review are on arm's length basis and in the ordinary course of business and that provisions of Section 188(1) of the Companies Act, 2013 are not attracted. The Company has developed a Related Party Transactions Manual and Standard operating procedures for purpose of identification and monitoring of such transactions.

17. RISK MANAGEMENT POLICY

The Company is exposed to risk from market fluctuations of foreign exchange, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the risks.

18. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other

- irregularities;
- d. that the directors have prepared the annual accounts on a going concern basis; and
 - e. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, on the conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as **Annexure- C** to this Report.

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure- D** to this Report.

21. PARTICULARS OF EMPLOYEES

Since your company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2019 is not applicable.

22. DISCLOSURE UNDER SEXUAL HARASSMENT ACT

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, redressal is placed on the intranet for the benefit of its employees. There were no complaints filed against any of the employees of the Company under this Act.

23. ACKNOWLEDGEMENT

The Directors express their appreciation to all the employees for their dedication and commitment. The Directors also extend their appreciation to the Banks for their continued support and co-operation.

For J.K. Files (India) Limited

Sd/-

Sd/-

Place : Mumbai
Date : June 25, 2020

Shri Vipin Agarwal
Director
DIN: 02963480

Shri K.A. Narayan
Director
DIN: 00950589

Form No. MR-3

Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2020

To,
The Members,
JK FILES (INDIA) LIMITED
NEW HIND HOUSE, NAROTTAM MORARJEE MARG,
BALLARD ESTATE,
MUMBAI - 400001

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JK FILES (INDIA) LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under: **NA**;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings: **NA**;
5. Provisions of Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Audit Period.

We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We further state that, having regard to the Compliance system prevailing in the Company and based on test check basis and based on the representations made by the Company, the Company has complied with the following laws Applicable specifically to the Company:

- i. Factories Act, 1948;
- ii. Industries (Development & Regulation) Act, 1951
- iii. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- iv. Acts prescribed under prevention and control of pollution

- v. Acts prescribed under Environmental protection;
- vi. Acts as prescribed under Direct Tax and Indirect Tax;
- vii. Land Revenue laws of respective States
- viii. Labour Welfare Act of respective States;
- ix. Trade Marks Act 1999 & Indian Copy Right Act 1957;
- x. The Legal Metrology Act, 2009;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

Majority decision is carried through while there were no dissenting members' views which are to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500

Sd/-

Dinesh Kumar Deora
Partner
FCS NO 5683
CP NO 4119
UDIN: F005683B000352557

Place: Mumbai
Date: 18th June, 2020

Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.

ANNEXURE - I

To
The Members,
JK FILES (INDIA) LIMITED
NEW HIND HOUSE, NAROTTAM MORARJEE MARG,
BALLARD ESTATE,
MUMBAI - 400001

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500

Sd/-

Dinesh Kumar Deora
Partner
FCS NO 5683
CP NO 4119
UDIN: F005683B000352557

Place: Mumbai
Date: 18th June, 2020

ANNUAL REPORT DETAILS OF CSR ACTIVITIES

Sr. No.	Particulars	Remarks
1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The CSR Policy was approved by the Board of Directors at its Meeting held on April 28, 2014 and has been uploaded on the Company's webpage. A gist of the programs that the Company can undertake under the CSR policy is mentioned below.</p> <p>The link of the website of the Company (www.jksuperdrive.com)</p>
2.	The composition of the CSR Committee.	<p>1. Shri K.A. Narayan, Chairman (Non-Executive Director); 2. Shri R.A. Prabhudesai (Independent Director); 3. Shri R. Narayanan (Independent Director)</p> <p>The first five years term of Shri R. A. Prabhudesai and Shri R. Narayanan as an Independent Director of the Company had ended on February 12, 2020 and they ceased to be an Independent Director of the Company. Hence, Corporate Social Responsibility was re-constituted by inducting Shri Vipin Agarwal and Smt. Rashmi Mundada as a Member w.e.f June 25, 2020</p>
3.	Average net profit of the Company for last three financial years.	₹ 652.22 Lac
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above).	₹ 14.00 Lac
5.	<p>Details of CSR spent during the financial year:</p> <p>i. total amount to be spent for the financial year:</p> <p>ii. amount unspent, if any</p> <p>iii. manner in which the amount spent during the financial year:</p>	<p>₹ 14.00 Lac</p> <p>NIL</p> <p>In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules 2014, your Company has identified following project;</p> <ul style="list-style-type: none"> • Mid-day Meal program by Rotary Club of Thane Lake City Charity Trust ("RCTLC") • Shri Sant Achyut Maharaj Heart Hospital for providing cardiac care to rural poor and educates them on congenital heart disease. <p>The details are as under:</p>

1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or Activity Identified.	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	To Financially support SGMSS for procurement of one Heart Lung Machine, one 2D Echo Machine and one Ventilator for its Sant.Achyut Maharaj Heart Hospital, Amravati, for a charitable cause.	Promoting Heathcare including preventive health care	Amravati, Maharashtra	₹ 4.00 Lac	₹ 4.00 Lac	₹ 4.00 Lac	Sane Guruji Manav Sewa Sangh, Amravati
2	Providing mid-day meals to around 1000 children of unaided school "Twins Hindi / English High School" at Manpada, Thane	Eradicating Hunger	Thane, Maharashtra	₹ 10.00 Lac	₹ 10.00 Lac	₹ 10.00 Lac	Rotary Club of Thane Lake City Charity Trust ("RCTLC")
TOTAL					₹ 14.00 Lac	₹ 14.00 Lac	

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For J.K. Files (India) Limited

Place : Mumbai
Date : June 25, 2020

Sd/-
Shri K.A. Narayan
Chairman of Social Responsibility
Committee
DIN: 00144487

Sd/-
Shri Vipin Agarwal
Director
DIN: 02963480

CONTENTS OF CORPORATE SOCIAL RESPONSIBILITY POLICY
(Approved by the Board of Directors on October 27, 2014)

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The Company's commitment to CSR projects and programmes will be by investing resources into any of the following areas.

- Improving the quality of life in rural areas;
- Eradicating hunger, poverty and malnutrition;
- Promoting healthcare including preventive healthcare;
- Employment enhancing vocational skills;
- Promotion of education including investment in technology in schools;
- Ensuring environmental sustainability including measures for reducing inequalities faced by socially and economically backward groups;
- Promoting sports including rural and Olympic sports;
- Contribution to funds for promoting technology;
- Investing in various rural development projects;
- Contributing to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief; and
- Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time-to-time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

{Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014}

A) CONSERVATION OF ENERGY :

- Under the Green Energy initiative, the Company has installed and commissioned a "Solar Power Generation system" of 60 Kw in FY 2012-13 in the premises of JK Files (India) Ltd, Thane & of 100 Kw in FY 2015-16 in the premises of JK Files (India) Ltd, Chiplun. In this financial year i.e. (2019-20), it has generated Green power of 152.76 MWh thereby achieving a reduction of 160 MT of CO₂.
- During FY 19-20, JKFIL's manufacturing engineering team replaced all CFL lamps by LED lamps in premises JK Files (India) Ltd, Thane. In this financial year i.e. (2019-20) it has saved Rs. 5.45 Lacs.
- During FY 17-18, JKFIL's Pithampur plant made the Solar Power Purchase agreement. This gives the benefits in terms of rate of electricity. Total saving through this in this FY ie. FY 2019-20 is ₹ 12.06 Lacs

B) TECHNOLOGY ABSORPTION :

a) Development in machine

1. Development in scouring machine leads to increase in productivity by 30%. The prototype of this project was installed in 2018-19 at JKFI's Vapi Plant. Horizontal deployment of same project in JKFIL's Vapi & Pithampur in FY 2019-20. This development makes the saving of ₹ 30.36 in FY 2019-20.
2. Modification in robotic hardening furnace & Pot is done at JKFIL's Chiplun & Pithampur plant, resulted in consistent running of furnace, reduction in maintenance & material down time. This makes the saving of about 20.59 Lacs per annum.
3. Development & Changing the cooling bed reduces the side bend, This reduces the rejection & improves the yield. This saves 15.75 Lacs in FY 2019-20.

b) New Product Development-

We have developed 14 new products in FY 19-20 which gives the business about Rs 591 Lacs to the company. Also an additional revenue of around Rs 700 Lacs from the products which were launched in various months of FY 18-19.

c) New packaging development:

Various developments in packing & store consumable in FY 19-20 made the saving of approximate 0.64 Crore.

- d) **In case of imported technology** (imported during the last three years reckoned from the beginning of the financial year)- **NOT APPLICABLE**

e) **Research and Development-**

1. **Brine water temperature control:** Controlling the temperature by replacing the GI pipes with UPVC pipe results in saving of usage of Chiller, maximum use of running furnace & manpower. This makes the saving in electricity & manpower at JKFIL's Chiplun plant. About ₹ 21.58 lacs saving is achieved in FY 2019-20.

During FY 19-20, JKFIL's manufacturing engineering team has conducted study for potential areas & technology innovation & development. Based on plant wise analysis following projects are identified & initiated.

1. Multistage grinding machine for improvement in grinding quality & productivity at JKFIL, Vapi.
2. Walking beam system for automation in forging to reduce down the rejection by 1% & improvement in productivity at JKFIL, Vapi.
3. Development in existing cutting machine as well as development of new multi head cutting machine

C) **FOREIGN EXCHANGE EARNINGS AND OUTGO-**

The Company had Rs.173.22 Cr (Previous Year: 172.51 Cr) earnings in foreign exchange and the outgo in foreign exchange was Rs. 57.88 Cr (Previous Year: 45.47 Cr).

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U27104MH1997PLC105955
2.	Registration Date	18/02/1997
3.	Name of the Company	JK Files (India) Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non- government Company
5.	Address of the Registered office & contact details	New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai- 400 001. Tel: 022 – 66046000 Fax: 022 – 22620052
6.	Whether listed Company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Files & Rasps	25932	61%
2	HSS Drills	25933	20%
3	Hand Tools & accessories	28180/46633	16%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Raymond Limited with its Nominees Plot No. 156/H. No. 2, Village Zadgaon, Ratnagiri – 415 612	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)

Sr. No.	Name and Address of the company	CIN/ GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
2	JK Talabot Limited New Hind House Narottam Morarjee Marg, Ballard Estate, Fort, Mumbai-400001	U28930MH2005PLC154517	Subsidiary Company	90%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	8740658	8740658	100	-	8740658	8740658	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	-	8740658	8740658	100	-	8740658	8740658	100	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	8740658	8740658	100	-	8740658	8740658	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	8740658	8740658	100	-	8740658	8740658	100	-

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raymond Limited and its nominees	8740658	100	-	8740658	100	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no Change in the Promoters' Shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no Change in the Shareholding Pattern of the top ten Shareholders			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors hold shares in the Company			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. in Rs. Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,399.42	3,427.82	-	5,827.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	6.73	-	-	6.73
Total (i+ii+iii)	2,406.15	3,427.82	-	5,833.97
Change in Indebtedness during the financial year				
* Addition	1,339.42	3,148.35	-	4,487.77
* Reduction	-	(6,477.82)	-	(6,477.82)
Net Change	1,339.42	(3,329.47)	-	(1,990.05)
Indebtedness at the end of the financial year				
i) Principal Amount	3,745.57	98.35	-	3,843.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.14	-	-	3.14
Total (i+ii+iii)	3,748.71	98.35	-	3,847.07

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. In Lac)

SN.	Particulars of Remuneration	Name of Managing Director, Whole-time Director and Manager	Total Amount
		Ganeshkumar Subramanian (Whole-time Director)#	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	261.17	261.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify		
	Total (A)	261.17*	261.17
	Ceiling as per the Act	Rs. 93.75 lakh (being 5% of Net Profit of the company calculated as per section 198 of Companies Act, 2013)	

*Remuneration is within limits recommended by NRC and approved by Board for the period December 01, 2019 to November 30, 2022 and approved by the Members of the Company vide Special Resolution.

Shri Ganeshkumar Subramanian resigned as a Whole-time Director w.e.f June 4, 2020 and continue to be a Non-Executive Director of the Company

B. Remuneration to other directors

(Rs. In Lac)

S N.	Particulars of Remuneration	Name of Directors				Total Amount
		Shri R. A. Prabhudesai	Shri R. Narayanan	Smt. R.B. Mundada	Shri Ravikant Uppal*	
1	Independent Directors					
	Fee for attending board meeting and Independent Directors Meetings	4	5	3.5	2.5	15

S N.	Particulars of Remuneration	Name of Directors				Total Amount
	Commission	-	-	-	-	-
	Others- Professional Fees	-	-	-	-	-
	Total (1)	4	5	3.5	2.5	15
2	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	4	5	3.5	2.5	15
	Total Managerial Remuneration	-	-	-	-	15
	Ceiling as per the Act	Rs. 18.75 lakh (being 1% of Net Profit of the company calculated as per section 198 of Companies Act, 2013)				

* Shri Ravikant Uppal was appointed as a Director w.e.f. April 08, 2019

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. In Lac)

SN	Particulars of Remuneration	Key Managerial Personnel			
		WTD	CS	CFO	Total
		Shri Ganeshkumar Subramanian	Smt. Archana Panchal	Shri Srinivasan Ganapathy	
1	Gross salary	261.17	-	82.58	343.75
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	261.17	-	82.58	343.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	261.17	-	82.58	343.75

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs Lacs)

Sr No.	Particulars	
1	Sl. No.	1
2	Name of the subsidiary	JK Talabot Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting Period(1 st April 2019 to 31 st March 2020)
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.
5	Share capital	805.44
6	Reserves & surplus	1822.43
7	Total assets	2946.87
8	Total Liabilities	319.00
9	Investments	134.47
10	Turnover	2326.53
11	Profit before taxation	288.41
12	Provision for taxation	58.42
13	Profit after taxation	229.99
14	Proposed Dividend	NIL
15	% of shareholding	90%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding %	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
6. Profit / Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
i. Not Considered in Consolidation	-	-	-

For and on behalf of the Board of
JK FILES (INDIA) LIMITED

Sd/-

Vipin Agarwal
Director
DIN: 02963480

Sd/-

K. A. Narayan
Director
DIN: 00950589

Sd/-

Srinivasan Ganapathy
Chief Financial Officer

Sd/-

Archana Panchal
Company Secretary

Place: Mumbai
Date: June 25, 2020

Independent auditor's report

To the Members of JK Files (India) Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of JK Files (India) Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 48 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of

Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
14. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGM4471

Mumbai
June 25, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020

Page 1 of 2

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of JK Files (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020

Page 2 of 2

financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGM4471

Mumbai
June 25, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2(b) on Property, Plant and Equipment and Note 12 on Assets classified as held for sale to the financial statements, are held in the name of the Company, except for following leasehold land transferred to Company, pursuant to a demerger from Raymond Limited, which is pending registration in the name of the Company:

(Rs. In lakhs)

Location	Type of Immovable Property	Gross Block	Net Block
Chiplun	Leasehold Land	154.79	134.30

- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 35 to the financial statements regarding management's assessment on certain matter relating to provident fund.

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020
Page 2 of 3

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, service tax and goods and service tax as at March 31, 2020 which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax and (VAT and CST)	66.23	2007-08 and 2011-12	Revision Board
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax and (VAT and CST)	124.26	2012-13 to 2014-15	Deputy Commissioner of Sales Tax
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax and (VAT and CST)	11.49	2013-14 and 2014-15	Sales Tax Officer
The Central Sales Tax Act, 1956 and Madhya Pradesh Value Added Tax Act, 2002	Sales Tax and (VAT and CST)	1.77	2015-16	Deputy Commissioner
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax and (VAT and CST)	3.76	2010-11	Joint Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax (VAT)	0.08	2014-15	Sr. Joint Commissioner
The Central Sales Tax Act, 1956	Sales Tax (VAT)	0.22	1996-97	Appellate Board
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax and (VAT and CST)	7.17	2013-14 to 2017-18	Deputy Commissioner of Sales Tax
The Income Tax Act, 1961	Income Tax	88.98	2010-11 to 2015-16	Commissioner of Income Tax (Appeals)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company has not issued any debentures and hence the question of default does not arise.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020
Page 3 of 3

- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 14 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him covered within the meaning of section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGM4471

Mumbai
June 25, 2020

J K Files (India) Limited
Balance Sheet as at 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

	Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
I	ASSETS			
1	Non-current assets			
	(a) Property, plant and equipment	2(a)	4,508.79	5,145.68
	(b) Right to Use Assets	2(b)	1,466.83	-
	(c) Capital work - in - progress		6.70	30.62
	(d) Goodwill		79.41	79.41
	(e) Other Intangible assets	3	4.76	128.12
	(f) Investment in subsidiary	4	724.89	724.89
	(g) Financial assets			
	(i) Loans	5	142.53	129.69
	(ii) Other Financial Asset	6	0.50	0.50
	(h) Deferred tax assets (net)	30	304.05	368.52
	(i) Non Current tax asset (net)		221.13	20.48
	(j) Other non - current assets	7	236.13	228.51
	Total Non-Current Assets		7,695.72	6,856.42
2	Current assets			
	(a) Inventories	8	5,942.91	4,857.46
	(b) Financial assets			
	(i) Trade receivables	9	6,030.54	5,517.42
	(ii) Cash and cash equivalents	10(a)	6.88	3.93
	(iii) Bank balances other than (ii) above	10(b)	8.88	-
	(iv) Loans	5	0.25	-
	(v) Other financial asset	6	93.47	5.83
	(c) Other current assets	11	1,928.63	1,833.71
	Total Current Assets		14,011.56	12,218.35
3	Assets classified as held for sale	12	105.75	105.75
	TOTAL ASSETS		21,813.03	19,180.52
II	EQUITY AND LIABILITIES			
1	Equity			
	a) Equity share capital	13	3,074.07	3,074.07
	b) Other equity	14	3,170.10	2,152.90
	Total Equity		6,244.17	5,226.97
2	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	-	3,427.82
	(ii) Lease liabilities	2(b)	1,410.43	-
	Total Non Current Liabilities		1,410.43	3,427.82
	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	16	3,843.92	2,147.72
	(ii) Lease liabilities	2(b)	88.91	-
	(iii) Trade payables	17		
	(a) total outstanding of micro and small enterprises		94.89	58.52
	(b) total outstanding other than (iii) (a) above		5,999.98	4,738.60
	(iv) Other financial liabilities	18	1,803.09	1,872.19
	(b) Provisions	19	365.70	317.86
	(c) Other current liabilities	20	1,961.94	1,390.84
	Total Current Liabilities		14,158.43	10,525.73
	Total Liabilities		15,568.86	13,953.55
	TOTAL EQUITY AND LIABILITIES		21,813.03	19,180.52
	SIGNIFICANT ACCOUNTING POLICIES	1		
The accompanying notes (1 to 49) are an integral part of these financial statements				
As per our attached report of even date			For and on behalf of Board of Directors	
Sd/-			Sd/-	
For Price Waterhouse Chartered Accountants LLP Firm Registration NO. 012754N/N500016			Ganesh Kumar Subramanian Director DIN: 00088163	
Sd/-			K. A. Narayan Director DIN:00950589	
Arunkumar Ramdas Partner Membership No.: 112433 Mumbai 25th June, 2020			Sd/- Srinivasan Ganapathy Chief Financial Officer Mumbai 25th June, 2020	
			Sd/- Archana Panchal Company Secretary	

J K Files (India) Limited

Statement of Profit and Loss for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
I	Revenue from operations	21	37,907.44	40,438.64
II	Other income	22	136.80	131.85
III	Total income (I+II)		38,044.24	40,570.49
IV	Expenses			
	Cost of raw materials consumed	23	10,655.73	11,383.63
	Purchases of Stock-in-Trade	24	4,112.30	4,498.19
	Changes in inventories of work-in progress, finished goods and Stock-in-Trade	25	(216.42)	(32.19)
	Employee benefits expense	26	6,472.04	6,304.95
	Finance costs	27	719.51	871.11
	Depreciation and amortization expense	28	976.82	903.99
	Other expenses	29		
	(a) Manufacturing and operating expenses		9,211.43	9,151.00
	(b) Other expenses		4,257.09	5,204.09
	Total expenses (IV)		36,188.50	38,284.77
V	Profit before exceptional items and tax (III-IV)		1,855.74	2,285.72
VI	Exceptional Items	43	-	29.06
VII	Profit before tax (V-VI)		1,855.74	2,256.66
VIII	Tax expense	30		
	Current tax		473.43	697.87
	Deferred tax		148.67	45.47
	Total Tax expenses (VIII)		622.10	743.34
IX	Profit for the year (VII- VIII)		1,233.64	1,513.32
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans	31	45.51	84.21
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans	30	(11.62)	(29.43)
	Other Comprehensive Income for the year		33.89	54.78
XI	Total Comprehensive Income for the year (IX+X)		1,267.53	1,568.10
XII	Earnings per equity share of Rs. 10 each	33		
	Basic earnings per share (in Rs.)		14.11	17.31
	Diluted earnings per share (in Rs.)		11.67	14.31
	SIGNIFICANT ACCOUNTING POLICIES	1		

The accompanying notes (1 to 49) are an integral part of these financial statements

As per our attached report of even date

For and on behalf of Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration NO. 012754N/N500016

Sd/-
Ganesh Kumar Subramanian
Director
DIN: 00088163

Sd/-
K. A. Narayan
Director
DIN:00950589

Sd
Ankumar Ramdas
Partner
Membership No.: 112433
Mumbai
25th June, 2020

Sd/-
Srinivasan Ganapathy
Chief Financial Officer
Mumbai
25th June, 2020

Sd/-
Archana Panchal
Company Secretary

J K Files (India) Limited
Statement of Changes in Equity for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

A. Equity Share Capital

Particulars	Amount
As at 1st April, 2018	3,074.07
Change in equity share capital during the year	-
As at 31 March, 2019	3,074.07
Change in equity share capital during the year	-
As at 31 March, 2020	3,074.07

B. Other Equity

Particulars	Reserves & Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April, 2018	314.50	403.56	718.06
Change in accounting policy (Refer Note 46)	-	(133.26)	(133.26)
Profit for the year	-	1,513.32	1,513.32
Other Comprehensive Income for the year (Net of Tax)	-	54.78	54.78
Total Comprehensive Income for the year	-	1,434.84	1,434.84
Balance as at 31st March, 2019	314.50	1,838.40	2,152.90
Change in accounting policy (Net of deferred tax) (Refer Note 47)	-	(250.33)	(250.33)
Restated balance as at 1st April, 2019	314.50	1,588.07	1,902.57
Profit for the year	-	1,233.64	1,233.64
Other Comprehensive Income for the year (Net of Tax)	-	33.89	33.89
Total Comprehensive Income for the year	-	1,267.53	1,267.53
Balance as at 31st March, 2020	314.50	2,855.60	3,170.10

The accompanying notes (1 to 49) are an integral part of these financial statements

As per our attached report of even date

For and on behalf of Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration NO. 012754N/N500016

Sd/-

Ganesh Kumar Subramanian
Director
DIN: 00088163

Sd/-

K. A. Narayan
Director
DIN:00950589

Sd/-

Arunkumar Ramdas
Partner
Membership No.: 112433
Mumbai
25th June, 2020

Sd/-

Srinivasan Ganapathy
Chief Financial Officer

Mumbai
25th June, 2020

Sd/-

Archana Panchal
Company Secretary

Statement of Cash Flow for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

	Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
A.	Cash Flow from Operating Activities				
	Profit/(loss) before exceptional items and tax as per statement of profit and loss		1,855.74		2,285.72
	Adjustment for :				
	Depreciation and Amortisation expenses	976.82		903.99	
	Net gain/(loss) on disposal/discard of property, plant and equipment	(3.07)		10.17	
	Liabilities no longer required written back	(10.38)		(10.88)	
	Interest income	(75.67)		(69.30)	
	Finance Cost	719.51		871.11	
	Unrealised (gain)/loss on foreign exchange fluctuations	(344.18)		61.63	
	Allowances for doubtful debts and advances	(17.23)		368.09	
	Changes in Accounting Policy (Refer note 46)	-		(179.46)	
	Remeasurement of net defined benefit plan	45.51		84.21	
			1,291.31		2,039.56
	Changes in Operating Assets & Liabilities		3,147.05		4,325.28
	(Increase) in Inventory	(1,085.45)		(1,136.94)	
	(Increase)/Decrease in Trade & Other receivables	(328.30)		1,099.10	
	Increase/(Decrease) in Trade & other Payables	1,718.42		(1,043.81)	
	Increase/(Decrease) in Provisions	47.84		(88.70)	
		352.51		(1,170.35)	
		3,499.56		3,154.93	
(Less): Direct Taxes Paid (Net)		(685.70)		(536.84)	
Less : Exceptional Item		2,813.86		2,618.09	
		-		29.06	
Net cash flows generated from operating activities after exceptional items		2,813.86		2,589.03	
B.	Cash Flow from Investing Activities				
	Inflows				
	Sale Proceeds of property, plant & equipment (including Advances)		328.91		1,116.53
	Interest received		75.83		70.03
			404.74		1,186.56
	Outflows				
	Purchase of property, plant & equipment (including capital work-in-progress)		(455.81)		(268.01)
		(455.81)		(268.01)	
Net cash flows (used in)/generated from investing activities		(51.07)		918.55	
C.	Cash Flow from Financing Activities				
	Inflows				
	Proceeds of short term borrowings (net)		1,696.20		-
			1,696.20		-
	Outflows				
	Repayment of long term borrowings		(3,679.52)		(878.60)
	Repayment of Short term borrowings (net)		-		(1,772.05)
	Interest Paid		(549.24)		(874.83)
	Principal elements of lease payments		(227.28)		-
			(4,456.04)		(3,525.48)
Net cash flows (used in) from financing activities		(2,759.84)		(3,525.48)	
Net Increase in Cash and Cash Equivalents (A+B+C)		2.95		(17.90)	
Add :Cash and Cash Equivalents at the beginning of the financial Year		3.93		21.83	
Cash and Cash Equivalents as at the end of the Year		6.88		3.93	

J K Files (India) Limited

Statement of Cash Flow for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Reconciliation of Cash and Cash Equivalents as per Cash Flow Statement	Year ended 31st March, 2020	Year ended 31st March, 2019
<u>Cash and Cash Equivalent as per above comprise of the following</u>		
Cash and Cash Equivalent	6.88	3.93
Balance as per Statement of Cash Flows	6.88	3.93

The accompanying notes (1 to 49) are an integral part of these financial statements

Note

1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cashflows.

As per our attached report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/

Arunkumar Ramdas
Partner
Membership No.: 112433

Sd/-

Ganesh Kumar Subramanian
Director
DIN: 00088163

Sd/-

K. A. Narayan
Director
DIN:00950589

Sd/-

Srinivasan Ganapathy
Chief Financial Officer
Mumbai
25th June, 2020

Sd/-

Archana Panchal
Company Secretary

Mumbai
25th June, 2020

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

A. Background and Operations

JK Files(India) Limited incorporated in India having registered office at Mumbai and Manufacturing facilities at Ratnagiri, Chiplun, Pithampur and Vapi. The Company is a leading Engineering tools Company.

B. Significant accounting policies

(a) Basis of preparation of Financial Statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statement.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1)certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- 2)assets held for sale – measured at lower of book value and fair value less cost to sell.
- 3)defined benefit plans – plan assets measured at fair value; and

(iii) New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 12, Income Taxes

The company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 47. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the (company's normal operating cycle (twelve months) and other criteria set out in the Schedule III (Division II) to the Act.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II), unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Buildings and Plant and Equipment is provided on a Straight Line Method and in case of other assets on Written Down Value Method, net of their residual values, over the estimated useful lives of assets. Leasehold land is amortised over the period of lease. Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery, useful life for which is based on an independent technical evaluation has been estimated as 24 years from the date of acquisition (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(d) Intangible assets

Goodwill generated as part of business combination are not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Computer software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Trademarks

Trademarks acquired separately are shown at historical cost. Trademarks acquired in business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation method

The Company amortizes intangible assets with a future useful life using the straight-line method over following period:

- Computer Software : 3 years
- Trademark : 10 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Lease

Till 31st March, 2019

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from 1st April, 2019

As a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented separately on the face of the Balance Sheet and lease payments have been classified as financing cash flows.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Materials, Goods in transit, Work-in-Progress, Stock-in-trade, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(h) Investment in subsidiary

Investment in subsidiary is recognised at cost as per Ind AS -27.

(i) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* Fair value through profit and loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(j) Equity

Preference shares, which are Compulsory Convertible are classified as Equity.

(k) Derivative financial instruments

Derivative financial instruments such as forward currency contracts and option contract, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(l) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(m) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(n) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in Statement of Profit and Loss.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed in respect of possible asset that may arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

(o) Revenue recognition

(i) Revenue from Contracts with Customers

Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transfer to customer and the Company has objective evidence that all criteria for the acceptance have been satisfied.

The goods are sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Other operating revenue - Export incentives -

Export Incentives under the, "Duty Draw back Scheme", "Merchandise Export from India Scheme" etc. is accounted in the year of export.

(p) Employee benefits

(i) Post-employment obligations

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for re-structuring that is within the scope of Ind AS37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(q) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(r) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related defer income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(u) Manufacturing and operating Expenses :

The Company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the company.

(v) Impairment of non-financial assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Non-current assets held for sale :

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

1(C) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer Note 31).
- Inventory write down (Refer Note 8).
- Loss allowance (Refer Note 9).

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 2(a)- Property, Plant and Equipment

	Land		Buildings	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
	Freehold	Leasehold							
Gross Carrying amount									
Balance as at 1st April, 2018	35.47	413.23	1,612.05	5,454.39	113.37	27.17	29.03	145.13	7,829.84
Additions	-	-	48.36	167.45	6.02	-	12.81	9.29	243.93
Disposals	-	-	-	207.56	-	0.11	-	2.41	210.08
Reclassification as held for sale (Refer note 12)	35.47	-	119.87	-	-	-	-	-	155.34
Balance as at 31st March, 2019	-	413.23	1,540.54	5,414.28	119.39	27.06	41.84	152.01	7,708.35
Adjustment for change in accounting policy (Refer note 47)	-	(413.23)	-	-	-	-	-	-	(413.23)
Additions	-	-	16.22	417.60	5.84	-	9.67	10.81	460.14
Disposals	-	-	-	24.80	-	1.24	2.49	4.20	32.73
Balance as at 31st March, 2020	-	-	1,556.76	5,807.08	125.23	25.82	49.02	158.62	7,722.53
Accumulated Depreciation									
Balance as at 1st April, 2018	-	18.48	223.67	1,601.78	65.94	17.11	21.24	106.76	2,054.98
Additions	-	6.22	61.83	551.81	12.42	2.00	2.63	16.31	653.22
Disposals	-	-	-	93.89	-	0.08	-	1.97	95.94
Reclassification as held for sale (Refer note 12)	-	-	49.59	-	-	-	-	-	49.59
Balance as at 31st March, 2019	-	24.70	235.91	2,059.70	78.36	19.03	23.87	121.10	2,562.67
Adjustment for change in accounting policy (Refer note 47)	-	(24.70)	-	-	-	-	-	-	(24.70)
Additions	-	-	88.57	575.00	12.44	2.20	8.80	11.64	698.65
Disposals	-	-	-	17.28	-	1.02	0.82	3.76	22.88
Balance as at 31st March, 2020	-	-	324.48	2,617.42	90.80	20.21	31.85	128.98	3,213.74
Net Block									
Balance as at 31st March, 2019	-	388.53	1,304.63	3,354.58	41.03	8.03	17.97	30.91	5,145.68
Balance as at 31st March, 2020	-	-	1,232.28	3,189.66	34.43	5.61	17.17	29.64	4,508.79

NOTE:

- 1) Refer note 34 for information on Property Plant and Equipment pledged as security by the company.
- 2) Refer note 36 for disclosure of contractual commitments for acquisition of Property Plant and Equipment.
- 3) Leased assets

As at 31 March 2019, Leasehold Land included the following amounts :

	31st March, 2019
Leasehold Land	
Cost	413.23
Accumulated depreciation	(24.70)
Net carrying amount	388.53

Pursuant to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at 31 March 2020, see note 2(b). Refer to note 47 for details about the changes in accounting policy.

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 2(b)- Leases

This note provides information for leases where the company is a lessee. The company leases factory premises, offices, warehouses etc. Rental contracts are typically made for fixed periods of 11 months to 5 years, but may have extension options as described in (iii) below.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31st March, 2020	1st April 2019*
Right-of-use assets		
Lease hold Land **	382.29	388.53
Buildings	1,084.54	1,218.23
Total	1,466.83	1,606.76

Particulars	As at 31st March, 2020	1st April 2019*
Lease Liabilities		
Current	88.91	71.83
Non-current	1,410.43	1,480.93
Total	1,499.34	1,552.76

* On adoption of Ind AS 116, the Company has reclassified leasehold land classified under Property, Plant and Equipment to Right-of-use asset. For adjustments recognised on adoption of Ind AS 116 on 1st April 2019 (Refer to note 47).

Additions to the right-of-use assets during the current financial year were Rs Nil.

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation charge of right-of-use assets			
Lease hold Land		6.24	-
Buildings		144.93	-
Total	28	151.17	-

Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense (included in finance costs)	27	173.86	-
Expense relating to short-term leases (included in other expenses)	29(b)	162.80	-

The total cash outflow for leases for the year ended 31 March 2020 was Rs 390.08 Lakhs (including short term lease payments).

(iii) Extension and termination options

Extension and termination options are included in a number of property leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

** Leasehold Land of Chiplun Plant is under process of execution in the name of the Company having carrying amount Rs 134.30 lakhs (31st March, 2019 : Rs 135.21 lakhs)

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 3- Intangible assets

	Computer Software	Brands /trademarks	Total
Gross carrying amount			
Balance as at 1st April , 2018	34.04	1,125.00	1,159.04
Additions	3.80	-	3.80
Disposals	-	-	-
Balance as at 31st March, 2019	37.84	1,125.00	1,162.84
Additions	3.64	-	3.64
Disposals	-	-	-
Balance as at 31st March, 2020	41.48	1,125.00	1,166.48
Accumulated Amortisation			
Balance as at 1st April , 2018	33.95	750.00	783.95
Additions	0.77	250.00	250.77
Disposals	-	-	-
Accumulated Amortisation as at 31st March ,2019	34.72	1,000.00	1,034.72
Additions	2.00	125.00	127.00
Disposals	-	-	-
Accumulated Amortisation as at 31st March ,2020	36.72	1,125.00	1,161.72
Net carrying amount			
Balance as at 31st March, 2019	3.12	125.00	128.12
Balance as at 31st March, 2020	4.76	-	4.76

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-4 Investment in subsidiary

	As at 31st March, 2020	As at 31st March, 2019
Unquoted		
Equity instruments at cost		
JK Talabot Limited		
72,48,936 (31st March, 2019: 72,48,936) Equity Shares of Rs.10 each	724.89	724.89
Total	724.89	724.89
Aggregate value of unquoted investment	724.89	724.89

Note-5 Loans

	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Security Deposits	142.53	129.69
Total	142.53	129.69

	As at 31st March, 2020	As at 31st March, 2019
Current		
Security Deposits	0.25	-
Total	0.25	-

Break-up of security details

	As at 31st March, 2020	As at 31st March, 2019
Loans considered good - Secured	-	-
Loans considered good - Unsecured	142.78	129.69
Loans which have significant increase in credit risk	-	-
Loans credit impaired	-	-
Total	142.78	129.69
Loss allowance	-	-
Total Loans	142.78	129.69

Note-6 Other financial assets

	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Margin money deposit with Banks*	0.50	0.50
Total	0.50	0.50

*Held as lien with Government Department

	As at 31st March, 2020	As at 31st March, 2019
Current		
Mark to Market of derivative financial instruments (Refer Note 38)	-	2.68
Receivable from Related party (Refer Note 41)	174.20	83.51
Less: Allowance for doubtful receivable	(83.72)	(83.51)
Interest accrued	2.99	3.15
Total	93.47	5.83

Break-up of security details

	As at 31st March, 2020	As at 31st March, 2019
Other financial assets considered good - Secured	-	-
Other financial assets considered good - Unsecured	93.97	6.33
Other financial assets Doubtful	83.72	83.51
Other financial assets which have significant increase in credit risk	-	-
Other financial assets credit impaired	-	-
Total	177.69	89.84
Loss allowance	(83.72)	(83.51)
Total Other financial assets	93.97	6.33

Note-7 Other non-current assets

	As at 31st March, 2020	As at 31st March, 2019
Capital advances	20.55	11.69
Less: Allowance for doubtful advances	(3.77)	(3.77)
VAT refundable	151.52	151.52
Deposits with government authorities	67.83	69.07
Total	236.13	228.51

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-8 Inventories
(Cost or Net Realisable value, whichever is lower)

	As at 31st March, 2020	As at 31st March, 2019
Raw materials	1,080.57	464.07
Raw material in transit	178.06	-
Work-in-progress	1,446.41	1,213.16
Finished goods	1,809.13	1,560.95
Stock-in-trade	908.71	1,056.38
Stock-in-trade in transit	108.56	225.90
Stores and spares	411.47	337.00
Total	5,942.91	4,857.46

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to Rs. 211.45 lakhs for the year ended 31st March, 2020 (write back Rs. 355.03 lakhs for the year ended 31st March, 2019). These write-downs/write back were recognised as expenses /income and included in 'Raw material consumed', 'changes in value of inventories of finished goods, stock-in-trade and work-in-progress' and 'consumption of stores and spares' in the statement of Profit and Loss.

Note-9 Trade receivables

	As at 31st March, 2020	As at 31st March, 2019
Receivables from related parties (Refer note 41)	384.44	450.93
Others	6,250.16	5,699.62
Less: Loss Allowance	(604.06)	(633.13)
Total receivables	6,030.54	5,517.42
Break-up of security details		
	As at 31st March, 2020	As at 31st March, 2019
Secured, considered good	245.29	204.35
Unsecured, considered good	5,785.25	5,313.07
Doubtful	604.06	633.13
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	-	-
Total	6,634.60	6,150.55
Loss Allowance	(604.06)	(633.13)
Total trade receivables	6,030.54	5,517.42

Refer Note-38 for information about credit risk and market risk of trade receivable.

J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Note-10 (a) Cash and cash equivalents

	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks		
- In current accounts	4.56	2.03
Cash on hand	2.32	1.90
Total	6.88	3.93

Note-10 (b) Bank balances other than 10(a) above

	As at 31st March, 2020	As at 31st March, 2019
Deposits with maturity of more than three months	8.88	-
Total	8.88	-

Note-11 Other current assets

	As at 31st March, 2020	As at 31st March, 2019
Export benefit receivables	567.50	518.68
GST receivable/refundable	916.33	967.29
Advances to suppliers	359.75	283.82
Prepaid expenses	62.03	34.39
Advance recoverable in kind or for value to be received	23.02	29.53
Total	1,928.63	1,833.71

Note-12 Assets classified as held for sale

	As at 31st March, 2020	As at 31st March, 2019
Land - Freehold	35.47	35.47
Building	70.28	70.28
Total	105.75	105.75

In FY 17-18, the company had closed its plant at Kolkata, on account of which, during the previous year, the Company has decided to sell its remaining assets (land and building) having book value of Rs 105.75 lakhs located at Kolkata. The Company has partially received advance of Rs 1,322 Lakhs (Previous year Rs. 1,006 lakhs) against proposed sale of these assets. The said amount is shown under Note 20 'Other current liabilities'. The land and building are carried at book value in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sell.

The Company is in process of obtaining necessary government clearances to execute sale.

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-13 Equity Share capital

Authorised

1,70,00,000 [31st March, 2019 : 1,70,00,000] Equity Shares of Rs. 10 each
22,00,000 [31st March, 2019 : 22,00,000] 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs.10 each

Total

3,90,00,000

Issued, subscribed and fully paid up

87,40,658 [31st March, 2019 : 87,40,658] Equity Shares of Rs. 10 each
22,00,000 [31st March,2019:22,00,000] 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs.100 each

Total

3,074.07

a) Reconciliation of number of preference shares

As at 31st March, 2020		As at 31st March, 2019	
Number of shares	Amount	Number of shares	Amount
Equity Shares :			
Balance as at the beginning of the year	874.07	87,40,658	874.07
Balance as at the end of the year	874.07	87,40,658	874.07
Instruments entirely equity in nature			
Preference share:			
Balance as at the beginning of the year	2,200.00	22,00,000	2,200.00
Balance as at the end of the year	2,200.00	22,00,000	2,200.00

b) Right, Preference and Restrictions attached to shares:

Equity shares: The Company has only one class of equity shares having par value of Rs.10 per share. Each Shareholder is entitled to one vote per share. In the event of liquidation of the Company the holder of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares: 9% Non-cumulative compulsory convertible preference shares (NCCCPs) will be converted into 18,33,300 number of equity shares of Rs. 10 each on October 27, 2029. Each shareholder of is entitled to one vote per share only on resolutions placed before the Company which directly affects their rights attached to NCCCPs. The dividend proposed by the Board of Directors is subject to approval of shareholders. In the event of liquidation of the Company, the holders of NCCCPs will have priority over equity shares in payment of dividend and repayment of capital.

c) Shares of the company held by holding company

	As at 31st March, 2020	As at 31st March, 2019
Equity Shares:		
Raymond Limited, India and its nominees	87,40,658	87,40,658
Preference Shares:		
Raymond Limited, India	22,00,000	22,00,000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

NAME OF SHAREHOLDERS	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares :				
Raymond Limited, India and its nominees	87,40,658	100%	87,40,658	100%
Preference Shares :				
Raymond Limited, India	22,00,000	100%	22,00,000	100%

J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 14 Other Equity

	Reserves & Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April, 2018	314.50	403.56	718.06
Change in accounting policy (Refer Note 46)	-	(133.26)	(133.26)
Profit for the year	-	1,513.32	1,513.32
Other Comprehensive Income for the year	-	54.78	54.78
Total Comprehensive Income for the year	-	1,434.84	1,434.84
Balance as at 31st March, 2019	314.50	1,838.40	2,152.90
Change in accounting policy (Net of deferred tax) (Refer Note 47)	-	(250.33)	(250.33)
Restated balance as at 1st April, 2019	314.50	1,588.07	1,902.57
Profit for the year	-	1,233.64	1,233.64
Other Comprehensive Income for the year	-	33.89	33.89
Total Comprehensive Income for the year	-	1,267.53	1,267.53
Balance as at 31st March, 2020	314.50	2,855.60	3,170.10

Securities Premium

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.

Note-15 - Non current borrowings

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term loans		
Term loan from a bank		
-Repaid in March 2020. Rate of interest as at year end 10.90% p.a. (31st March 2019 : 10.90% p.a) . Amount outstanding as on 31st March, 2020 - Rs. Nil (Previous year: Rs. 251.70).	-	-
Total (A)	-	-
Unsecured		
(a) Term loan from Raymond Limited (the holding company)		
-Repaid in December, 2019 . Rate of interest as at year end 10.50% p.a. (31st March 2019 : 10.50% p.a.)	-	3,427.82
Total (B)	-	3,427.82
Total (A+B)	-	3,427.82

Installments falling due within a year in respect of all the above loans aggregating Rs Nil (31st March 2019 : Rs 251.70 lakhs) have been grouped under "current maturities of long-term debt". (Refer note 18)

The carrying amounts of financial and non-financial assets as security for secured borrowings are disclosed in Note 34 - Assets pledged as security

Note 16 - Current borrowings

	As at 31st March, 2020	As at 31st March, 2019
Secured		
- Cash Credit	2,945.57	1,247.72
- Indian Rupee Packing credit	800.00	900.00
(The above borrowings are secured by way of first pari passu charge on all current assets of the Company)		
Unsecured		
-Commercial Credit Cards	98.35	-
Total	3,843.92	2,147.72

The carrying amounts of financial and non-financial assets as security for secured borrowings are disclosed in Note 34 - Assets pledged as security

	As at 31st March, 2020	As at 31st March, 2019
Net debt reconciliation		
Cash and cash equivalents	(6.88)	(3.93)
Current Borrowings	3,843.92	2,147.72
Non Current Borrowings	-	3,427.82
Current maturities of long-term debt	-	251.70
Interest accrued but not due on borrowings	3.14	6.73
Lease liabilities	1,499.34	-
Net debt	5,339.52	5,830.04

	Other assets		Liabilities from financing activities		
	Cash and Cash equivalents	Lease Obligations	Non current borrowings (Including current maturities of long term debt and interest accrued)	Current borrowings	Total
Net Debt as at April 1, 2018	21.83	-	4,568.56	3,919.77	8466.51
Cash flows	(18.23)	-	(878.59)	(1,772.05)	(2,632.42)
Interest expense	-	-	513.87	357.24	871.11
Interest paid	-	-	(517.59)	(357.24)	(874.83)
Interest received on deposits	0.33	-	-	-	(0.33)
Net Debt as at March 31, 2019	3.93	-	3686.25	2147.72	5830.04
Net Debt as at March 31, 2019	3.93	-	3686.25	2147.72	5830.04
Recognised on adoption of Ind AS 116 (see note 49)		1,552.76			1552.76
Net debt as at 1 April 2019 (restated)	3.93	1552.76	3686.25	2147.72	7382.80
Cash flows	2.85	(227.28)	(3,679.52)	1,696.20	(2,213.45)
Interest expense	-	173.86	236.39	309.26	719.51
Interest paid	-	-	(242.62)	(306.62)	(549.24)
Interest received on deposits	0.10	-	-	-	(0.10)
Net Debt as at March 31, 2020	6.88	1499.34	0.50	3846.56	5,339.52

J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-17 - Trade payables

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Trade payables (Refer Note below)		
- Payable to related parties (Refer note 41)	384.48	433.44
- Micro and small enterprises	94.89	58.52
- Others	5,615.50	4,305.16
Total	<u>6,094.87</u>	<u>4,797.12</u>

Refer Note-38 for information about liquidity risk and market Risk of trade payables.

Refer Note-32 for information about dues to Micro and small enterprises.

J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-18 - Other current financial liabilities

	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term debt (Refer Note 15)	-	251.70
Interest accrued but not due on borrowings	3.14	6.73
Capital creditors	15.41	22.52
Deposits from dealers, agents etc.	638.83	560.82
Employee Benefits payable	1,103.53	857.77
Other payables	40.58	172.65
Mark to Market of derivative financial instruments (Refer Note 38)	1.60	-
Total	1,803.09	1,872.19

Refer **Note-38** for information about Liquidity risk of Financial Liabilities

Note-19 - Provisions

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer note 31)		
-Gratuity	50.69	14.19
-Compensated absences	315.01	303.67
Total	365.70	317.86

Note 20-Other Current liabilities

	As at 31st March, 2020	As at 31st March, 2019
Contract Liabilities	188.90	166.76
Advance against Sale of Land and Building (Refer note 12)	1322.00	1,006.00
Statutory dues payable	155.80	218.08
Refund Liabilities	63.50	-
Stamp Duty Payable	177.80	-
Other Payables	53.94	-
Total	1,961.94	1,390.84

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-21 Revenue from Operations

	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Contract with Customers (Sale of Products)		
(i) Manufactured goods - Domestic	14,095.49	16,633.66
(ii) Manufactured goods - Export	16,614.44	17,149.87
(iii) Stock-in trade- Domestic	5,047.82	4,490.23
(iv) Stock-in trade- Export	587.64	476.77
Total (A)	36,345.39	38,750.53
Revenue from Contract with Customers (Sale of Services)	102.63	-
Total (B)	102.63	-
Other operating revenue		
(i) Export Incentives	1,061.29	1,160.76
(ii) Process waste sale	398.13	527.35
Total (C)	1,459.42	1,688.11
Total (A+B+C)	37,907.44	40,438.64

Note:

There are no unatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2020.

Reconciliation of revenue recognised with contract price:

	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract price	38,295.29	40,791.15
Adjustments for :		
Discounts, Rebates, Sales related Schemes, etc.	(1,847.27)	(2,040.62)
Revenue from contract with customers	36,448.02	38,750.53

Note-22 Other income

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income	75.67	69.30
Liabilities no longer required written back	10.38	10.88
Net gain/(loss) on disposal/discard of property, plant and equipment	3.07	(10.17)
Miscellaneous Income	47.68	61.84
Total	136.80	131.85

Note-23 Cost of raw materials consumed

	Year ended 31st March, 2020	Year ended 31st March, 2019
Raw material at the beginning of the year	464.07	402.21
Purchases	11,450.29	11,445.49
Less : Raw material at the end of the year	1,258.63	464.07
Total	10,655.73	11,383.63

Note-24 Purchases of Stock-in-Trade

	Year ended 31st March, 2020	Year ended 31st March, 2019
Purchases of Stock-in-Trade	4,112.30	4,498.19
Total	4,112.30	4,498.19

Note-25 Changes in inventories of work-in-progress , finished goods and stock-in-trade

	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening inventories		
Work-in-progress	1,213.16	1,566.27
Finished goods	1,560.95	850.88
Stock-in-trade	1,282.28	600.90
	4,056.39	3,018.05
Changes in accounting policy (Refer Note 46)	-	1,006.15
	4,056.39	4,024.20
Closing inventories		
Work-in-progress	1,446.41	1,213.16
Finished goods	1,809.13	1,560.95
Stock-in-trade	1,017.27	1,282.28
	4,272.81	4,056.39
Total	(216.42)	(32.19)

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
Note-26 Employee benefits expense

	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages, bonus, etc.	5,682.45	5,408.13
Contribution to Gratuity Fund (Refer note 31)	97.01	108.76
Contribution to provident and other funds (Refer note 31)	344.88	305.78
Workmen and Staff welfare expenses	347.70	482.28
Total	6,472.04	6,304.95
Note-27 Finance costs		
	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense on term loan	236.39	513.87
Interest on lease obligation (Refer note 47)	173.86	-
Interest on shortfall of advance tax	5.95	-
Interest expense - Others	295.97	297.86
Other borrowing costs	7.34	59.38
Total	719.51	871.11
Note-28 Depreciation and amortization expense		
	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on property, plant and equipment	698.65	653.22
Depreciation on Right to Use Asset (Refer note 47)	151.17	-
Amortization on Intangible assets	127.00	250.77
Total	976.82	903.99
Note-29 (a) Manufacturing and Operating expenses		
	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spare parts	2,990.92	3,178.17
Power and fuel	1,704.67	1,810.68
Job work charges	2,343.85	1,965.42
Payment to labour contractor	1,544.67	1,504.17
Repairs to buildings	62.05	72.02
Repairs to machinery	380.90	386.45
Other Manufacturing and Operating expenses	184.37	234.09
Total	9,211.43	9,151.00
Note-29 (b) Other expenses		
	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent	162.80	410.86
Lease Rentals	-	2.11
Insurance	112.04	107.20
Repairs & Maintenance Others	69.85	63.38
Rates and Taxes	175.60	30.03
Commission to selling agents	891.76	945.86
Freight, Octroi, etc	826.91	838.94
Legal and Professional Expenses	359.53	510.35
IT outsourced Support Services	208.63	199.61
Travelling & Conveyance	387.47	380.68
Advertisement Expenses	95.51	74.36
Sales Promotion expenses	158.96	135.63
Director Fees	16.00	7.50
Facility Charges (Refer note 41)	480.00	480.00
Net(gain)/loss on foreign exchange fluctuations	(364.43)	6.28
Corporate Social Responsibility (Refer note 45)	14.00	-
(Write back of Loss Allowances)/Loss Allowances (Net)	(17.23)	368.09
Bad Debts written off	11.84	45.99
Less: Loss Allowances there against	(11.84)	(45.99)
Software expenses	47.92	39.58
Security charges	128.07	129.50
Communication expenses	31.79	35.73
Printing and stationery expenses	46.88	51.86
Motor car expenses	70.85	77.05
Miscellaneous expenses	354.18	309.49
Total	4,257.09	5,204.09

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
Note-29 (c) Details of Auditor's remuneration included in Legal and
Professional expenses (net of credit of taxes)

	Year ended 31st March, 2020	Year ended 31st March, 2019
a) Audit Fees	12.00	12.00
b) Limited Review Fees	3.00	3.00
c) Certification Fees	0.50	0.50
d) Reimbursement of out-of-pocket expenses	0.60	1.08
Total	16.10	16.58

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 30: Income Taxes

Tax expenses recognised in the Statement of Profit and Loss

	As at 31st March, 2020	As at 31st March, 2019
Current tax		
Current year	473.43	697.87
Total current tax	473.43	697.87
Deferred tax		
Deferred tax charge	148.67	45.47
Total deferred tax	148.67	45.47
Total income tax expense	622.10	743.34

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	As at 31st March, 2020	As at 31st March, 2019
Reconciliation of effective tax rate		
Profit/(loss) before tax	1,855.74	2,256.66
Enacted income tax rate in India	25.17%	34.94%
Tax Expense at enacted income tax rate	467.05	788.48
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent disallowances	56.80	(8.47)
Change in Tax Rate	90.35	(7.78)
Others	7.90	(28.89)
Total income tax expense	622.10	743.34

Consequent to reconciliation items shown above, the effective tax rate is 33.52% (2018-19: 32.94%)

The movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020

Particulars	As at 1st April, 2018	Credit/(charge) in Statement of Profit and Loss	As at 31st March, 2019	Adjustment on adoption of Ind AS 116 (see note 47)	As at 1 April 2019 (Restated)	Credit/(charge) in Statement of Profit and Loss	As at 31st March, 2020
Deferred tax assets on account of:							
Provision for employee benefits	89.44	16.46	105.90	-	105.90	(26.61)	79.29
Allowances for doubtful debts and advances	131.72	118.76	250.48	-	250.48	(76.16)	174.32
VRS paid	790.48	(167.99)	622.49	-	622.49	(329.18)	293.31
Unabsorbed depreciation	155.94	(155.94)	-	-	-	-	-
Right-of-use Assets and Lease Liabilities (Refer Note 47)	-	-	-	84.20	84.20	20.21	104.41
Others	19.54	14.24	79.98	-	79.98	(22.53)	57.45
Deferred tax (liabilities) on account of:							
Depreciation on Property Plant and Equipment	(447.54)	35.69	(411.85)	-	(411.85)	159.39	(252.46)
Depreciation on Revaluation Asset Under Business Combination	(371.78)	93.31	(278.47)	-	(278.47)	126.21	(152.26)
Total	367.80	(45.47)	368.52	84.20	452.72	(148.67)	304.05

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 31: Post retirement benefit plans

1) Defined benefit plans - Gratuity

The company provides for gratuity for employees in India as per the payment of gratuity act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of services, subject to ceiling of Rs. 20 lakhs. The gratuity plan is funded plan and the company makes contributions to recognised fund in India.

As per Actuarial Valuation as on 31st March, 2020 and 31st March, 2019, amount recognised in the financial statements in respect of Employee Benefit Schemes:

A. Balance Sheet

	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Present value of plan liabilities	(1,966.18)	(1,935.80)
Fair value of plan assets	1,915.49	1,921.61
Plan liability net of plan assets	(50.69)	(14.19)

B. Movements in plan liabilities and plan assets

	As at March, 2020			As at March, 19		
	Plan liabilities	Plan Assets	Net	Plan liabilities	Plan Assets	Net
As at 1st April	(1,935.80)	1921.61	(14.19)	(1,873.69)	1,735.05	(138.64)
Current service cost (including past service cost)	(95.94)	-	(95.94)	(97.92)	-	(97.92)
Return on plan assets excluding actual return on plan asset	-	(9.80)	(9.80)	-	3.91	3.91
Interest cost	(145.95)	-	(145.95)	(146.52)	-	(146.52)
Interest income	-	144.88	144.88	-	135.68	135.68
Actuarial gain/(loss) arising from changes in financial assumptions	161.44	-	161.44	(32.60)	-	(32.60)
Actuarial gain/(loss) arising from experience adjustments	(106.13)	-	(106.13)	112.90	-	112.90
Employer contributions	-	15.00	15.00	-	149.00	149.00
Benefit payments	156.20	(156.20)	-	102.03	(102.03)	-
As at 31st March	(1,966.18)	1,915.49	(50.69)	(1,935.80)	1,921.61	(14.19)

The liabilities are split between different categories of plan participants as follows:

- Active members -1180 Nos. (2018-19: 1204 Nos.)
- Deferred members - Nil (2018-19: Nil)
- Retired members - Nil (2018-19: Nil)

C. The Company expects to contribute Rs. 153.27 lakhs to the funded plans in financial year 2020-21 (2019-20: Rs. 110.13 lakhs) for gratuity

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
D. Statement of Profit and Loss

	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses:		
Current service cost (including past service cost)	95.94	97.92
Interest Cost	1.07	10.84
Net impact on the Profit / (Loss) before tax	97.01	108.76
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding actual return on plan asset	(9.80)	3.91
Actuarial gains/(losses) arising from changes in financial assumptions	161.44	(32.60)
Actuarial gain/(loss) arising from experience adjustments	(106.13)	112.90
Net impact on the Other Comprehensive Income before tax	45.51	84.21

E. Assets

	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Insurer managed fund	1915.49	1921.61
Total	1915.49	1921.61

F. Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial Assumptions

	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.84%	7.54%
Salary Escalation Rate	4%-6%	7.50%
Attrition rate	2.00%	2.00%

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table

G. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	As at 31st March, 2020		As at 31st March, 2019		
	Change in assumption	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability	Decrease in assumption having an impact on present value of plan liability
Discount rate	1%	(124.78)	140.01	(111.94)	125.38
Salary Escalation Rate	1%	138.54	(108.57)	122.60	(111.55)
Attrition rate	1%	(1.41)	1.86	(0.34)	0.28

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual changes. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020

H. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

Gratuity :	Defined benefit obligation	
	As at 31st March, 2020	As at 31st March, 2019
2020	-	208.67
2021	115.11	103.97
2022	74.42	155.81
2023	177.76	204.85
2024	211.23	226.49
2025	205.68	1,210.07
Thereafter	2,641.75	1,349.25

Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan asset underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternatives investments % which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

(i) Defined contribution plans :

The Company also has certain defined contribution plans. Contributions are made to provident fund, employees state insurance scheme etc. in India for employees. The contributions are made to registered fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 344.88 lakhs (31st March, 2019 - Rs. 305.78 lakhs).

(ii) Compensated absences:

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs 315.01lakhs (31st March, 2019 - Rs. 303.67 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-32 The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 are as follows.

	As at 31st March, 2020	As at 31st March, 2019
Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	94.89	58.52
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
Principal Amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
Interest paid, other than under section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year)	-	-
Total	94.89	58.52

Note 33 Earnings per share

	Year ended 31st March, 2020	Year ended 31st March, 2019
Basic Earnings Per Share has been computed as under:		
Profit for the year	A 1,233.64	1,513.32
Weighted average number of equity shares outstanding	B 87,40,658	87,40,658
Earnings Per Share (Rs.)	A/B 14.11	17.31
Diluted		
Profit for the year	C 1,233.64	1,513.32
Weighted average number of shares (in numbers)	87,40,658	87,40,658
Add: Dilutive potential equity share (Refer Note 13)	18,33,000	18,33,000
Weighted average number of equity shares for dilutive EPS	D 1,05,73,658	1,05,73,658
Dilutive Earnings Per Share (Rs.)	C/D 11.67	14.31
Nominal value per equity share (in Rs.)	10.00	10.00

Note 34 :Assets Pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at 31st March,2020	As at 31st March,2019
Current Assets		
Financial Assets		
<i>Floating Charge</i>		
Trade receivables	6,030.54	5,517.42
Inventories	5,942.91	4,857.46
Cash and cash equivalents	6.88	3.93
Others financial asset	93.47	5.83
Other current assets	1,928.63	1,833.71
Total Current assets given as security	14,002.43	12,218.35
Non Current Assets		
<i>First Charge</i>		
Plant and machinery	3,189.64	3,354.58
Furniture & fixtures	34.43	41.03
Vehicles	5.61	8.03
Office equipment	17.17	17.97
Computers	29.64	30.91
Total non-current assets Hypothecated as security	3,276.49	3,452.52
Total assets Hypothecated as security	17,278.92	15,670.87

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)
Note 35: Contingent liabilities (to the extent not provided for)

	As at 31st March, 2020	As at 31st March, 2019
Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts in respect of:		
Income Tax Matters	110.66	128.77
Sales tax Matters	251.01	206.21
Excise and service tax Matters	26.38	28.38
Other Matters	116.01	89.87

(ii) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

The amount shown in respect of above items represent the best possible estimates arrived at on basis of available information. The uncertainties are dependent on the outcome of different legal process. The timing of cash flows will be determinable only on receipt of judgement / decisions pending with various forums / authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 36: Commitments

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	As at 31st March, 2020	As at 31st March, 2019
Property, plant and equipment	54.37	24.06
Less: Capital advances	20.55	11.69
Net Capital commitments	33.82	12.37

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 37: Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash and cash equivalent, other current financial asset, short term borrowing, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March, 2020	Routed through P & L		Routed through OCI			Carried at amortised cost		Total Amount
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	
Financial Assets								
Loans	142.53	0.25	142.78	-	-	-	-	142.78
Other Financial Assets	0.50	93.47	93.97	-	-	-	-	93.97
Trade receivable	-	6,030.54	6,030.54	-	-	-	-	6,030.54
Cash and Cash equivalents	-	6.88	6.88	-	-	-	-	6.88
	143.03	6,131.14	6,274.17	-	-	-	-	6,274.17
Financial Liabilities								
Borrowings	-	3,843.92	3,843.92	-	-	-	-	3,843.92
Other Financial Liabilities	-	1,803.09	1,803.09	-	-	-	-	1,803.09
Trade Payables	-	6,094.87	6,094.87	-	-	-	-	6,094.87
	-	11,741.88	11,741.88	-	-	-	-	11,741.88

Financial Assets and Liabilities as at 31st March, 2019	Routed through P & L		Routed through OCI			Carrying at amortised cost		Total Amount
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	
Financial Assets								
Loans	129.69	-	129.69	-	-	-	-	129.69
Other Financial Assets	0.50	5.83	6.33	-	2.68	-	-	3.65
Trade receivable	-	5,517.42	5,517.42	-	-	-	-	5,517.42
Cash and Cash equivalents	-	3.93	3.93	-	-	-	-	3.93
	130.19	5,527.18	5,657.37	-	2.68	-	-	5,654.69
Financial Liabilities								
Borrowings	3,427.82	2,147.72	5,575.54	-	-	-	-	5,575.54
Other Financial Liabilities	-	1,872.19	1,872.19	-	-	-	-	1,872.19
Trade Payables	-	4,797.12	4,797.12	-	-	-	-	4,797.12
	3,427.82	8,817.03	12,244.85	-	-	-	-	12,244.85

Notes:-

Financial asset and liabilities, considering the nature of rights and obligations with relevant terms including receivable/payable within 12 months from the reporting date, fair value is reasonable considered to be carrying amount as at reporting date and it includes

- Trade Receivable
- Cash and Cash equivalents
- Other financial asset
- Trade Payable
- Other financial liabilities
- Current borrowings
- Advances

Further in respect of long term security deposits being market driven rate of interest and other deposits with no fixed maturity date, fair value are considered to be carrying value

J K Files (India) Limited
 Notes to the financial statements for the year ended 31st March, 2020
 (All amounts are in Rs. lakhs, unless stated otherwise)
 Fair value liabilities measured at amortised cost

	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Non current borrowings	-	-	3,427.82	3,414.11
	-	-	3,427.82	3,414.11

Note 38 : Financial risk management objectives.

The Company financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk - Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

a) Exposure to interest rate risk

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total borrowings	3,843.92	5,827.24
% of Borrowings bearing variable rate of interest	100%	41%

b) Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax

	2019-2020	2018-2019
50 bp increase would decrease the profit before tax by	24.18	14.73
50 bp decrease would increase the profit before tax by	(24.18)	(14.73)

b) Market risk - Foreign Currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by Forward Contracts, purchasing of goods, commodities and services in the respective currencies.

Derivative instrument and unhedged foreign currency exposure (Refer note 39)

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit before tax

	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	39.38	(39.38)	28.12	(28.12)
EURO	14.77	(14.77)	8.10	(8.10)
GBP	0.05	(0.05)	0.10	(0.10)
Increase/Decrease in Profit or Loss	54.20	(54.20)	36.32	(36.32)

D) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

i) Ageing of Account receivables

	As at 31st March, 2020	As at 31st March, 2019
Not due	2,807.66	3,405.96
0-3 months	1,251.16	2,090.36
3-6 months	2,004.86	28.53
6-12 months	93.87	34.62
beyond 12 months	477.05	591.08
Total	6,634.60	6,150.55

ii) Movement in provision for doubtful Trade Receivables

	As at 31st March, 2020	As at 31st March, 2019
Opening provision	633.13	394.54
Add:- Additional provision made	-	284.58
Less:- Provision write off/reversed	(7.23)	-
Less:- Provision utilised against bad debts	(11.84)	(45.99)
Closing provision	604.06	633.13

iii) Movement in provision for doubtful Receivables

	As at 31st March, 2020	As at 31st March, 2019
Opening provision	83.51	-
Add:- Additional provision made	0.21	83.51
Less:- Provision write off/reversed	-	-
Less:- Provision utilised against bad debts	-	-
Closing provision	83.72	83.51

C) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Financing arrangements
The company had access to following undrawn Borrowing facilities at end of reporting period:

	As at 31st March, 2020	As at 31st March, 2019
Variable Borrowing -Cash Credit expires within 1 year	2,356.08	2,852.28

The bank cash credit facilities may be drawn at any time and be terminated by bank without notice. Subject to satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

Maturity patterns of borrowings

	As at 31st March, 2020			As at 31st March, 2019				
	0-1 years	1-5 years	beyond 5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long Term debt)	-	-	-	-	251.70	3,427.82	-	3,679.52
Short term borrowings	3,843.92	-	-	3,843.92	2,147.72	-	-	2,147.72
Total	3,843.92	-	-	3,843.92	2,399.42	3,427.82	-	5,827.24

Maturity patterns of other Financial Liabilities

	As at 31st March 2020			As at 31st March 2019		
	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total	
As at 31st March 2020						
Trade Payable	1,342.40	2,228.52	2,523.94	-	6,094.86	
Capital creditors	15.41	-	-	-	15.41	
Employee benefits payable	392.79	645.47	-	65.26	1,103.52	
Deposits	-	-	-	638.83	638.83	
Other Financial liability (Current and Non Current)	40.58	-	-	-	40.58	
Mark to Market of derivative financial Instruments	1.60	-	-	1.60	1.60	
	1,792.78	2,873.99	2,523.94	704.09	7,894.80	
As at 31st March 2019						
Trade Payable	2,410.74	1,610.11	776.27	-	4,797.12	
Capital creditors	22.52	-	-	-	22.52	
Employee benefits payable	554.93	237.58	-	65.26	857.77	
Deposits	54.85	-	-	560.82	560.82	
Other Financial liability (Current and Non Current)	-	-	-	117.80	172.65	
Total	3,043.04	1,847.69	894.07	626.08	6,410.88	

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note -39: Derivative instruments and unhedged foreign currency exposure

(a) Foreign Currency Exposure as at the reporting date

Particulars	As at 31 March , 2020						As at 31 March, 2019						
	USD (in Mn.)	In Rs	EUR (in Mn.)	In Rs	GBP (in Mn.)	In Rs	USD (in Mn.)	In Rs	EUR (in Mn.)	In Rs	GBP (in Mn.)	In Rs	Total (In Rs.)
A.Trade Receivable	5.21	3,938.48	1.79	1,476.95	0.01	5.35	4.01	2,811.63	0.98	810.14	0.01	10.20	3,631.97
B.Cover by Forwards	-	-	(0.20)	(161.58)	-	-	-	-	(0.08)	(66.03)	-	-	(66.03)
C.Unhedged Exposure	5.21	3,938.48	1.59	1,315.37	0.01	5.35	4.01	2,811.63	0.90	744.11	0.01	10.20	3,565.94

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

Note-40 Capital risk management

- (a) The company aim to manage its capital efficiency so as to safeguard its ability to continue as going concern and optimise return to our shareholder

The capital structure of the company is based on management judgement of the appropriate balance of key element in order to meet its strategic and day to day needs. We consider the amount of capital in proprtion to risk and manage the capital structure in light of changes in economic conditions and risk charecterstics of the underlying asset. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares

The company's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investor, Creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, Its capital structure

(b) Dividend

The Company has not paid any dividend for the current year as well as previous year.

Note-41 : Related parties disclosures as per Ind AS 24

1. **Name of the Related Parties :**

Related parties where control exists, irrespective of whether transaction has occurred or not:

- (a) **Holding Company**
Raymond Limited
- (b) **Subsidiary Company**
JK Talabot Limited

Other related parties with whom transactions have taken place during the period:

- (c) **Fellow Subsidiary Companies**
Raymond (Europe) Limited
Ring Plus Aqua Limited
Raymond Apparel Limited
Silverspark Apparel Ltd.
- (d) **Associate Enterprises**
P. T. Jaykay Files Indonesia
PT. Jaykay International Indonesia (Subsidiary)
J K Helene Curtis Ltd
- (e) **Key Management Personnel :**
Whole time Director : Mr. Ganesh Kumar Subramanian
Independent director : Mr. Narayan Ramalingam
Independent director : Mr. Ramchandra Anant Prabhudesai
Independent Director : Mrs. Rashmi Mundada Brijgopal
Independent director : Mr. Ravikant Uppal (w.e.f 25th April, 2019)
Non executive director : Mr. Krishnan Ashwath Narayan
- (f) **Trust**
JK Files (India) Limited - Employees Gratuity Scheme

Note--2. Transactions carried out with related parties referred in 1 above for the Year ended 31st March , 2020, in ordinary course of business :

Nature of transactions	Referred in 1(a) above	Referred in 1 (b) & (c) above	Referred in 1 (d) above	Referred in 1 (e) above	Referred in 1 (f) above
Purchases :					
Purchase of raw material and stock-in-trade	-	2,003.42	1.00	-	-
	-	(2113.80)	(0.57)	-	-
Purchase of DEPB licence	-	72.11	-	-	-
	-	(19.33)	-	-	-
Sales :					
Sale of products	-	637.88	-	-	-
	-	(702.99)	(47.57)	-	-
Property, plant and equipment	-	0.91	-	-	-
	-	(96.53)	-	-	-
Expenses :					
Rent expenses	145.42	-	-	-	-
	(145.42)	-	-	-	-
Facility Charges	480.00	-	-	-	-
	(480.00)	-	-	-	-
Managerial remuneration	-	-	-	261.17	-
	-	-	-	(238.78)	-
Directors fees	-	-	-	15.00	-
	-	-	-	(7.50)	-
Electricity charges	48.87	3.54	-	-	-
	(93.91)	-	-	-	-
Legal and Professional Expenses	35.82	-	-	16.00	-
	(43.40)	-	-	-	-
Miscellaneous expenses	52.30	-	-	-	-
	(46.63)	-	-	-	-
Paid to trust - Employees Gratuity fund contribution	-	-	-	-	15.00
	-	-	-	-	(149.00)
Cost of shared manpower	-	-	-	-	-
	(2.62)	-	-	-	-
Other Receipts :					
Cost of shared manpower	3.25	15.82	-	-	-
	(7.92)	(99.70)	-	-	-
Reimbursement of expenses	979.06	3.54	0.17	-	-
	(799.14)	(20.07)	(3.91)	-	-
Finance :					
Inter Company loan received (Short term)	3,050.00	-	-	-	-
	(3500.00)	-	-	-	-
Inter Company loan repaid (Short term)	3,050.00	-	-	-	-
	(3500.00)	-	-	-	-
Inter Company loan repaid (Long term)	3,427.82	-	-	-	-
	-	-	-	-	-
Inter Corporate loan Given	-	750.00	-	-	-
	-	-	-	-	-
Inter Corporate loan repayment received	-	750.00	-	-	-
	-	-	-	-	-
Interest Income on Inter company loan	-	8.03	-	-	-
	-	-	-	-	-
Interest expense on Inter Company loan	219.63	-	-	-	-
	(434.91)	-	-	-	-
Outstandings :					
Trade Payable	6.62	377.86	-	-	-
	(4.18)	(429.26)	-	-	-
Non current borrowing	-	-	-	-	-
	(3427.82)	-	-	-	-
Trade Receivable	-	-	384.44	-	-
	-	(15.05)	(435.88)	-	-
Other Receivable	90.40	0.08	83.72	-	-
	-	-	(83.51)	-	-

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-1-'1.b&c' -Fellow Subsidiary Companies with whom transactions have taken place for the year ended 31st March, 2020

Nature of transactions	J K Talabot Ltd	Raymond Apparel Ltd	Raymond Europe Ltd	Silverspark Apparel Ltd.	Ring Plus Aqua Ltd.	Total 1 (b) & (c)
Purchases :						
Purchase of raw material and stock-in-trade	2,003.42 (2111.59)	- (2.21)	- -	- -	- -	2,003.42 (2113.80)
Purchase of DEPB licence	11.09 (19.33)	- -	- -	61.02 -	- -	72.11 (19.33)
Sales :						
Sale of products	631.93 (700.27)	- -	- -	- -	5.95 (2.72)	637.88 (702.99)
Property, plant and equipment	- (96.53)	- -	- -	- -	0.91 -	0.91 (96.53)
Other Receipts :						
Cost of shared manpower	15.82 (14.27)	- -	- -	- -	- (85.43)	15.82 (99.70)
Reimbursement of expenses	- (6.77)	- -	- -	- -	3.54 (13.30)	3.54 (20.07)
Finance :						
Inter Corporate loan Given	750.00 -	- -	- -	- -	- -	750.00 -
Inter Corporate loan repayment received	750.00 -	- -	- -	- -	- -	750.00 -
Interest Income on Inter company loan	8.03 -	- -	- -	- -	- -	8.03 -
Outstandings :						
Trade Payable	361.71 (413.11)	- -	16.15 (16.15)	- -	- -	377.86 (429.26)
Trade Receivable	- -	- -	- -	- -	- (15.05)	- (15.05)
Other Receivable	- -	- -	- -	- -	0.08 -	0.08 -

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-'1.d'- Other related parties where control exists for the year ended 31st March, 2020

Nature of transactions	P T Jaykay Files Indonesia	PT Jaykay International Indonesia	J K Helene Curtis Ltd	Total 1 (d)
Expenses :				
Sales Promotion expneses	- -	- -	1.00 (0.57)	1.00 (0.57)
Sales :				
Sale of products	- (47.57)	- -	- -	- (47.57)
Other Receipts :				
Other reimbursements	0.17 (3.91)	- -	- -	0.17 (3.91)
Outstandings :				
Trade Receivable*	51.26 (116.84)	333.18 (319.04)	- -	384.44 (435.88)
Other Receivable*	83.72 (83.51)	- -	- -	83.72 (83.51)

* The total receivable from PT JayKay Files and PT JayKay International, Indonesia has been fully provided. (Refer note 7 and 9)

J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Note-1.e - Key Management Personnel for the Year ended 31st March, 2020

Nature of transactions	Short term employee benefits	Post employment benefits	Director sitting fees	Professional Services	Total
Mr. Ganesh Kumar Subramanian	250.81 (228.86)	10.36 (9.92)	- -	- -	261.17 (238.78)
Mr. Narayan Ramalingam	- -	- -	5.00 (2.50)	- -	5.00 (2.50)
Mr. Ramchandra Anant Prabhudesai	- -	- -	4.00 (2.50)	- -	4.00 (2.50)
Mrs. Rashmi Mundada Brijgopal	- -	- -	3.50 (2.50)	- -	3.50 (2.50)
Mr. Ravikant Uppal	- -	- -	2.50 -	16.00 -	18.50 -
Total 1 (e)	250.81 (228.86)	10.36 (9.92)	15.00 (7.50)	16.00 -	292.17 (246.28)

* The amount in respect of gratuity and compensated absences is not disclosed as the same is not determinable for the key managerial person separately

Note: Amounts in brackets represent previous year figures

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 42 Segment Information

(i) The company's business operations fall within a single primary business segment of "Engineering, tools and related component". Accordingly the company is single segment company in terms of its product
(ii) Entity wide disclosure - Information in respect of geographical area is as under

	India		Africa		America		Asia		Rest of the world		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment revenue*	19,353.02	21,411.36	7,701.80	7,413.69	5,750.47	5,227.82	3,893.53	4,123.71	1,496.73	1,973.95	37,207.44	40,438.64
Carrying cost of segment non-current asset**	7248.65	6357.70	-	-	-	-	-	-	-	-	-	-

* Based on location of customer

** Excluding financial asset and deferred tax asset

Considering the nature of business of Company in which it operates, the Company deals with various customers including multiple geographies. Consequently, none of the customer contribute materially to the revenue of the Company.

Note 43 Exceptional Items

The company had during the Previous financial year offered voluntary retirement benefits and other termination benefits (VRS Scheme) to its eligible employees at Ramnagiri unit beginning from 24th July 2018 ending on 31st July 2018. Pursuant to above, 7 employees opted for the scheme. Total separation cost of Rs. Nil (Previous year Rs. 29.06 lakhs) has been determined and paid, which has been disclosed as 'Exceptional Item' in the statement of Profit & Loss. Previous year VRS scheme was in respect of eligible employees of Kolkata unit.

- Voluntary retirements benefits	Year ended 31st March, 2020	Year ended 31st March, 2019
- Other retirement benefits	-	29.06
	-	-
	-	29.06

Note 44 As per second proviso of rule 6 of Companies (Account) Amendment Rule, 2016, the company being- (i) a wholly owned subsidiary of Raymond Limited, (ii) not listed in India or outside India and (iii) the parent company (Raymond Limited) files its consolidated financial statements, hence the company has availed the exemption from preparation of consolidated financial statement.

Note 45 Corporate Social Responsibility:
The Company formulated a Corporate Social Responsibility (CSR) Committee of its directors.

	Year ended 31st March, 2020	Year ended 31st March, 2019
Corporate Social Responsibility expenditure		
Gross amount required to be spent, as per Section 135 of the Act	35.00	11.00
Amount spent during the year	14.00	-

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)
Changes in Accounting Policies

Note 46

Impact on the financial statements

The Company had adopted Ind AS-115 Revenue from Contracts with Customers from April 1, 2018 which resulted to changes in accounting policies and adjustments to the amount recognized in the financial statements. In accordance with the transition provisions in Ind AS-115, the Company had adopted the new rules with modified Retrospective approach. As a result of change in accounting policies, adjustments to the transition provision has been made in respective item as at April 1, 2018 with corresponding Impact to equity net of tax.

The impact on the balance sheet as at April 1, 2018 is as follows :

Item	April 1, 2018 (originally presented)	Adjustment of Ind AS-115	April 1, 2018 (Restated numbers)
Trade receivables	6,284.99	1,223.50	7,508.49
Inventory	3,720.52	(1,006.15)	2,714.37
Other Equity	718.06	(133.26)	584.79
Deferred Tax Asset	367.80	(46.20)	321.60
Other current assets	2,409.32	27.75	2,437.07
Trade Payables	5,660.10	(65.64)	5,594.46

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 47 **Changes in accounting policies - Lease Accounting as per IndAS 116**

Impact on the financial statements – lessee accounting

As indicated in note 1(B)(a)(iii) Significant accounting policies, the company has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for year ended 31st March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April 2019. The new accounting policies are disclosed in note 1(B)(a)(e).

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st April 2019 was 10.90%

On adoption of Ind AS 116, the Company has reclassified leasehold land presented under Property, Plant and Equipment to Right-of-use asset. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review there were no onerous contracts as at 1 April 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 47

Changes in accounting policies - Lease Accounting as per IndAS 116

(i) Measurement of lease liabilities

Operating lease commitments disclosed as at 31st March 2019	1,552.76
Add: adjustments as a result of a different treatment of extension and termination options	1,552.76
Lease liability recognised as at 1st April 2019	1,552.76
Of which are:	
Current lease liabilities	71.83
Non-current lease liabilities	1,480.93
	1,552.76

(ii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

(iv) Adjustments recognised in the balance sheet on 1 April 2019

Particulars	Increase/ (Decrease)	Amount
Property, plant and equipment	(Decrease)	(388.53)
Right-of-use assets	Increase	1,606.76
Lease liabilities	Increase	1552.76
Deferred tax assets (net)	Increase	84.20
Retained earnings on 1 April 2019	(Decrease)	(250.33)

J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 48 COVID-19 Assessment

The ongoing corona pandemic is profoundly impacting people's health, societies and business operations around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chains, travel restrictions, quarantines, social distancing and other emergency measures.

The Company is in the business of manufactures steel files and cutting tool and markets hands tools and power tools and, a key supplier in tools and hardware supply chain market. Files and cutting tools are going to remain key and a top priority going forward as well. The Company's strong contingency plans are in place to secure operations and supply chain so that files and cutting tool manufacturing production continues, however considering the logistics challenges and low demand at customers' end during early phases of lockdown, the production was impacted in first two months, however with unlock phase being started, demand will improve in tandem with economic and industrial trends. Further, there are significant geographic, new customer and new proposition opportunities that will continue to drive growth in mid and long term.

The Company has performed a detailed assessment of the situation and believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Note 49 The Financial Statements were authorised for issue by the directors on June 25, 2020.

As per our attached report of even date

For and on behalf of Board of Directors

Sd/-
 Ganesh Kumar Subramanian
 Director
 DIN: 00088163

Sd/-
 K. A. Narayan
 Director
 DIN: 00950589

Sd/-
 Arunkumar Ramdas
 Partner
 Membership No.: 112433
 Mumbai
 25th June, 2020

Sd/-
 Srinivasan Ganapathy
 Chief Financial Officer
 Mumbai
 25th June, 2020

Sd/-
 Archana Panchal
 Company Secretary

Sd/-
 For Price Waterhouse Chartered Accountants LLP
 Firm Registration NO. 012754N/N500016

JK TALABOT LIMITED
ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI GANESHKUMAR SUBRAMANIAN SHRI SRINIVASAN GANAPATHY SHRI ARNAUD MOULIN
COMPANY SECRETARY	:	SMT. ARCHANA PANCHAL
STATUTORY AUDITORS	:	MESSRS. PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
INTERNAL AUDITORS	:	MESSRS. MAHAJAN & AIBARA, CHARTERED ACCOUNTANTS LLP
REGISTERED OFFICE	:	NEW HIND HOUSE, NAROTTAM MORARJI MARG, BALLARD ESTATE, MUMBAI – 400 001 MAHARASHTRA.

JK TALABOT LIMITED
(CIN: U28930MH2005PLC154517)

DIRECTORS' REPORT

To,

The Members of JK TALABOT LIMITED

Your Directors present their **fifteenth** Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL SUMMARY / OPERATIONAL PERFORMANCE:

Your Company manufactures files and rasps at its plant at Chiplun in Ratnagiri District, in the State of Maharashtra. During FY 2020, the Gross Sales Revenue of the company stood at Rs. 23.27 crore (Previous Year: Rs. 25.06 crore). The Company reported a profit after tax of Rs. 2.30 crore during FY 2020 (Previous Year: Profit Rs. 2.11 crore).

Despite the low demand conditions globally coupled with inflationary trends, the performance of the Company during the year was good. The increase in input costs like power, fuel and employment, has been offset to a large extent by control over cost, improved productivity etc. The Company continued its initiative on improvement in productivity, quality and control on working capital.

2. Material changes and commitment – if any, affecting financial position of the Company from the end of the Financial Year till the date of this Report:

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report, except for the impact arising out of COVID-19, which is detailed below in point no. 3 of this Report.

3. COVID-19 and its impact:

The ongoing corona pandemic is profoundly impacting people's health, societies and business operations around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chains, travel restrictions, quarantines, social distancing and other emergency measures.

Your Company is in the business of manufacturing steel files and, a key supplier in tools and hardware supply chain market. Files are going to remain key and a top priority going forward as well. The Company's strong contingency plans are in place to secure operations and supply chain so that files manufacturing production continues, however considering the logistics challenges and low demand at customers' end during early phases of lockdown, the production was impacted in first two months, however with unlock phase being started, demand will improve in tandem with economic and industrial trends. Further, there are significant geographic and buyback arrangements with existing customer that will continue to drive growth in mid and long term.

The management has performed a detailed assessment of the situation and believes that no adjustments are required in the financial statements as it does not impact the current financial year; however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

2. DIVIDEND

In order to conserve resources, no dividend has been recommended for the FY 2019-20.

3. RESERVES

Your Company has not transferred any amount to the reserves of the Company.

4. AUDITORS

M/s Price Waterhouse Chartered Accountants LLP (ICAI Firm Registration Number 012754N/N500016), registered with the Institute of Chartered Accountants of India, was appointed as the Statutory Auditor of the Company at the Twelfth Annual General Meeting for a period of 5 years commencing from the conclusion of Twelfth AGM till the conclusion of Seventeenth AGM. Accordingly, they shall continue to be the Statutory Auditors for the Financial Year 2019-20.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

5.1 INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures.

The Company has entrusted the internal and operational audit to M/s Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

5.2 SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

5.3 REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

6. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was **Rs. 8.05 crore**. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity. As on March 31, 2020, none of the Directors of the Company hold shares or convertible instruments of the Company.

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to Financial Statements.

9. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Srinivasan Ganapathy, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offer himself for re-appointment.

During the year, six Board Meetings were held viz. April 22, 2019, July 29, 2019, August 20, 2019, September 06, 2019, October 18, 2019, and January 17, 2020. The details of the meetings are given below:

Sr. No.	Date of Board Meeting	Name of Directors		
		Shri Arnaud Moulin	Shri Ganeshkumar Subramanian	Shri Srinivasan Ganapathy
1	22/04/2019	-	✓	✓
2	29/07/2019	-	✓	✓
3	20/08/2019	✓	✓	✓
4	06/09/2019	-	✓	✓
3	18/10/2019	-	✓	✓
4	17/01/2020	-	✓	✓

10. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review are on arm's length basis and in the ordinary course of business and that the provisions of Section 188(1) of the Companies Act, 2013 are not attracted. The Company has developed a Related Party Transactions Manual and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

11. RISK MANAGEMENT POLICY

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the risks.

12. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems are adequate and operating effectively

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as “**Annexure A**” to this Report.

14. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “**Annexure B**” to this Report.

15. PARTICULARS OF EMPLOYEES

Since your company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

16. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. There were no complaints filed against any of the employees of the Company under this Act.

17. ACKNOWLEDGEMENT

The Directors express their appreciation to all the employees for their dedication and commitment. The Directors also extend their appreciation to the Banks and Joint Venture Partners for their continued support and co-operation.

For and on behalf of the Board of
JK TALABOT LIMITED

Sd/-

Ganeshkumar Subramanian
Director
DIN: 00088163

Sd/-

Srinivasan Ganapathy
Director
DIN: 07379783

Date: June 24, 2020

Place: Thane

Conservation of Energy, Technology, Absorption and Foreign Exchange Earnings and Outgo

The Information under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020 is given here below and forms part of the Directors' Report.

A) CONSERVATION OF ENERGY

- Under the Green Energy initiative we have installed and commissioned a "Solar Power Generation system of 100 kWp" in F.Y. 2015-16 in the premises of JK Talabot. In this financial year i.e. (FY 2019-20) we have generated Green power of 106.45 MWh thereby achieving a reduction of 105 MT of CO2.
- Changed capacitor bank to maintain power factor, This helps to get the incentive of Rs. 9.77 Lacs in the FY- 19-20

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:**a) Development in machine**

1. Annealing furnaces are modified, which eliminates the consumption of methanol as well as LPG. This impacts saving of ₹ 3.11 Lacs.
2. Development of fixtures & POT for robotic hardening gives the saving in terms of productivity, optimum use of electricity. This gives the monetary saving of ₹ 2.27 Lacs in FY 19-20

b) New Product Development- NOT APPLICABLE

- c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- **NOT APPLICABLE**

d) Research and Development-

- Establishing the brine recirculation system & UPVC pipes for circulation of brine results in saving of usage of Chiller, maximum use of running furnace & manpower. This makes the saving in electricity & manpower at JKTL plant. About ₹ 2.5 lacs saving is achieved in FY 2019-20.
- During FY 19-20, JKTL's manufacturing engineering team has conducted study for potential areas & technology innovation & development. Based on plant wise analysis following projects are identified & initiated. Filling machine for improvement in surface finish quality & productivity at JKTL. The prototype of machine is under development.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

The Company has Rs. 2.82 Crores (Previous Year: Rs. 3.30 Crores) earnings in foreign exchange and the outgo in foreign exchange was Rs.Nil (Previous Year –Rs.NIL).

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the
Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U28930MH2005PLC154517
2.	Registration Date	06/07/2005
3.	Name of the Company	JK Talabot Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-government Company
5.	Address of the Registered office & contact details	New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai- 400 001. Tel: 022 – 66046000 Fax: 022 – 22620052
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	FILES AND RASPS	25932	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
---------	---------------------------------	-----------	--------------------------------	------------------	--------------------

1	JK Files (India) Limited New Hind House N. M. Marg Ballard Estate, Fort, Mumbai-400001	U27104MH1997PLC105955	Holding Company	90%	Section 2(46)
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SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	7248936	7248936	90	-	7248936	7248936	90	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	-	7248936	7248936	90	-	7248936	7248936	90	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	7248936	7248936	90	-	7248936	7248936	90	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-

d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-

g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-								-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	805436	805436	10.00	-	805436	805436	10.00	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	805436	805436	10.00	-	805436	805436	10.00	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	8054372	8054372	100.00	N.A	8054372	8054372	100.00	-

B) Shareholding of Promoter-

	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% Change during the year
1 JK Files (India) Limited and its nominees	7248936	90	-	7248936	90	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in the Promoters shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no Change in the Shareholding Pattern of the top ten Shareholders.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors hold shares in the Company.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10.35	-	-	10.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	10.35	-	-	10.35
Change in Indebtedness during the financial year				
* Addition	2.41	-	-	2.41
* Reduction	-	-	-	-
Net Change	2.41	-	-	2.41
Indebtedness at the end of the financial year				
i) Principal Amount	12.76	-	-	12.76
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12.76	-	-	12.76

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs in Lacs)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	----	---	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained	-	-	-	-	-

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
	in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-

B. Remuneration to other directors

(Rs in Lacs)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Arnuad Moulin	Ganeshkumar Subramanian	Srinivasan Ganapathy	
1	Independent Directors	-	-	-	-
	Fee for attending board/committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board/ committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs in Lacs)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
			Smt. Archana Panchal		
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section	-	-	-	-

	17(3) Income-tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Independent auditor's report

To the Members of JK Talabot Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of JK Talabot Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 39 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls,

refer to our separate Report in "Annexure A".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
13. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, the provisions of section 197 read with Schedule V to the Act are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGK8176

Mumbai
June 24, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of JK Talabot Limited on the financial statements for the year ended March 31, 2020
Page 1 of 2

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of JK Talabot Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of JK Talabot Limited on the financial statements for the year ended March 31, 2020
Page 2 of 2

accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGK8176

Mumbai
June 24, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of JK Talabot Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
(c) The title deeds of immovable properties, as disclosed in Note 2(b) on Property, Plant and Equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made by it. There are no guarantees or security provided by the company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues of provident fund, income tax and goods and services tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues including employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 31 to the financial statements regarding management's assessment on certain matters relating to provident fund.
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise, which have not been deposited on account of any dispute. The particulars of dues of value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lacs) (net of deposits)	Period to which amount relates	Forum where the dispute is pending
Maharashtra Value Added Tax, 2002	Value Added Tax	46.34	2006-07	Maharashtra Sales Tax Tribunal

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of JK

Talabot Limited on the financial statements for the year ended March 31, 2020

Page 2 of 2

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company has not issued any debentures and hence the question of default does not arise.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company. Also refer paragraph 13 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him covered within the meaning of section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 01254N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGK8176

Mumbai
June 24, 2020

J K Talabot Limited
Balance Sheet as at 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

	Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
I	ASSETS			
1	Non-current assets			
	(a) Property, Plant and Equipment	2(a)	669.97	622.57
	(b) Right-of-Use Assets	2(b)	16.31	-
	(c) Capital work-in-progress		71.03	83.08
	(d) Financial Assets			
	(i) Loans	3	2.58	2.58
	(e) Non Current Tax Assets (Net)		103.85	94.53
	(f) Other non - current assets	4	3.07	1.83
	Total Non-Current Assets		866.81	804.59
2	Current assets			
	(a) Inventories	5	145.56	103.45
	(b) Financial Assets			
	(i) Investments	6	134.47	276.65
	(ii) Trade receivables	7	434.02	488.07
	(iii) Cash and cash Equivalents	8	0.69	0.38
	(iv) Loans	9	1,300.00	1,000.00
	(v) Other Financial Assets	10	19.97	-
	(c) Other current assets	11	45.35	35.77
	Total Current Assets		2,080.06	1,904.32
	TOTAL ASSETS		2,946.87	2,708.91
II	EQUITY AND LIABILITIES			
1	Equity			
	(a) Equity share capital	12	805.44	805.44
	(b) Other equity	13	1,822.43	1,595.04
	TOTAL EQUITY		2,627.87	2,400.48
	LIABILITIES			
2	Non-current liabilities			
	(a) Deferred tax liabilities (Net)	27	3.34	16.86
	Total Non-Current Liabilities		3.34	16.86
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowing	14	12.76	10.35
	(ii) Trade payables	15		
	(a) total outstanding of micro and small enterprises		2.73	-
	(a) total outstanding other than (ii) (a) above		159.46	162.10
	(iii) Other financial liabilities	16	82.40	76.00
	(b) Provisions	17	46.22	35.32
	(c) Other current liabilities	18	12.09	7.80
	Total Current Liabilities		315.66	291.57
	TOTAL LIABILITIES		319.00	308.43
	TOTAL EQUITY AND LIABILITIES		2,946.87	2,708.91

The accompanying notes (1 to 40) are an integral part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/-
Arunkumar Ramdas
Partner
Membership Number - 112433
Date: June 24, 2020

Sd/-
Ganesh Kumar Subramanian
Director
DIN: 00088163

Sd/-
Srinivasan Ganapathy
Director
DIN: 07379783

Sd/-
Archana Panchal
Company Secretary

Mumbai
Date: June 24, 2020

Mumbai
Date: June 24, 2020

J K Talabot Limited
Statement of Profit and Loss for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
I	Revenue from Operations	19	2,326.53	2,506.42
II	Other Income	20	95.69	105.11
III	Total Income (I + II)		2,422.22	2,611.53
IV	Expenses			
	Cost of materials consumed	21	615.40	707.82
	Changes in inventories of work-in progress and finished goods	22	(20.21)	41.72
	Employee benefits expense	23	616.00	589.95
	Finance costs	24	12.63	4.07
	Depreciation and amortization expense	25	57.61	118.76
	Other expenses	26		
	(a) Manufacturing and operating costs		736.94	733.25
	(b) Other expenses		115.44	117.44
	Total expenses (IV)		2,133.81	2,313.01
V	Profit before tax (III -IV)		288.41	298.52
VI	Tax expense	27		
	Current tax		71.94	88.36
	Deferred tax		(13.52)	(0.44)
	Total Tax expenses (VI)		58.42	87.92
VII	Profit for the year (V- VI)		229.99	210.60
VIII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans	28	3.46	(1.76)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans	27	(0.86)	0.51
	Other Comprehensive Income for the year		(2.60)	1.25
IX	Total Comprehensive Income for the year (VII + VIII)		227.39	211.85
X	Earnings per equity share of Rs. 10 each :	29		
	Basic & Diluted			
	Basic & Diluted (in Rs.)	1	2.86	2.61
	Significant Accounting Policies			

The accompanying notes (1 to 40) are an integral part of financial statements

As per our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/-
Arunkumar Ramdas
Partner
Membership Number - 112433

Sd/-
Ganesh Kumar Subramanian
Director
DIN: 00088163

Sd/-
Srinivasan Ganapathy
Director
DIN: 07379783

Sd/-
Archana Panchal
Company Secretary

Mumbai
Date: June 24, 2020

Mumbai
Date: June 24, 2020

J K Talabot Limited
Statement of Changes in Equity for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

A. EQUITY SHARE CAPITAL

Particulars	Amount
Balance as at 1st April, 2018	805.44
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2019	805.44
Changes in Equity Share Capital during the year	-
Balance as at 31st March, 2020	805.44

B. Other Equity

Particulars	Reserves and Surplus
	Retained Earnings
Balance as at 1st April, 2018	1,383.19
Profit for the year	210.60
Other Comprehensive Income for the year (Net of Tax)	1.25
Total Comprehensive Income for the year	211.85
Balance as at 31st March, 2019	1,595.04
Profit for the year	229.99
Other Comprehensive Income for the year (Net of Tax)	(2.60)
Total Comprehensive Income for the year	227.39
Balance as at 31st March, 2020	1,822.43

The accompanying notes (1 to 40) are an integral part of financial statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number - 112433

Sd/-

Ganesh Kumar Subramanian
Director
DIN: 00088163

Sd/-

Srinivasan Ganapathy
Director
DIN: 07379783

Sd/-

Archana Panchal
Company Secretary

Mumbai
Date: June 24, 2020

Mumbai
Date: June 24, 2020

Statement of Cash Flow for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
A. Cash Flow from Operating Activities				
Profit before tax as per statement of profit and loss		288.41		298.52
Adjustment for :				
Depreciation	57.61		118.76	
Net (gain) / loss on disposal of property, plant and equipment	3.71		(0.04)	
Interest income	(108.73)		(83.37)	
Net gain / (loss) / on sale of investments	10.82		(1.65)	
Net gain / (loss) on Fair valuation of investments through profit and loss	6.36		(20.04)	
Unrealised (Loss)/Gain on foreign exchange fluctuations	(2.97)		2.57	
Remeasurements of net defined benefit plans	(3.46)		1.76	
Finance Costs	12.63	(24.03)	4.07	22.06
Operating Profit Before Working Capital Changes		264.38		320.58
Adjustment for :				
(Increase) / Decrease in Inventories	(42.11)		36.22	
Decrease / (Increase) in Trade and Other Receivables	26.22		(273.42)	
Increase in Trade Payables and Other Current Liabilities	10.80		68.54	
Increase / (Decrease) in Provision	10.90		(11.48)	
Cash generated from Operations		270.19		140.44
Less : Direct Taxes Paid (net of refunds)		(80.40)		(106.43)
Net cash flows generated from operating activities		189.79		34.01
B. Cash Flow from Investing Activities				
Inflows				
Proceeds from sale of current investments		125.00		1,000.00
Interest received		108.73		83.37
Sale proceeds of property, plant & equipment		0.01		0.12
		233.74		1,083.49
Outflows				
Loans provided to related party		(300.00)		(1,000.00)
Purchase of property, plant & equipment		(112.99)		(124.92)
		(412.99)		(1,124.92)
Net cash (used in) investing activities		(179.25)		(41.43)
C. Cash Flow from Financing Activities				
Outflows				
Interest Paid		(12.63)		(4.07)
Short term borrowing net		2.40		10.35
Net cash (used in)/generated from financing activities		(10.23)		6.28
Net Increase in Cash and Cash Equivalents (A+B+C)		0.31		(1.14)
Add :Cash and Cash Equivalents at the beginning of the financial Year		0.38		1.52
Cash and Cash Equivalents as at the end of the Year		0.69		0.38
Reconciliation of Cash and Cash Equivalents as per Cash Flow Statement				
Cash and Cash Equivalent as per above comprise of the following				
Cash and Cash Equivalent (Refer note 8)		0.69		0.38
Balance as per Statement of Cash Flows		0.69		0.38
Note	1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cashflows.			
	The accompanying notes (1 to 40) are an integral part of financial statements			
As per our attached report of even date	For and on behalf of the Board of Directors			
For Price Waterhouse Chartered Accountants LLP Firm Registration No. 012754N/N500016				
Sd/- Arunkumar Ramdas Partner Membership Number - 112433	Sd/- Ganesh Kumar Subramanian Director DIN: 00088163	Sd/- Srinivasan Ganapathy Director DIN: 07379783	Sd/- Archana Panchal Company Secretary	
Mumbai Date: June 24, 2020	Mumbai Date: June 24, 2020			

1(a) STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

I. Background and Operations

JK Talabot Limited incorporated in India having registered office at Mumbai and Manufacturing facility at Chiplun. The Company is a leading Engineering tools Company.

II. Significant accounting policies

(a) Basis of preparation of Financial Statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statement.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that is measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

- Ind AS 116, Leases
- Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 12, Income Taxes

The company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 38. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III (Division II) to the Act.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II), unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

All items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Buildings and Plant and Equipment is provided on a Straight Line Method and in case of other assets on Written Down Value Method, net of their residual values, over the estimated useful lives of assets. Leasehold land is amortised over the period of lease.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery, useful life for which is based on an independent technical evaluation has been estimated as 24 years from the date of acquisition (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Lease

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. On adoption of Ind AS 116, the Company has reclassified leasehold land presented under Property, Plant and Equipment to Right-of-use asset and lease payments have been classified as financing cash flows.

(e) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Materials, Goods in transit, Work-in-Progress, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(h) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

* those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(i) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in Statement of Profit and Loss.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset are disclosed in respect of possible asset that arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.

(j) Revenue recognition

Revenue with Contracts with Customers

Sales are recognised when the control of the goods has transferred when the goods are delivered to customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transfer to customer and the Company has objective evidence that all criteria for the acceptance have been satisfied.

Other operating revenue - Export incentives

Export Incentives under the, "Duty Draw back Scheme", "Merchandise Export from India Scheme" etc. is accounted in the year of export.

(k) Employee benefits

(i) Post-employment obligations

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for restructuring that is within the scope of Ind AS37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(i) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(l) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(m) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

(n) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(o) Manufacturing and operating Expenses :

The Company classifies separately manufacturing and operating expenses which are directly linked to manufacturing activities of the company.

(p) Impairment of non-financial assets:

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1(b) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement is:

- Estimation of Defined benefit obligation (Refer Note 28).

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-2(a) Property, Plant and Equipment

	Leasehold Land	Buildings	Plant & Equipment	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
Gross carrying Amount								
Balance as at 1st April, 2018	17.26	336.48	701.33	2.26	1.55	2.78	4.49	1,066.15
Additions	-	-	62.72	-	-	2.86	0.75	66.33
Disposals	-	-	-	-	-	-	0.08	0.08
Balance as at 31st March, 2019	17.26	336.48	764.05	2.26	1.55	5.64	5.16	1,132.40
Adjustment for change in accounting policy (Refer note 38)								
Additions	-	30.49	94.30	-	-	0.25	-	125.04
Disposals	-	3.96	-	-	-	-	-	3.96
Balance as at 31st March, 2020	-	363.01	858.35	2.26	1.55	5.89	5.16	1,236.22
Accumulated Depreciation								
Balance as at 1st April, 2018	0.57	44.27	340.16	1.04	1.05	0.84	3.14	391.07
Additions	0.19	14.46	103.20	0.20	0.16	0.19	0.36	118.76
Disposals	-	-	-	-	-	-	-	-
Balance as at 31st March, 2019	0.76	58.73	443.36	1.24	1.21	1.03	3.50	509.83
Adjustment for change in accounting policy (Refer note 38)								
Additions	-	15.16	40.71	0.15	-	1.29	-	(0.76)
Disposals	-	0.24	-	-	-	-	-	57.42
Balance as at 31st March, 2020	-	73.65	484.07	1.39	1.32	2.32	3.50	566.25
Net carrying amount								
Balance as at 31st March, 2019	16.50	277.75	320.69	1.02	0.34	4.61	1.66	622.57
Balance as at 31st March, 2020	-	289.36	374.28	0.87	0.23	3.57	1.66	669.97

NOTE:

1) Refer note 30 for information on Property Plant and Equipment pledged as security by the company.

2) Leased assets

As at 31 March 2019, Leasehold Land included the following amounts

	31 March 2019
Leasehold Land	
Cost	17.26
Accumulated depreciation	(0.76)
Net carrying amount	16.50

Pursuant to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at 31 March 2020, see note 2(b). Refer to note 38 for details about the changes in accounting policy.

J K Talabot Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 2(b)- Leases

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31st March, 2020	1 April 2019*
Right-of-use assets		
Lease hold Land	16.31	16.50
Total	16.31	16.50

*On adoption of Ind AS 116, the Company has reclassified leasehold land classified under Property, Plant and Equipment to Right-of-use asset.

Lease liabilities:

Lease liabilities: In case of leasehold land, upfront lease premium had been paid at the time of execution of the lease deed, hence there are no future lease liabilities.

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	Year ended 31st March, 2020
Depreciation charge of right-of-use assets		
Lease hold Land		0.19
Total	25	0.19

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-3	Loans		
		As at	As at
		31st March, 2020	31st March, 2019
	Security Deposits	2.58	2.58
	Total	2.58	2.58
	Break-up of security details		
		As at	As at
		31st March, 2020	31st March, 2019
	Loans considered good - Secured	-	-
	Loans considered good - Unsecured	2.58	2.58
	Loans which have significant increase in credit risk	-	-
	Loans credit impaired	-	-
	Total	2.58	2.58
	Loss allowance	-	-
	Total Loans	2.58	2.58
Note-4	Other non - current assets		
		As at	As at
		31st March, 2020	31st March, 2019
	Balances with Government Authorities	1.83	1.83
	Capital advances	1.24	-
	Total	3.07	1.83
Note-5	Inventories (Cost or Net Realisable Value, whichever is lower)		
		As at	As at
		31st March, 2020	31st March, 2019
	Raw Materials	60.28	40.64
	Work-in-progress	55.41	31.99
	Finished goods	7.11	10.32
	Stores and Spares	22.76	20.50
	Total	145.56	103.45
	Inventory write downs / write back are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to Rs 1.15 Lakhs during year (Previous year write back Rs 10.09 lakhs). These write downs / write back were recognised as expenses / income and included in 'Raw material consumed', 'changes in value of inventories of finished goods, stock- in -trade and work -in- progress' and 'consumption of stores and spares' in the statement of Profit and Loss.		
Note-6	Current investments		
		As at	As at
		31st March, 2020	31st March, 2019
	Investments in Mutual Fund		
	Unquoted		
	5,412.5550 (31st March, 2019 : 10,632.175) Units of UTI Treasury Advantage Fund Growth Plan	134.47	276.65
	Total	134.47	276.65
	Aggregate amount of Unquoted Investment	134.47	276.65
	Refer Note - 32 and 33 for information about Fair value measurement, credit risk and market risk of investments.		
Note-7	Trade receivables		
		As at	As at
		31st March, 2020	31st March, 2019
	Unsecured, considered good		
	Trade Receivables		
	-Receivable from related parties (Refer note 35)	434.02	488.07
	Total	434.02	488.07
	Refer Note - 33 for information about credit risk and market risk of trade receivables.		
Note-8	Cash and cash equivalents		
		As at	As at
		31st March, 2020	31st March, 2019
	Cash on hand	0.26	0.14
	Balances with Banks		
	-In current accounts	0.43	0.24
	Total	0.69	0.38

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Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-9	Loans (Unsecured, considered good)	<u>As at 31st March, 2020</u>	<u>As at 31st March, 2019</u>
	Loans to related parties (Refer Note 35)	1,300.00	1,000.00
	Total	<u>1,300.00</u>	<u>1,000.00</u>
	Refer Note - 33 for information about credit and market risk for loans		
Note-10	Other Financial Assets	<u>As at 31st March, 2020</u>	<u>As at 31st March, 2019</u>
	Interest Accrued but not Due (Refer Note 35)	19.97	-
		<u>19.97</u>	<u>-</u>
Note-11	Other current assets	<u>As at 31st March, 2020</u>	<u>As at 31st March, 2019</u>
	Export benefit receivables	10.83	8.23
	GST Receivable	24.67	20.52
	Advances to Suppliers	1.04	0.04
	Prepaid expenses	7.93	6.98
	Other advances	0.88	-
	Total	<u>45.35</u>	<u>35.77</u>

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-12-Equity Share capital

	As at 31st March, 2020	As at 31st March, 2019
Authorised		
1,00,00,000 [31st March, 2019: 1,00,00,000] Equity Shares of Rs. 10 each	1,000.00	1,000.00
	1,000.00	1,000.00
Issued, subscribed and fully paid up		
80,54,372 [31st March, 2019: 80,54,372] Equity Shares of Rs. 10 each	805.44	805.44
	805.44	805.44

a) Reconciliation of number of shares

	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	80,54,372	805.44	80,54,372	805.44
Balance as at the end of the year	80,54,372	805.44	80,54,372	805.44

b) Right, Preference and Restrictions attached to Equity Shares:

The Company has only one class of equity shares having par value of Rs.10 per share. Each Shareholder is entitled to one vote per share. In the event of liquidation of the Company the holder of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential payments. However, no such preferential amount exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares of the company held by holding company

	As at 31st March, 2020	As at 31st March, 2019
JK Files (India) Limited, India (Holding Company) (In Nos.)	72,48,936	72,48,936

d) Details of equity shares held by shareholders holding more than 5% shares in the Company

NAME OF SHAREHOLDERS	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
JK Files (India) Limited, India	72,48,936	90%	72,48,936	90%
MOB Mondellin SAS, France	8,05,436	10%	8,05,436	10%

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-13-Other Equity

	Reserves and Surplus
	Retained Earnings
Balance as at 1st April, 2018	1,383.19
Profit for the year	210.60
Other Comprehensive Income for the year (Net of Tax)	1.25
Total Comprehensive Income for the year	211.85
Balance as at 31st March, 2019	1,595.04
Profit for the year	229.99
Other Comprehensive Income for the year (Net of Tax)	(2.60)
Total Comprehensive Income for the year	227.39
Balance as at 31st March, 2020	1,822.43

Note- 14 - Current Borrowings

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Loans repayable on demand		
From Banks		
- Cash Credit	12.76	10.35
Total	12.76	10.35
For assets pledged as Security-Refer Note -30		
Net debt reconciliation		
Cash and cash equivalents	(0.69)	(0.38)
Liquid investments	(134.47)	(276.65)
Current Borrowings	12.76	10.35
Net debt	(122.40)	(266.68)

	Cash and Cash equivalents	Liquid investments	Current borrowings	Total
Net Debt as at April 01, 2018	1.52	1,254.97	-	(1,256.49)
Cash flows	(1.14)	(1,000.01)	10.35	1,011.50
Fair value Adjustments	-	21.69	-	(21.69)
Interest expense	-	-	4.07	4.07
Interest paid	-	-	(4.07)	(4.07)
Net Debt as at March 31, 2019	0.38	276.65	10.35	(266.68)
Cash flows	0.31	(125.00)	2.41	127.10
Fair value Adjustments	-	(17.18)	-	17.18
Interest expense	-	-	12.47	12.47
Interest paid	-	-	(12.47)	(12.47)
Net Debt as at March 31, 2020	0.69	134.47	12.76	(122.40)

Note-15 Trade payables

	As at 31st March, 2020	As at 31st March, 2019
Trade payables (Refer Note below)		
Micro and small enterprises	2.73	-
Others	157.69	162.10
Related parties	1.77	-
Total	162.19	162.10

Refer Note-33 for information about liquidity risk and market risk of trade payables.

Note :

DUES TO MICRO AND SMALL ENTERPRISES

The Company has no dues to suppliers under Micro, small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows.

	As at 31st March, 2020	As at 31st March, 2019
Principal amount due to suppliers registered under MSME Act and remaining unpaid as at year end	2.73	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
Principal Amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
Interest paid, other than under section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year)	-	-

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-16 - Other current financial liabilities

	As at 31st March, 2020	As at 31st March, 2019
Employee Benefits Payable	71.50	70.72
Capital Goods Payable	0.45	-
Other payables	10.45	5.28
Total	82.40	76.00

Refer Note-33 for information about liquidity risk and market risk of financial liabilities.

Note-17 Provisions

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer note -28)		
-Gratuity	16.98	10.42
-Compensated absences	29.24	24.90
Total	46.22	35.32

Note-18 - Other Current liabilities

	As at 31st March, 2020	As at 31st March, 2019
Contract Liabilities (Refer note -37)	2.64	1.14
Statutory Dues payable	9.45	6.66
Total	12.09	7.80

J K Talabot Limited
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Note-19	Revenue from Operations	Year ended 31st March, 2020	Year ended 31st March, 2019
	Revenue from Contract with Customers (Sale of Products)		
	(i) Manufactured goods - Domestic	1,999.11	2,109.14
	(ii) Manufactured goods - Export	281.85	329.60
	Other operating revenue		
	(i) Export Incentives	19.04	24.03
	(ii) Process waste sale	26.53	43.65
	Total	2,326.53	2,506.42
Note-20	Other income	Year ended 31st March, 2020	Year ended 31st March, 2019
	Interest income	108.73	83.37
	Net gain / (loss) / on sale of investments	(10.82)	1.65
	Net gain / (loss) on Fair valuation of investments through profit and loss	(6.36)	20.04
	Miscellaneous Income	4.14	0.05
	Total	95.69	105.11
Note-21	Cost of materials consumed	Year ended 31st March, 2020	Year ended 31st March, 2019
	Raw material at the beginning of the year	40.64	31.06
	Purchases	635.04	717.40
	Less : Raw material at the end of the year	60.28	40.64
	Total	615.40	707.82
Note-22	Changes in inventories of work-in-progress and finished goods	Year ended 31st March, 2020	Year ended 31st March, 2019
	Opening inventories		
	Work-in-progress	31.99	73.79
	Finished goods	10.32	10.24
		42.31	84.03
	Closing inventories		
	Work-in-progress	55.41	31.99
	Finished goods	7.11	10.32
		62.52	42.31
	Total	(20.21)	41.72
Note-23	Employee benefits expense	Year ended 31st March, 2020	Year ended 31st March, 2019
	Salaries, wages, bonus etc	508.16	477.87
	Contribution to Gratuity Funds (Refer note -28)	13.52	14.18
	Contribution to provident funds and other funds (Refer note -28)	41.72	28.05
	Workmen and Staff welfare expenses	52.60	69.85
	Total	616.00	589.95

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Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-24	Finance costs	Year ended 31st March, 2020	Year ended 31st March, 2019
	Interest expense	12.47	4.07
	Interest on shortfall of advance tax	0.16	-
	Total	12.63	4.07
Note-25	Depreciation and amortization expense	Year ended 31st March, 2020	Year ended 31st March, 2019
	Depreciation on property, plant and equipment	57.42	118.76
	Depreciation on Right to Use Asset (Refer note 38)	0.19	-
	Total	57.61	118.76
Note-26	(a) Manufacturing and Operating Costs	Year ended 31st March, 2020	Year ended 31st March, 2019
	Consumption of stores and spare parts	194.53	204.78
	Power and fuel	264.75	250.53
	Job work charges	95.60	113.15
	Repairs to buildings	16.87	17.59
	Repairs to machinery	41.45	48.14
	Payment to labour contractor	103.13	87.53
	Other Manufacturing and Operating expenses	20.61	11.53
	Total	736.94	733.25
Note-26	(b) Other expenses	Year ended 31st March, 2020	Year ended 31st March, 2019
	Insurance	6.74	7.62
	Repairs & Maintenance Others	7.04	7.02
	Rates and Taxes	6.46	1.24
	Advertisement Expenses	0.14	-
	Freight, Octroi, etc	4.91	6.54
	Legal and Professional Expenses	13.36	24.16
	IT outsourced Support Services	17.03	15.23
	Travelling & Conveyance	6.70	8.34
	Net (gain) / loss on disposal of property, plant and equipment	3.71	(0.04)
	Net (gain) / loss on foreign exchange fluctuations	(3.10)	(0.47)
	Security Charges	14.33	12.58
	Donations	1.00	-
	Miscellaneous Expenses	37.12	35.22
	Total	115.44	117.44
Note-26A	Details of Auditor's remuneration included in Legal and Professional expenses (net of credit of taxes)	Year ended 31st March, 2020	Year ended 31st March, 2019
	a. Audit Fees	2.00	2.00
	b Reimbursement of out-of-pocket expenses	0.10	0.10
	Total	2.10	2.10

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
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Note 27: Income Taxes

Tax expense recognised in the Statement of Profit and Loss

	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax		
Current tax on taxable income for the year	71.94	88.36
Total current tax	71.94	88.36
Deferred tax		
Deferred tax (credit)	(13.52)	(0.44)
Total deferred tax	(13.52)	(0.44)
Total tax expense	58.42	87.92

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	Year ended 31st March, 2020	Year ended 31st March, 2019
Reconciliation of effective tax rate		
Profit before tax	288.41	298.52
Enacted income tax rate in India	25.17%	27.82%
Tax Expense at enacted income tax rate	72.59	83.05
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income		
Permanent Disallowances	1.45	4.06
Effect of change in tax rate	(1.61)	0.81
Others	(14.01)	-
Tax Expense Recognised in Statement of Profit and Loss	58.42	87.92

Consequent to reconciliation items shown above, the effective tax rate is 20.25% (2018-19: 29.45%)

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

	As at 31st March, 2018	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2019	Credit/(charge) in statement of Profit and Loss	As at 31st March, 2020
Deferred tax assets on account of:					
Provision for employee benefits and employee benefits payable	11.46	(8.05)	2.90	14.59	17.49
Deferred tax (liabilities) on account of:					
Depreciation on Property, Plant and Equipment	(24.76)	-	(14.18)	(5.64)	(19.82)
Investment in mutual fund (FVPL)	(3.49)	-	(5.58)	4.57	(1.01)
Total	(16.79)	(0.51)	(16.86)	13.52	(3.34)

J K Taiabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 28: Post retirement benefit plans

(i) Defined benefits plan - Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a ceiling of Rs. 20 lakhs. The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

As per Actuarial Valuation as on 31st March, 2020 and 31st March, 2019 amount recognised in the financial statements in respect of Employee Benefit Schemes:

	Gratuity	
	As at 31st March, 2020	As at 31st March, 2019
Present value of plan liabilities	(156.20)	(132.44)
Fair value of plan assets	139.22	122.02
(Deficit)/surplus of funded plans	(16.98)	(10.42)
Net plan liabilities	(16.98)	(10.42)

B. Movements in plan assets and plan liabilities

	As at 31st March, 2020		As at 31st March, 2019	
	Plan Liabilities	Plan Assets	Plan Liabilities	Plan Assets
	Net		Net	
As at 1st April	(132.44)	122.02	(10.42)	(25.66)
Current service cost (including past service cost)	(12.71)	-	(12.71)	(12.16)
Return on plan assets excluding actual return on plan asset	(0.83)	(0.83)	(0.83)	(1.93)
Interest cost	(10.30)	9.49	(10.30)	(9.18)
Interest income	-	-	9.49	7.16
Actuarial gains/(loss) arising from changes in financial assumptions	(4.69)	-	(4.69)	(2.03)
Actuarial gain/(loss) arising from experience adjustments	2.06	-	2.06	5.72
Employer contributions	-	10.42	10.42	27.66
Benefit payments	1.88	(1.88)	-	(1.84)
As at 31st March	(156.20)	139.22	(16.98)	122.02

The liabilities are split between different categories of plan participants as follows:

- Active members - 182 (2018-19: 186)
- Deferred members - Nil (2018-19: Nil)
- Retired members - Nil (2018-19: Nil)

The weighted average duration of the defined benefit plans is 19 years (2018-19: 20 years)

C. The Company expects to contribute Rs. 24.78 lakh to the funded plans in financial year 2020-21 (2019-20: Rs. 23.12 lakh) for gratuity

D. Statement of Profit and Loss

	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses:		
Current service cost (including past service cost)	12.71	12.16
Interest cost	0.81	2.02
Net impact on the Profit / (Loss) before tax	13.52	14.18

J K Taiabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Remeasurement of the net defined benefit liability:

Return on plan assets excluding actual return on plan asset (0.83)
Actuarial loss arising from changes in financial assumptions (4.69)
Experience gains/ (losses) arising on experience adjustments 2.06

Net impact on the Other Comprehensive Income before tax 3.46 (1.76)

E. Assets

Gratuity	
As at 31st March, 2020	As at 31st March, 2019
139.22	122.02
139.22	122.02

F. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

Financial Assumptions

	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.82%	7.78%
Salary Escalation Rate	4%-6%	7.50%
Attrition rate	2.00%	2.00%

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table.

G. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	As at 31st March, 2020		As at 31st March, 2019	
	Change in assumption	Increase in assumption having an impact on present value of plan liability	Change in assumption	Increase in assumption having an impact on present value of plan liability
Discount rate	1%	(24.33)	1%	(20.44)
Salary Escalation Rate	1%	30.00	1%	25.32
Attrition rate	1%	(1.64)	1%	0.70
		30.28		25.50
		(23.28)		(0.82)
		1.96		

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the method (Projected unit credit method) used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.

H. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

Gratuity:	As at 31st March, 2020	As at 31st March, 2019
2020	-	3.90
2021	4.48	3.07
2022	3.29	3.26
2023	3.33	3.45
2024	3.44	3.65
2025	3.65	-
Thereafter	587.24	624.19

Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit.

(ii). Compensated absences

The leave obligations cover the Company's liability for sick and earned leave.

The amount of the provision of Rs. 29.24 lakhs (31st March, 2019 - Rs. 24.90 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(iii). Defined contribution plans

The Company also has certain defined contribution plans. Contributions are made to provident fund etc. in India for employees. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 41.72 lakhs (31st March, 2019 - Rs. 28.05 lakhs).

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-29 : Earnings per share

		Year ended 31st March, 2020	Year ended 31st March, 2019
Basic & Diluted			
Profit for the year	A	229.99	210.60
Weighted average number of shares (in numbers)	B	80,54,372	80,54,372
Basic& diluted earning per share (Rs.)	A/B	2.86	2.61
Nominal value per equity share (in Rs.)		10.00	10.00

Note-30: Assets given as security

The carrying amounts of assets provided as security for current borrowings against Limit sanctioned are:

	As at 31st March, 2020	As at 31st March, 2019
Current Assets		
First Charge		
Inventories	145.56	103.45
Trade receivables	72.32	74.96
Total Current assets given as security	217.88	178.41
Second Charge		
Property, Plant & Equipment	669.97	622.57
Total Non-Current Assets given as Security	669.97	622.57
Total Assets given as security	887.85	800.98

Note 31: Contingent liabilities (to the extent not provided for)

	As at 31st March, 2020	As at 31st March, 2019
Contingent Liabilities		
Claims against the Company not acknowledged as debts in respect of:		
Indirect tax matters		
- Sales tax	48.15	48.15

Other Matter

The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

The amounts shown in respect of above items represent the best possible estimates arrived at on the basis of available information. The uncertainties are dependent on the outcome of the different legal processes. The timing of future cash flows will be determinable only on receipt of judgements / decisions pending with various forums / authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

J K Talbot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-32 : Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
 2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.
- For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March, 2020	Non Current		Current		Routed through P & L			Routed through OCI			Carrying at amortised cost			Total Amount	
					Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		Total
Financial Assets															
Investments	-	134.47	134.47	-	-	-	134.47	-	-	-	-	-	-	-	134.47
Loans	-	1,300.00	1,300.00	-	-	-	-	-	-	-	-	-	1,300.00	-	1,300.00
Other Financial Assets	2.58	19.97	22.55	-	-	-	-	-	-	-	-	-	22.55	-	22.55
Trade receivable	-	434.02	434.02	-	-	-	-	-	-	-	-	-	434.02	-	434.02
Cash and Cash Equivalents	2.58	0.69	0.69	-	-	-	0.69	-	-	-	-	-	0.69	-	0.69
			1,889.15				134.47						1,757.26		1,891.73
Financial Liabilities															
Borrowings	-	12.76	12.76	-	-	-	-	-	-	-	-	-	12.76	-	12.76
Trade Payables	-	162.19	162.19	-	-	-	-	-	-	-	-	-	162.19	-	162.19
Other financial liabilities	-	82.40	82.40	-	-	-	-	-	-	-	-	-	82.40	-	82.40
			257.35				-						257.34		257.35

Financial Assets and Liabilities as at 31st March, 2019	Non Current		Current		Routed through P & L			Routed through OCI			Carrying at amortised cost			Total Amount	
					Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		Total
Financial Assets															
Investments	-	276.65	276.65	-	-	-	276.65	-	-	-	-	-	-	-	276.65
Loans	-	1,000.00	1,000.00	-	-	-	-	-	-	-	-	-	1,000.00	-	1,000.00
Other Financial Assets	2.58	2.58	2.58	-	-	-	-	-	-	-	-	-	2.58	-	2.58
Trade receivable	-	488.07	488.07	-	-	-	-	-	-	-	-	-	488.07	-	488.07
Cash and Cash Equivalents	0.38	0.38	0.38	-	-	-	-	-	-	-	-	-	0.38	-	0.38
	2.58	1,765.10	1,767.68				276.65						1,491.03		1,767.68
Financial Liabilities															
Borrowings	-	10.35	10.35	-	-	-	-	-	-	-	-	-	10.35	-	10.35
Trade Payables	-	162.10	162.10	-	-	-	-	-	-	-	-	-	162.10	-	162.10
Other financial liabilities	-	76.00	76.00	-	-	-	-	-	-	-	-	-	76.00	-	76.00
		248.45	248.45				-						248.45		248.45

Note:- Financial assets and Financial liabilities, considering the nature of rights and obligations with relevant terms including receivable/payable within 12 months from the reporting date, fair value is reasonable considered to be carrying amount as at reporting date and it includes

- Trade receivables
- Cash and cash equivalents
- Other financial assets
- Loans
- Trade Payables
- Other financial liabilities

J K Taibot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-33 : Financial Risk Management

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company financial risk management policy is set by the Managing Board.
Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits , foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Foreign currency risk.

The Company operates internationally and portion of the business is transacted in foreign currency and consequently the Company is exposed to foreign exchange risk through its sales in overseas.
As of the Balance Sheet date, the company's net foreign currency exposures that are not hedged by a derivative instrument or otherwise is Euro 0.09 million (31st March, 2019: Euro 0.10 million) and corresponding equivalent amount in INR- Rs 72.32 lakhs (31st March, 2019: Rs 74.96 lakhs)

**Foreign Currency Risk Sensitivity
A change of 1% in Foreign currency would have following Impact on profit before tax**

	2019-2020		2018-2019	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	0.69	(0.69)	0.78	(0.78)
Increase / (decrease) in profit or loss	0.69	(0.69)	0.78	(0.78)

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the company. Where loans or receivables have been provided, the company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in statement of profit and loss.

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-33 : Financial Risk Management

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no provision is considered.

Ageing of Account receivables

	As at 31st March, 2020	As at 31st March, 2019
Not due	236.54	408.86
0-3 months	197.48	79.21
3-6 months	-	-
6 months to 12 months	-	-
beyond 12 months	-	-
Total	434.02	488.07

Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Financing arrangements

The company had access to following undrawn Borrowing facilities at end of reporting period:

	As at 31st March, 2020	As at 31st March, 2019
Floating rate Expiring within one year (Cash credit facility)	187.24	189.65
Total	187.24	189.65

The bank cash credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR.

Maturity patterns of other Financial Liabilities

	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
As at 31st March 2020					
Trade Payable	147.96	10.19	4.04	-	162.19
Employee benefits payable	29.81	-	41.69	-	71.50
Total	177.77	10.19	45.73	-	233.69
As at 31st March 2019					
Trade Payable	153.84	5.27	2.99	-	162.10
Employee benefits payable	28.50	-	47.50	-	76.00
Total	182.34	5.27	50.49	-	238.10

Note-34 : Capital risk management

(a) Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

(b) Dividend

The Company has not paid any dividend for the current year as well as previous year.

J K Talabot Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)
Note 35 : Related parties disclosures as per Ind AS 24

1.Relationship

Related parties where control exists, irrespective of whether transaction has occurred or not:

a. Ultimate Holding Company
i) Raymond Limited

b. Holding Company
i) J K Files (India) Limited

Other related parties with whom transactions have taken place during the period:

c.Fellow Subsidiary Companies with whom transactions have taken place during the period:

i) Raymond Apparel Limited (RAL)
ii) Raymond UCO Denim Limited (R-UCO)

d.Other significant influence

i) MOB Mondellin SAS, France

e. Key Management Personnel

i) Non executive Director - Mr. Ganesh Kumar Subramanian

ii) Non executive Director - Mr. Arnaud Moulin

iii) Non executive Director - Mr. Srinivasan Subramanian Ganapathy

f.Trust

i) J K Talabot Limited - Employees Gratuity Scheme (JKTL Trust)

Transactions carried out with related parties referred in 1 above:

Nature of Transactions	As at 31st March, 2020				As at 31st March, 2019							
	Raymond Ltd	J K Files (India) Ltd	MOB Mondellin SAS	RAL	R-UCO	JKTL Trust	Raymond Ltd	J K Files (India) Ltd	MOB Mondellin SAS	RAL	R-UCO	JKTL Trust
Sales:												
Sale of products	-	2,003.41	277.30	-	-	-	-	2,111.58	323.74	-	-	-
Sale of licences/Certificates	-	11.09	-	-	-	-	-	19.33	-	-	-	-
Purchases:-												
Purchase of property, plant and equipment	-	-	-	-	-	-	-	96.53	-	-	-	-
Purchase of raw material and stock-in-trade	-	631.93	-	-	-	-	-	700.27	-	-	-	-
Expenses:-												
Salaries, wages, bonus, etc	-	15.82	-	-	-	-	-	14.27	-	-	-	-
Legal and Professional Expenses	0.77	-	-	-	-	-	-	6.76	-	-	-	-
Workmen and Staff welfare expenses	2.32	-	-	-	-	-	-	2.03	-	-	-	-
Insurance	0.13	-	-	-	-	-	-	0.14	-	-	-	-
Miscellaneous Expenses	0.60	-	-	-	-	-	-	-	-	-	-	-
Other Transaction:-												
Inter Corporate loan Given *	-	-	-	300.00	1,750.00	-	-	-	-	3,000.00	-	-
Inter Corporate loan repayment received *	-	-	-	1,000.00	750.00	-	-	-	-	2,000.00	-	-
Inter Corporate loan Received *	-	750.00	-	-	-	-	-	-	-	-	-	-
Inter Corporate loan repaid *	-	750.00	-	-	-	-	-	-	-	-	-	-
Interest received on inter company loan	-	-	-	20.49	86.05	-	-	-	-	83.37	-	-
Interest expenses on inter company loan	-	8.03	-	-	-	-	-	-	-	-	-	-
Outstanding:-												
Trade Payable:	1.77	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued but not due	-	-	-	5.72	14.25	-	-	-	-	-	-	-
Trade Receivables	-	361.71	72.31	-	-	-	-	413.11	74.96	-	-	-
ICD Loan Receivable *	-	-	-	300.00	1,000.00	-	-	-	1,000.00	-	-	-

* Inter corporate deposits were provided to group companies to meet their working capital requirements.

Note 36 : Segment Information

(i) The Company's business operations falls within a single primary business segment of 'Engineering, tools and related components'. Accordingly, the Company is single segment company in terms of its products.

(ii) Entity wide disclosure -Information in respect of geographical area is as under

	India		France		Rest of the world		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Segment Revenue *	2,044.68	2,176.82	277.30	323.74	4.55	5.86	2,326.53	2,506.42
Carrying cost of segment Non Current Assets **	864.23	802.01	-	-	-	-	864.23	802.01

* Based on location of Customers

** Excluding financial assets and tax assets

(iii) The Company deals with two parties JK Files (India) Limited and MOB Mondellin SAS, France who contribute majorly to the revenue. (Refer note 35)

Note 37 : Changes in Accounting Policy

Impact on the financial statements:

The Company had applied Ind AS 115 for the first time in FY 2018-19 by using the modified retrospective method of adoption with the date of initial application of April 1, 2018. Under this method, the Company recognised the cumulative effect of the initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 1, 2018. The Comparative prior period has not been adjusted.

On April 1, 2019, the Company did not have contracts which requires such adjustment in the opening balance of retained earning.

Notes 38: Changes in accounting policy - Impact on the financial statements - Lease accounting

As indicated in note 1(a)(iii) above, the company has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in note 1(e).

On adoption of Ind AS 116, the Company has reclassified leasehold land presented under Property, Plant and Equipment to Right-of-use asset.

(i) Adjustments recognised in the balance sheet on 1 April 2019

The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

-property, plant and equipment – decrease by Rs. 16.50 lakhs.

- right-of-use assets – increase by Rs. 16.50 lakhs.

The net impact on retained earnings on 1 April 2019 was INR NIL.

Note 39: Covid 19 Assessment

The ongoing corona pandemic is profoundly impacting people's health, societies and business operations around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chains, travel restrictions, quarantines, social distancing and other emergency measures.

The Company is in the business of manufactures steel files and, a key supplier in tools and hardware supply chain market. Files are going to remain key and a top priority going forward as well. The Company's strong contingency plans are in place to secure operations and supply chain so that files manufacturing production continues, however considering the logistics challenges and low demand at customers' end during early phases of lockdown, the production was impacted in first two months, however with unlock phase being started, demand will improve in tandem with economic and industrial trends.

The Company has performed a detailed assessment of the situation and believes that no adjustments are required in the financial statements as it does not impact the current financial year; however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Note 40 : The Financial Statements were authorised for issue by the directors on June 24, 2020.

As per our attached report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number - 112433
Date: June 24, 2020

Mumbai
Date: June 24, 2020

Sd/-

Ganesh Kumar Subramanian
Director
DIN: 00088163

Mumbai
Date: June 24, 2020

Sd/-

Srinivasan Ganapathy
Director
DIN: 07379783

Sd/-

Archana Panchal
Company Secretary

PASHMINA HOLDINGS LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI S. L. POKHARNA SHRI SUBHASH THAKKAR SHRI ARUN AGARWAL
STATUTORY AUDITORS	:	MESSERS V. B. DALAL & CO. CHARTERED ACCOUNTANTS
REGISTERED OFFICE	:	NEW HIND HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI – 400 001, MAHARASHTRA

PASHMINA HOLDINGS LIMITED
(CIN: U67120MH1983PLC031734)
DIRECTORS' REPORT

To,
The Members of PASHMINA HOLDINGS LIMITED

Your Directors present their Thirty Sixth Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS/ OPERATIONAL PERFORMANCE

The Company made a profit after tax of Rs. 0.46 Crores as compared to a profit of Rs. 0.08 Crores in FY 2018-19.

2. DIVIDEND

In order to conserve resources, no dividend has been recommended for the FY 2019-20.

3. RESERVES

Your company has not transferred any amount to the reserves of the Company.

4. STATUTORY AUDITOR:

Messrs. V. B. Dalal & Co., Chartered Accountants (ICAI Firm Registration Number 102055W) are the statutory auditors of the Company for the year ended March 31, 2020. Their appointment as statutory auditor to hold office is valid from the conclusion of the 33rd Annual General Meeting of the Company till the conclusion of the 38th Annual General Meeting of the Company.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is periodically assessed and strengthened with new / revised standard operating procedures.

6. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was Rs. 74 Lakh. During the year under review, the Company has not issued any shares. As on March 31, 2020, none of the Directors of the Company hold any shares in the Company.

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no Loans, Guarantees and Investments under the provisions of Section 186 of the Companies Act, 2013, accepted or given by the Company.

9. DIRECTORS AND THEIR MEETINGS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri S. L. Pokharna, Director retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

During the year, 4 Board Meetings were convened and held as detailed below.

The Board Meetings held and Attendance of Directors at the Meetings is given below:

Sr. No.	NAME OF DIRECTOR	DATE OF BOARD MEETING			
		26.04.2019	31.07.2019	23.10.2019	21.01.2020
1	Shri S. L. Pokharna	✓	✓	✓	✓
2	Shri Arun Agarwal	✓	✓	✓	✓
3	Shri Subhash Thakker	✓	✓	✓	✓

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the Secretarial Standards applicable on it.

11. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year 2019-2020 were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Thus, a disclosure in form AOC - 2 is not required.

12. RISK MANAGEMENT

The Company is exposed to business risks and compliance risks. These risks are assessed and steps, when deemed as appropriate, are taken to mitigate such risks.

13. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

14. DIRECTORS' RESPONSIBILITY STATEMENT

- a. To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:
- b. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- c. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- d. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for

- safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- e. that the directors have prepared the annual accounts on a going concern basis; and
 - f. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company had no manufacturing activities during the period under review, there were no steps undertaken by the Company and consequently no disclosure is made as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, on conservation of energy, technology absorption and foreign exchange earnings and outgo.

16. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 is annexed herewith as "Annexure A" to this Report.

17. PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 are not applicable.

18. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

19. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

20. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Since the company does not have any employees, this disclosure under the above act is not applicable.

21. ACKNOWLEDGEMENT

The Board records its appreciations for the co-operation, support and valuable guidance received from Banks, Central and State Government Authorities.

For and on behalf of the Board of
PASHMINA HOLDINGS LIMITED

Sd/-
S. L. Pokharna
Director
DIN: 01289850

Sd/-
Subhash Thakker
Director
DIN: 07062791

Date: 24-06-2020
Place: Mumbai

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31-03-2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U67120MH1983PLC031734
2.	Registration Date	30/12/1983
3.	Name of the Company	Pashmina Holdings Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non- government Company
5.	Address of the Registered office & contact details	New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai- 400 001.
6.	Whether listed company	Unlisted Company
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
NOT APPLICABLE			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Raymond Limited with its Nominees Mahindra Towers, B Wing, 2 nd Floor, P. Budhkar Marg, Worli, Mumbai – 400 018 Maharashtra	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									

a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	740000	740000	100	-	740000	740000	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	-	740000	740000	100	-	740000	740000	100	-
(2) Foreign	-	-	-	-	-	-	-	-	-
a)NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	740000	740000	100	-	740000	740000	100	-

B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-
Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non- Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual	-	-	-	-	-	-	-	-	-

shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	740000	740000	100	-	740000	740000	100	-

B) Shareholding of Promoter-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Raymond Limited and its nominees	740000	100	-	740000	100	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no Change in the Promoter's Shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no Change in the Shareholding pattern of top ten Shareholders.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors hold Shares in the Company.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

IV. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		-----	----	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	Shri S. L. Pokharna	Shri Subhash Thakkar	Shri Arun Agarwal	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-	-	-	-	-

	tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



V. B. DALAL & CO.

Chartered Accountants

Office # 235, 2nd Floor, "C" Wing, Rahul Mittal Industrial Estate,
Andheri Kurla Road, Andheri (East), Mumbai - 400 059
Phone : 49720579 / 49784572
Website : www.vbdalal.com E-mail : vbdalal@vbdalal.com

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF
PASHMINA HOLDINGS LIMITED**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **PASHMINA HOLDINGS LIMITED** ('the Company'), which comprises the Balance Sheet as at **March 31 2020**, and the Statement of Profit and Loss (statement of changes in equity) and statement of Cash Flows for the year then ended, and notes to the Ind AS Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence,



and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.

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- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any litigation pending and hence there is no impact on its financial position in the aforesaid Ind AS Financial Statements.
 - ii. The company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Mumbai
Dated: 24.06.2020
UDIN: 2001373AAAAHC6689



FOR V. B. DALAL & CO.
CHARTERED ACCOUNTANTS

(V. B. DALAL)
PROPRIETOR
M.No.10373
F.R.No.102055

PASHMINA HOLDINGS LIMITED

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF PASHMINA HOLDINGS LIMITED

Referred to in paragraph 1 of Report on other Legal and Regulatory Requirements of our report of even date.

On the basis of such checks as we considered appropriate and in terms of the information & explanation given to us, we report that:

1. As explained to us and on the basis of such checks as we considered appropriate, the item no. (ii) (ix), (xi), (xii), (xiv) and (xvi) of the Para. 3 of the order, in our opinion, not applicable to the Company and hence not commented upon by us.
2. a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b. The Fixed assets have been physically verified by the management at reasonable intervals; According to the information and explanations given to us no material discrepancies were noticed on such verification;

c. The title deeds of all the immovable properties are in the name of the Company, except for 2.2125 acres of land at Gat No. 319 and 311/1 at Awas and Jirad, District Alibaug, Maharashtra, which are in the name of a nominee of the Company.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanation given to us, the provisions of section 185 and 186 have been duly complied with in respect of loans, investments, guarantees given by the Company.
5. According to the information and explanations given to us and to the best of our knowledge, the company has not accepted any deposits as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under;
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act for the year under review.

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7. a) According to the record of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanation given to us there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute and the forum where dispute is pending are as disclosed in Note 13(6) to the Ind AS financial statement.
8. Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders.
9. Based upon the audit procedure performed and information and explanation given by the management, we report that no fraud on the company or by its officers or employees has been noticed or reported during the course of our audit.
10. Based upon the audit procedure performed and information and explanation given by the management, we report that all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, and details thereof have been disclosed in the Ind AS Ind AS Financial Statements as required by the applicable accounting standards.
11. Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the Company has not entered into any non cash transaction with directors or any person connected to him.

**FOR V. B. DALAL & CO.
CHARTERED ACCOUNTANTS**

**Place: Mumbai
Dated: 24.06.2020
UDIN: 2001373AAAAHC6689**

**(V. B. DALAL)
PROPRIETOR
M.No.10373
F.R.No.102055W**



PASHMINA HOLDINGS LIMITED

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE *Ind AS* IND AS FINANCIAL STATEMENTS OF PASHMINA HOLDINGS LIMITED

Referred to in paragraph 2(f) of Report on other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Pashmina Holdings Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the Ind AS Ind AS Financial Statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting ("the Guidance Note") issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of the material misstatement of the Ind AS Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the Ind AS Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Mumbai
Dated: 24.06.2020
UDIN: 2001373AAAAHC6689



FOR V. B. DALAL & CO.
CHARTERED ACCOUNTANTS

(V. B. DALAL)
PROPRIETOR
M.No.10373
F.R.No.102055W

Pashmina Holdings Limited
Balance Sheet as at 31st March, 2020

	Particulars	Note No.	As at 31st March, 2020	As at 31st March, 2019
I	ASSETS			
1	Non-current Assets			
	(a) Property, Plant and Equipment	2	90,586,108	90,643,897
	(b) Financial Assets			
	(i) Investments	3	1,137,504	2,580,294
	(ii) Others financial assets	4	60,800	60,800
2	Current assets			
	(a) Financial Assets			
	(i) Investments	3	27,542,735	26,145,928
	(ii) Cash and cash equivalents	5	10,592,930	551,446
	(b) Assets for Current Tax (Net)		1,837,561	9,343,586
	TOTAL ASSETS		131,757,638	129,325,951
II	EQUITY AND LIABILITIES			
1	Equity	6		
	a) Equity share capital		7,400,000	7,400,000
	b) Other equity			
	(i) Reserves & Surplus		122,600,654	118,656,177
	(ii) Other Reserves (OCI)		1,733,384	3,176,174
2	Liabilities			
	Current liabilities			
	(a) Financial Liabilities			
	(i) Other financial liabilities	7	23,600	23,600
	(b) Other Current Liabilities			
	(i) Statutory Dues		-	70,000
	TOTAL LIABILITIES		131,757,638	129,325,951
	Significant Accounting Policies	1		

As per our Report of even date
For V.B. DALAL & CO.
Chartered Accountants

Sd/-
Mr. Subhash Thakker
Director
DIN: 07062791

Sd/-
Mr. Shantilal Pokharna
Director
DIN: 01289850

Sd/-
Proprietor
Membership No. 10373
F. R. No. 102055W
Mumbai,
Date : 24/06/2020

Pashmina Holdings Limited
Statement of Profit and Loss for the year ended 31st March, 2020

	Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
I	Other Income	8	4,849,295	1,750,453
	Total Income		4,849,295	1,750,453
II	Expenses			
	Depreciation expense	9	57,789	57,789
	Other expenses	10	220,429	877,830
	Total expenses		278,218	935,619
III	Profit/(Loss) before tax (I - II)		4,571,077	814,834
IV	Tax expense			
	Current tax	11	626,600	-
V	Profit/(Loss) after tax for the period (III - IV)		3,944,477	814,834
VI	Other Comprehensive Income for the year			
	Items that will not be reclassified to Profit and Loss			
	Changes in Fair Value of FVOCI equity instrument		(1,442,790)	(1,816,382)
			(1,442,790)	(1,816,382)
VII	Total Comprehensive Income for the year (V+VI)		2,501,687	(1,001,548)
VIII	Earnings per equity share	12		
	Basic		6.18	1.10
	Diluted		6.18	1.10
	Significant Accounting Policies	1		
<p>As per our Report of even date For V.B. DALAL & CO. Chartered Accountants</p> <p style="text-align: center;">Sd/- Mr. Subhash Thakker Director DIN: 07062791</p> <p style="text-align: center;">Sd/- Mr. Shantilal Pokharna Director DIN: 01289850</p> <p>Sd/- Proprietor Membership No. 10373 F. R. No. 102055W Mumbai, Date : 24/06/2020</p>				

PASHMINA HOLDINGS LTD

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	Year Ended 31 ST March, 2020		Year Ended 31 ST March, 2019	
	Rs.	Rs.	Rs.	Rs.
A. Cash Flow arising from Operating Activities:				
Net Profit before Tax as per Profit and Loss Statement		4,571,077		814,834
Add/(Deduct): a) Depreciation Charge	57,789		57,789	
b) Short Term Capital Loss (Switch Out of Kotak Mf)	180,086		0	
c) Bank Charges	-		(1,480,453)	(1,422,664)
d) Dividend Income & Fair Valuation	(1,618,713)	(1,380,838)		
Operating Cash Profit before Working Capital Changes		3,190,239		(607,830)
Add/(Deduct): a) (Increase)/Decrease in Trade and Other Receivables	-		-	
b) Increase/(Decrease) in Trade and Other Payables	(70,000)	-70,000	70,000	70,000
Cash Inflow from Operations		3,120,239		(537,830)
Add/(Deduct): Direct Taxes Refund / (paid) - Net		6,879,425		(517,700)
Cash Inflow/(Outflow) before Prior Period Adjustments		9,999,664		(1,055,530)
Add/Deduct: Prior Period Adjustments		-		-
Net Cash Inflow/(Outflow) in the course of Operating Activities		<u>9,999,664</u>		<u>(1,055,530)</u>
B. Cash Flow arising from Investing Activities:				
Inflow:				
a) Dividend and Income from Mutual Funds	41,820		41,820	
Outflow: a) Acquisition of Investments-Net	-	41,820		41,820
Net Cash Inflow/(outflow) in the course of Investing Activities		<u>41,820</u>		<u>41,820</u>
Net Increase (Decrease) in Cash/Cash Equivalents (A + B)		10,041,484		(1,013,710)
Add: Balance at the beginning of the year		551,446		1,565,156
Cash/Cash Equivalent at the close of the year		10,592,930		551,446

As per our Report of even date

For V.B. DALAL & CO.

Chartered Accountants

Sd/-
Proprietor
Membership No. 10373
F. R. No. 102055W
Mumbai,

Sd/-
Mr. Subhash Thakker
Director
DIN: 07062791

Sd/-
Mr. Shantilal Pokharna
Director
DIN: 01289850

Date : 24/06/2020

A. Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statements.

B. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

C. The Company follows the Mercantile System of accounting.

D. Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- (i) those to be measured subsequently at fair value (either through other comprehensive income, through the Statement of Profit and Loss), and
- (ii) those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

a. Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principle and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

b. Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Sd/-

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

E. Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Leases : The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use assets and a lease liabilities on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liabilities, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date of lease, the Company measures the lease liabilities at the present value of the lease payments to be made over the lease term, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Depreciation methods, estimated useful lives and residual value

Depreciation on Vehicles and Electrical Installations is provided on a Straight Line Method, over the estimated useful life of assets.

F. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

G. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year.

H. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value .

I. Segment Reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

J. Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

Pashmina Holdings Limited

Notes to the financial statements for the year ended 31st March, 2020

Note :- 2 - Property, Plant and Equipment

	Particulars	Land (freehold)*	Electical Installations	Total
A	Deemed Cost			
	Balance as at 1st April 2018	90,270,303	604,750	90,875,053
	Additions	-	-	-
	Disposals	-	-	-
	Balance as at 31st March 2019	90,270,303	604,750	90,875,053
	Additions	-	-	-
	Disposals	-	-	-
	Balance as at 31st March 2020	90,270,303	604,750	90,875,053
B	Accumulated Depreciation			
	Balance as at 1st April 2018	-	173,367	173,367
	Additions	-	57,789	57,789
	Disposals	-	-	-
	Balance as at 31st March 2019	-	231,156	231,156
	Additions	-	57,789	57,789
	Disposals	-	-	-
	Balance as at 31st March 2020	-	288,945	288,945
C	Net Block (A-B)			
	Balance as at 31st March 2019	90,270,303	373,594	90,643,897
	Balance as at 31st March 2020	90,270,303	315,805	90,586,108

Pashmina Holdings Limited
Notes to the financial statements for the year ended 31st March, 2020

Note 3 - Financial Assets - Investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current investments		
A. Equity instruments		
<u>Fair value through Other Comprehensive Income</u>		
Quoted		
J.K. Tyre & Industries Limited (27880 Equity Shares of Rs.2 each)	1,137,504	2,580,294
Total (A)	1,137,504	2,580,294
Current investments		
A. Other instruments		
<u>Fair value through profit or loss</u>		
Unquoted		
Investments in Mutual Funds		
SBI MF - Magnum Insta Cash Fund (Units of Rs. 1000 each) [1670.275 Units (P.Y.- 1591.782 Units)]	2,797,757	2,666,285
Kotak Liquid Fund Direct Plan Growth (Units of Rs. 1000 each) [6163.334 Units (P.Y.- Nil Units)]	24,744,979	
Kotak Equity Arbitrage Fund (Units of Rs. 10 each) [1045317.491 Redeemed Units (P.Y.- 989220.408 Units)]	(0)	23,479,643
Fixed Deposits with Bank		
PNB Housing Corporate Deposit	-	-
Total (B)	27,542,735	26,145,928
Investments total (A+B)	28,680,239	28,726,222

Note 4 - Financial Assets - Others financial assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
<u>Non-current Assets</u>		
Considered good		
Security Deposits		
Deposits with others	60,800	60,800
Total	60,800	60,800

Pashmina Holdings Limited
Notes to the financial statements for the year ended 31st March, 2020
Note 5 - Current assets
Cash and cash equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Banks In current accounts	10,592,930	551,446
Total	10,592,930	551,446

Note 6 - Equity		As at 31st March, 2020	As at 31st March, 2019
(a) Equity Share capital			
Particulars			
Authorised			
1000 [31st March, 2019: 1000] Cumulative Preference Shares of Rs.100 each	100,000	100,000	
10,00,000 [31st March, 2019: 10,00,000] Equity Shares of Rs. 10 each	10,000,000	10,000,000	
Issued, subscribed and fully paid up			
7,40,000 [31st March, 2019: 7,40,000] Equity Shares of Rs.10 each	7,400,000	7,400,000	
	7,400,000	7,400,000	
i) Reconciliation of number of shares			
	As at 31st March, 2020	As at 31st March, 2019	
	Number of shares	Number of shares	Amount
Equity Shares :			
Balance as at the beginning of the year	740,000	740,000	7,400,000
Add: ESOP shares issued during the year	-	-	-
Balance as at the end of the year	740,000	740,000	7,400,000
ii) Rights, preferences and restrictions attached to shares			
Equity shares: The Company has issued only one class of equity shares having face value of Rs. 10/- each. Each Share holder is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity share will be entitled to receive any of the remaining assets of the Company after distribution of all preferential amounts, if any.			
iii) Shares held by Parent and subsidiaries of Parent in aggregate			
	As at 31st March, 2020	As at 31st March, 2019	
Equity Shares of Rs. 10 held by:			
7,40,000 [31st March, 2019: 7,40,000 shares] held by Parent-Raymond Limited	740,000	740,000	

Director

Pashmina Holdings Limited
Statement of Changes in Equity for the year ended 31st March, 2020
Note 6 - Equity
(b) Other Equity

Particulars	Reserves & Surplus				(i) Total Reserves & Surplus	(ii) Other Reserves (OCI)	Total (i+ii)
	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings				
<u>Balance as at 01.04.2018</u>	65,000,000	50,000	52,791,343		117,841,343	4,992,556	122,833,899
Add : Profit for the year			814,834		814,834		814,834
Add : Other Comprehensive Income for the year					-	(1,816,382)	(1,816,382)
<u>Balance as at 31.03.2019</u>	65,000,000	50,000	53,606,177		118,656,177	3,176,174	121,832,351
Add : Profit for the year			3,944,477		3,944,477		3,944,477
Add : Other Comprehensive Income for the year					-	(1,442,790)	(1,442,790)
<u>Balance as at 31.03.2020</u>	65,000,000	50,000	57,550,654		122,600,654	1,733,384	124,334,038

Note 7 - Current Liabilities - Other current financial liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Audit Fees	23,600	23,600
Total	23,600	23,600

Pashmina Holdings Limited
Notes to the financial statements for the year ended 31st March, 2020
Note 8 - Other income

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
<u>Dividend Income on:</u>		
I] Investment measured at FVTPL	1,450,254	1,438,633
II] Investment measured at FVTOCI	41,820	41,820
Rent and compensation	270,000	270,000
Interest on Income Tax Refund	2,461,082	-
Interest on PNB Housing Corporate Deposit	477,000	-
Changes in fair value of FVTPL investments	126,639	
Miscellaneous Income	22,500	
Total	4,849,295	1,750,453

Note 9 - Depreciation and amortization expense

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on Property, Plant and Equipment	57,789	57,789
Total	57,789	57,789

Note 10 - Other expenses

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Rentals	-	-
Auditor's Remuneration	23,600	23,600
Legal and Professional Expenses	2,750	851,960
Loss on redemption on Mutual Fund	180,086	
Miscellaneous Expenses *	13,993	2,270
Total	220,429	877,830

Sd/-		
Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Bank Charges	1,180	1,770
ROC Filling Fees	3,210	500
Office and General Expenses	603	-
Brokerage on PNB FD maturity	9,000	-
Total	13,993	2,270

Pashmina Holdings Limited
Notes to the financial statements for the year ended 31st March, 2020

Note 11: Income Taxes

A. Tax expense recognised in the Statement of Profit and Loss		
Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current year	626,600	-
Total current tax	626,600	-
Deferred tax		
Origination and reversal of temporary difference	-	-
Change in tax rates	-	-
Total deferred income tax expense/(credit)	-	-
Total income tax expense/(credit)	626,600.00	-
B. Reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :		
Reconciliation of effective tax rate		
Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit before tax	4,571,077	814,834
Enacted income tax rate in India	26.00%	26.00%
Tax at India Income Tax Rate	1,188,480	211,857
Differential in tax due to:		
i) Difference in Tax Rate		
ii) Expenses not deductible for tax purposes		
-Depreciation	15,025	15,025
-Rates & Taxes (Interest paid on TDS)	-	-
-Disallowance as per rule 8D (1% of Average Investment)	10,182	77,345
* -Others	47,129	80,691
iii) Income exempt from Income taxes		
Dividend Income & changes in fair value of FVTPL investments	(420,865)	(384,918)
Utilisation of brought forward losses	(213,351)	-
iv) Others		
Tax as per Statement of Profit and Loss	626,600	-
MAT Credit utilised	-	-
Net Tax	-	-
The effective tax rate 25% +4%cess i.e. 26%		

* Considering the amount is not material, hence we have not recognized deferred tax asset on eligible loss under the provision for the financial year 2018-2019.

Note 12 - Earnings per share

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Earnings Per Share has been computed as under:		
Profit/(Loss) for the year	4,571,077	814,834
Weighted average number of equity shares outstanding	740,000	740,000
Earnings Per Share (Rs.) - Basic (Face value of Re. 10 per share)	6.18	1.10

** Diluted Earning Per Share is same as Basic Earning Per Share.

Pashmina Holdings Limited
Notes to the financial statements for the year ended 31st March, 2020

Note - 13 - Financial Risk Management

Liquidity Risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time, or at a reasonable price. The group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of other Financial Liabilities

As at 31.03.2020

Particulars	Overdue	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Other Financial Liabilities	-	23,600	-	-	-	23,600
Total	-	23,600	-	-	-	23,600

As at 31.03.2019

Particulars	Overdue	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Other Financial Liabilities	-	23,600	-	-	-	23,600
Total	-	23,600	-	-	-	23,600

Note - 14 - Fair Value Measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March 2020	Routed through P & L			Routed through OCI			Carrying at amortised cost			Total Amount		
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2		Level 3	Total
Financial Assets												
Investment	1,137,504	27,542,735	1,137,504				1,137,504				1,137,504	
- Equity Instruments	-	-	-				-		27,542,735	-	27,542,735	
- Mutual funds	-	-	-				-		-	-	-	
	1,137,504	27,542,735	28,680,239	1,137,504	-	-	1,137,504	-	27,542,735	-	28,680,239	
Other Assets	60,800	-	60,800						60,800		60,800	
Other Financial Assets	-	10,592,930	10,592,930						10,592,930		10,592,930	
Cash and Cash equivalents	-	-	-						-		-	
	1,198,304	38,135,666	39,333,970	1,137,504	-	-	1,137,504	-	27,542,735	10,653,730	39,333,970	
Financial Liabilities												
Trade Payables	-	23,600	23,600						23,600		23,600	
	-	23,600	23,600	-	-	-	-	-	23,600	23,600	23,600	

Financial Assets and Liabilities as at 31st March 2019	Routed through P & L			Routed through OCI			Carrying at amortised cost			Total Amount		
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2		Level 3	Total
Financial Assets												
Investment	2,580,294	Sd/-	2,580,294				2,580,294				2,580,294	
- Equity Instruments	-	26,145,928	26,145,928				-		26,145,928	-	26,145,928	
- Mutual funds	-	-	-				-		-	-	-	
	2,580,294	26,145,928	28,726,222	2,580,294	-	-	2,580,294	-	26,145,928	-	28,726,222	
Other Assets	60,800	-	60,800						60,800		60,800	
Other Financial Assets	-	551,446	551,446						551,446		551,446	
Cash and Cash equivalents	-	-	-						-		-	
	2,641,094	26,697,374	29,338,468	2,580,294	-	-	2,580,294	-	26,145,928	612,246	29,338,468	
Financial Liabilities												
Trade Payables	-	23,600	23,600						23,600		23,600	
	-	23,600	23,600	-	-	-	-	-	23,600	23,600	23,600	

Financial Assets and Liabilities	As at 31st March 2020		As at 31st March 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Investments	1,137,504	1,137,504	2,580,294	2,580,294
Equity Instruments	27,542,735	27,542,735	26,145,928	26,145,928
Investment in Mutual Fund	60,800	60,800	60,800	60,800
Other Financial Assets	10,592,930	10,592,930	551,446	551,446
Cash and Cash equivalents	39,333,970	39,333,970	29,338,468	29,338,468
Financial Liabilities				
Trade Payables	23,600	23,600	23,600	23,600
	23,600	23,600	23,600	23,600

Note 15: Related party disclosures**A. Relationships**

(a) Holding Company

Raymond Limited

(b) Company has other related parties but it has not entered into any transaction with them during the current or previous year.

(c) Key Management Personnel :

Directors :

Mr. Shantilal Pokharna

Mr. Subhash Thakker

Mr. Arun Agarwal (w.e.f. 03.04.2017)

Note: Related parties are as identified by the Company and relied upon by the auditors.

B. Transactions carried out with Related parties referred in A (a) above, in ordinary course of business:

Nature of Transactions	Related Parties referred in A (a)	
	2019-20	2018-19
Expenses		
Rent	-	-

Note 16: Contingent liabilities and commitments (to the extent not provided for)**(a) Contingent Liabilities**

Particulars	As at 31st March, 2020	As at 31st March, 2019
Disputed demands in respect of Income-tax, etc. (Interest thereon not ascertainable at present)		
>Under appeal at CIT (A) level	-	-
>Under appeal at Income Tax Appellate Tribunal Level (paid Rs.68,35,355/-)	-	-
>Under appeal at High Court (paid Rs.9,73,920/-)	973,920	973,920

(b) Commitments

There were no Capital Commitment as at year end 31.03.2020 (Previous Year: Nil)

Note 17:

On 6 November 2007, the Company had entered into four separate tri-partite agreements with Pashmina Holdings Limited and each of the four sub-lessees of residential units in JK House (being Dr. Vijaypat Singhania, Mr. Gautam Hari Singhania, Mr. Akshaypat Singhania and Ms. Veenadevi Singhania along with Mr. Anant Singhania), who are considered to be related parties and said agreements were not acted upon. The said tri-partite agreements have been rejected by the shareholders of the Company at its meeting dated 5th June 2017. Dr. Vijaypat Singhania, Mr. Akshaypat Singhania and Ms. Veenadevi Singhania along with Mr. Anant Singhania have initiated the arbitration proceedings against the Company in order to secure the specific performance of the tri-partite agreements.

Note 18:**Segment Information**

Based on the management approach as defined under Ind As 108 'Operating Segment' and as the management evaluates the entire company as one business segment. There are no business segments to be reported. Further, the company has only other income.

As per our Report of even date

For V. B. Dalal & Co.

Chartered Accountants

Sd/-

Mr. Subhash Thakker

Director

DIN: 07062791

Sd/-

Mr. Shantilal Pokharna

Director

DIN: 01289850

Sd/-

Proprietor

Membership No. 10373

F. R. No. 102055W

Mumbai

Date : 24/06/2020

RAYMOND APPAREL LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI NIRVIK SINGH, CHAIRMAN SHRI GAUTAM HARI SINGHANIA SHRI I.D. AGARWAL SHRI GAUTAM TRIVEDI SHRI MAHENDRA DOSHI MS. ANSHU SARIN SHRI GAURAV DALMIA (upto 15-10-2019) SHRI JOYDEEP BHATTACHARYA (upto 23-11-2019)
MANAGER	:	SHRI SANJAY KUMAR BEHL (upto 16-03-2020)
CHIEF FINANCIAL OFFICER	:	SHRI BIBEK AGARWALA (upto 03-04-2020)
COMPANY SECRETARY	:	SMT. PRITI ALKARI
STATUTORY AUDITORS	:	MESSRS. CHATURVEDI & SHAH LLP, CHARTERED ACCOUNTANTS
SECRETARIAL AUDITOR	:	MESSRS. ROBERT PAVREY & ASSOCIATES
INTERNAL AUDITORS	:	MESSRS. MAHAJAN & AIBARA, CHARTERED ACCOUNTANTS LLP
REGISTERED OFFICE	:	JEKEGRAM, POKHRAN ROAD NO.1, THANE – 400606 MAHARASHTRA

Board's Report

To
The Members,

Your Directors are pleased to present the Fourteenth Annual Report together with the Audited Financial Statement of Accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY (STANDALONE)

This Company brings to its customers stylish and innovative wardrobe solutions through some of India's most prestigious brands – Park Avenue, Parx, Raymond Ready to Wear, Colorplus, Khadi, Ethnix & Next Look. The Gross Revenue of the Company for FY 2020 stood at ₹ 1604.79 crore (Previous Year: ₹ 1622.16 crore). The Company incurred Loss of ₹ 87.45 crore (Previous Year Profit: ₹ 22.00 crore).

FY19-20 was a challenging year for the Company. The business battled subdued consumer sentiment throughout the year. One of the fall out of that, was the mismatch between primary and secondary sales in the Multi Brand Outlet channel, which led to accumulation of stock at channel partner's end. This in turn manifested into built up of receivables. In the last quarter of the financial year, large corrections were done to make the situation better. The advent of COVID 19 was the double whammy and brought the business to a standstill. The performance in the year points towards the inherent deficiency of the current business model which had over reliance on primary sales. The task for the business going forward is to switch to a business model which has agility and nimbleness to adjust to changing demand scenarios and prioritizes liquidity over revenue growth.

The Company has assessed the impact of this COVID19 pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements. The Company has resumed its business activities by reopening its retail stores and warehouses on gradual basis in line with guideline issued by the Government authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.

2. DIVIDEND

With a view to conserve resources for the Company's growth plan, the Directors do not recommend dividend on the Equity Shares for the year under review.

3. RESERVES

Your company has not transferred any amount to the General Reserves of the Company.

4. SUBSIDIARY COMPANY AND CONSOLIDATED ACCOUNTS

Colorplus Realty Limited (erstwhile Colorplus Fashions Limited)

The Company registered a loss of ₹ 0.19 crore during the year under review.

5. CONSOLIDATED ACCOUNTS

In accordance with Rule 6 of Companies (Accounts) Rules, 2014, your Company is not required to consolidate the financial statement with its subsidiary since the Company is an intermediate wholly owned subsidiary of Raymond Limited.

6. AUDITORS

(a) Statutory Audit

Messrs. Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration Number 101720W) hold office until the conclusion of the ensuing Annual General Meeting (AGM) and are eligible for re-appointment. Members of the Company at the AGM held on June 2, 2017 had approved the appointment of Messrs. Chaturvedi & Shah LLP, Chartered Accountants as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 11nd AGM of the Company till the conclusion of the 16th AGM.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

(b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Robert Pavrey & Associates, a firm of Company Secretaries in Practice (C.P.No. 1848) to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as "Annexure A" and forms an integral part of this Report.

There have been no qualification(s), reservation(s), or adverse remark(s) or disclaimer(s) made in the Secretarial Audit Report by the Secretarial Auditor for the financial year 2019-20.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures.

The Company has entrusted the internal and operational audit to M/s Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

8. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was Rs.2.48 crore. During the year under review, the Company has not granted stock options to the employees of the Company and to the employees of Raymond Limited, the Holding Company.

During the year under review, the Company has converted 34,30,000 - 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs.100 each into 2,64,000 Equity Shares of Face value of Rs.10 each with Rs.34,03,60,000 as premium on September 23, 2019.

9. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, form part of the notes to the Financial Statements.

11. DIRECTORS AND THEIR MEETINGS

A. DIRECTORS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Nirvik Singh, Director retires by rotation at the forthcoming AGM and being eligible offers himself for re-appointment.

During the year under review, Shri Mahendra V. Doshi (DIN: 00123243) is appointed as an Independent Director of the Company to hold office for a term of two consecutive years with effect from November 24, 2019. The Board of Directors on recommendation of Nomination and Remuneration Committee re-appointed Shri I.D. Agarwal (DIN: 00293784) as an Independent Director of the Company with effect from November 24, 2019 to hold office for a second term of 2 (two) consecutive years.

During the year under review, Ms. Anshu Sarin (DIN: 07101558) is appointed as an Independent Director of the Company to hold office for a term of two consecutive years with effect from November 24, 2019 and Shri Nirvik Singh (DIN: 01570572) is appointed as a Non-executive Non-Independent Director of the Company w.e.f November 24, 2019. Shri Nirvik Singh's term as Independent Director expired on November 23, 2019.

Shri Gaurav Dalmia resigned as an Independent Director of the Company effective from October 15, 2019 due to personal reasons. Further, Shri Joydeep Bhattacharya ceased as Independent Director of the Company effective from November 23, 2019, on completion of his term as Independent Director. The Board places on record its sincere and deep appreciation for the services rendered by Shri Gaurav Dalmia and Shri Joydeep Bhattacharya during their tenures as Independent Director and Member of various committees of the Board of Directors of the Company. Shri Sanjay Behl resigned as Director of the Company effective from March 16, 2020.

During the year, five Board meetings were held on April 29, 2019, July 31, 2019, October 22, 2019, November 06, 2019 and January 22, 2020.

Sr. No.	Name of Director	Date of Board Meeting				
		29.04.2019	31.07.2019	22.10.2019	06.11.2019	22.01.2020
1	Shri Nirvik Singh	√	√	√	√	√
2	Shri Gautam Hari Singhania	√	√	√	√	√
3	Shri I.D. Agarwal	√	√	√	√	√
4	Shri Gaurav Dalmia ¹	√	√	NA	NA	NA
5	Shri Joydeep Bhattacharya ²	√	-	-	-	NA
6	Shri Sanjay Behl	√	√	√	-	√
7	Smt. Anshu Sarin	√	-	√	√	√
8	Shri. Gautam Trivedi	-	√	√	√	√
9	Shri Mahendra V. Doshi ³	NA	NA	NA	NA	√

1. Shri Gaurav Dalmia resigned w.e.f October 15, 2019
2. Shri Joydeep Bhattacharya retired on completion of tenure as an Independent Director w.e.f November 23, 2019.
3. Shri Mahendra Doshi was appointed as an Independent Director w.e.f November 24, 2019

B. DECLARATION BY INDEPENDENT DIRECTORS

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

The Ministry of Corporate Affairs ("MCA") vide Notification Number G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced an amendment relating to inclusion of names of Independent Directors in the Data Bank maintained by Institute of Corporate Affairs (IICA). All Independent Directors of your Company are registered with IICA.

C. KEY MANAGERIAL PERSONNEL (KMP)

Shri Sanjay Behl resigned as Manager of the Company effective from March 16, 2020 and Shri Bibek Agarwala as Chief Financial Officer of the Company effective from April 3, 2020.

As on March 31, 2020 your Company has the following KMP's:

Sr. No.	Name of the Person	Designation	Date of the Appointment
1	Shri Sanjay Behl	Manager	October 29, 2017 (upto March 16, 2020)
2	Shri Bibek Agarwala	Chief Financial Officer	July 31, 2015
3	Smt. Priti Alkari	Company Secretary	February 15, 2011

D. ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's

functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

12. COMMITTEES OF THE BOARD

With a view to have a more focused attention on the business and for better governance and accountability, the Board constituted the following mandatory committees:

Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rule, 2014, the Audit Committee has been constituted.

The Composition of the Committee is as under:

1. Shri Gautam Trivedi, Chairman - Independent Director
2. Shri I.D. Agarwal, Member - Independent Director
3. Shri Nirvik Singh, Member - Non-executive Director

The terms of reference of the Committee are determined by the Board and their relevance reviewed from time to time.

During the year, five Audit Committee meetings were held on April 29, 2019, July 31, 2019, October 22, 2019, November 06, 2019 and January 22, 2020.

Attendance of Directors at the Audit Committee Meeting is given below:

Sr. No.	Name of Director	Date of Meeting				
		29.04.2019	31.07.2019	22.10.2019	06.11.2019	22.01.2020
1	Shri Gautam Trivedi ¹	NA	NA	NA	NA	√
2	Shri Nirvik Singh	√	√	√	√	√
3	Shri I.D. Agarwal	√	√	√	√	√
4	Shri Joydeep Bhattacharya ²	√	-	-	-	NA

1. Shri Gautam Trivedi appointed as Chairman of the Audit Committee w.e.f November 24, 2019
2. Shri Joydeep Bhattacharya retired on completion of tenure as an Independent Director w.e.f November 23, 2019.

Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors has constituted the Nomination and Remuneration Committee and framed a policy which lays down a framework in relation to

remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The Composition of the Committee is as under:

- | | |
|-----------------------------------|------------------------|
| 1. Shri I. D. Agarwal, Chairman | - Independent Director |
| 2. Shri Gautam Trivedi, Member | - Independent Director |
| 3. Shri Mahendra V. Doshi, Member | - Independent Director |

The terms of reference of Nomination and Remuneration Committee are as under:

1. to help in determining the appropriate size, diversity and composition of the Board;
2. to recommend to the Board appointment/re-appointment and removal of Directors;
3. to frame criteria for determining qualifications, positive attributes and independence of Directors;
4. to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
5. to create an evaluation framework for Independent Directors and the Board;
6. to assist the Board in fulfilling responsibilities entrusted from time-to-time;
7. delegation of any of its powers to any Member of the Committee or the Company Secretary.

During the year, no meeting of Nomination and Remuneration Committee was held.

Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company constituted the Corporate Social Responsibility (CSR) Committee and contributed an amount of ₹ 44 Lakh in pursuance of its CSR. A report on CSR activities and the contents of Corporate Social Responsibility policy annexed as "**Annexure B**".

The policy is displayed on the webpage of the Company. The link is http://www.raymond.in/grp_ral.asp#.WSVJGWIGPIU.

The Composition of the Committee is as under:

- | | |
|-----------------------------------|------------------------|
| 1. Ms. Anshu Sarin, Chairperson | - Independent Director |
| 2. Shri Mahendra V. Doshi, Member | - Independent Director |
| 3. Shri Sanjay Behl, Member | - Executive Director |

The terms of reference of Corporate Social Responsibility Committee are as under:

- a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- c. To monitor the CSR Policy of the Company from time to time;
- d. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

The CSR Committee Meeting held and Attendance of Directors at the Meetings is given below:

Sr. No.	Name of Director	Date of Meeting
		25.02.2020
1	Ms. Anshu Sarin	√
2	Shri Mahendra V. Doshi	√
3	Shri Sanjay Behl	-

Committee of Directors

Pursuant to the provisions of Companies Act, 2013, the Board constituted a Committee of Board of Directors of the Company.

The Composition of the Committee is as under:

1. Shri Sanjay Behl, Chairman - Executive Director (upto March 16, 2020)
2. Shri Gautam Trivedi, Member - Independent Director
3. Ms. Anshu Sarin, Member - Independent Director

The terms of reference of Committee of Directors are as under:

1. Approval of transfer of shares/debentures and issue of duplicate/split/consolidation /sub-division of share/debenture certificates;
2. Opening/modification of operation and closing of Bank Accounts;
3. To change the signatories for availment of various facility from Banks/Financial Institution;
4. To grant authority to execute and sign Foreign Exchange Contracts and Derivative Transactions;
5. Grant of Special/General Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi-Government Institutions;
6. To appoint representatives to attend the General Meetings of other companies in which the Company is holding shares;
7. To carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

During the year, one meeting of Committee of Board was held on April 29, 2019.

Attendance of Directors at the Committee of Board is given below:

Sr. No.	Name of Director	Date of Meeting
		29.04.2019
1	Shri Sanjay Behl	√
2	Shri Gautam Trivedi	NA
3	Ms. Anshu Sarin	NA
4	Shri Joydeep Bhattacharya	√
5	Shri I. D. Agarwal	√

13. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to Section 177(9) of the Companies Act, 2013, your company has formulated the Vigil Mechanism / Whistle Blower policy to report genuine concerns. The policy is displayed on the webpage of the Company. The link is http://www.raymond.in/grp_ral.asp#.WSVJGWigPIU.

14. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Thus, disclosure in form AOC - 2 is not required. The Company has developed a Related Party Transactions framework and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

15. RISK MANAGEMENT POLICY

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the risks.

16. DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and loss of the Company for the year ended on that date;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors have prepared the annual accounts on a going concern basis; and
- e. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as "**Annexure C**" to this Report.

18. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure D” to this Report.

19. AWARDS AND ACHIEVEMENTS

Your Company continues to win awards year-on-year. Some awards won during FY 2019-20 are:

1. Great Lifestyle Brand Awards by afaqs – Gold Award for Experiential Marketing - Mother's Day Campaign – Mom, My first stylist
2. Great Lifestyle Brand Awards by afaqs – Silver Award for Store design - Colored Chinos – All shades of you
3. SEAC2019 Singapore Customer Engagement Awards - Gold Award for Excellence in Launch Marketing
4. SEAC2019 Singapore Customer Engagement Awards - Gold Award for Digital Marketing Excellence in Innovation - Parx Hunt 2018.
5. SEAC2019 Singapore Customer Engagement Awards – Silver Award- Most Admired Brand Activation Campaign Parx SS19 Marketing Activation (Mandwa).

20. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

21. PARTICULARS OF EMPLOYEES

Since your company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

22. EMPLOYEE STOCK OPTION PLAN

During the year, no Stock options (Total outstanding 33,692) were granted to eligible employees of the Company and the employees of its holding company in accordance with the Raymond Apparel Limited Employee Stock Options Plan 2018 (“RAL ESOP2018”) with the vesting period as provided in the Award Agreement with each Employee. Holder of each option is eligible for one fully paid equity share of the Company of the face value of Rs.10 each on payment of Rs.10 per option.

Disclosure in terms of Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 is annexed herewith as “Annexure E”. Yours Directors believe that this Scheme will operate as a long term incentive to attract and retain senior managerial talent.

23. STATUTORY DISCLOSURES

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and the Rules made thereunder, the Company has formulated and implemented a policy on prevention of sexual harassment at Workplace with a mechanism of lodging complaints, redressal is placed on the intranet for the benefit of its employees. There was NIL complaint received on sexual harassment during the year.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India, a Statutory Body.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

24. ACKNOWLEDGEMENT

The Directors express their appreciation for the contribution made by employees at all levels but for whose hard work and support your Company's achievements would not have been possible. Your Directors also wish to thank customers, dealers, agents, suppliers and bankers for their support and faith in the Company. We also thank the Central Government, the concerned State Government authorities for their support and co-operation.

For and on behalf of the Board

Place: Mumbai
Date: June 25, 2020

**Sd/-
Nirvik Singh
Chairman
DIN: 01570572**

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Raymond Apparel Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Raymond Apparel Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 (according to the provisions of 2013 ('Act') and rules made thereunder;

- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, there were no events/ actions in pursuance of:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (iii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (vi) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (viii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(ix) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

requiring compliance thereof by the Company during the Audit Period.

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (i) Competition Act, 2002;
- (ii) Consumer Protection Act, 1986; and
- (iii) The Legal Metrology Act, 2009.

We further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the Audit Period, the following events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

1. Special Resolutions passed for the re-appointment of Shri I.D. Agarwal (DIN: 00293784) as an Independent Director of the Company.

For **ROBERT PAVREY & ASSOCIATES**
Company Secretaries

Place: Mumbai
Dated: June 24, 2020

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928B000375399

This report is to be read with Annexure A which forms an integral part of this report.

Annexure A

To,
The Members
Raymond Apparel Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **ROBERT PAVREY & ASSOCIATES**
Company Secretaries

Place: Mumbai
Dated: June 24, 2020

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928B000375399

Annexure B

Sr. No.	Particulars	Remarks
1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The CSR Policy was approved by the Board of Directors at its Meeting held on April 30, 2014 and has been uploaded on the Company's webpage. A gist of the programs that the Company can undertake under the CSR policy is mentioned below. The link of webpage is http://www.raymond.in/grp_ral.asp#.WSVJGWigPIU .
2.	The composition of the CSR Committee.	1. Ms. Anshu Sarin, Chairperson - Independent Director 2. Shri Mahendra V. Doshi, Member- Independent Director 3. Shri Sanjay Behl, Member - Executive Director
3.	Average net profit of the Company for last three financial years.	₹2,173.23 Lakh
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above).	₹ 44.00 Lakh
5.	Details of CSR spent during the financial year:	
	a. total amount to be spent for the financial year:	₹ 44.00 Lakh
	b. amount unspent, if any	NIL
	c. manner in which the amount spent during the financial year:	In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules 2014, your Company has identified a project with JK Trust, Bombay for Integrated Livestock Development Centers and Society for Human and Environmental Development (SHED) for training women for organic farming/tree plantation/maintaining kitchen gardens and conducting awareness programs for women. The Company has spent Rs.44 Lakh during the financial year. The details are as under:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or Activity Identified.	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. In Lakh)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (Rs. In Lakh)	Cumulative expenditure up to the reporting period (Rs. In Lakh)	Amount spent: Direct or through implementing agency
1	Cattle Breed Improvement Project	Animal Welfare	PAN-India	20.00	20.00	20.00	JK Trust, Bombay
2	Providing training to women for organic farming/tree plantation/maintaining kitchen gardens and conducting awareness programs for women	Women Empowerment	Saphale town in Palghar District, Maharashtra	24.00	24.00	24.00	Society for Human and Environmental Development (SHED)
	TOTAL			44.00	44.00	44.00	

6. The overall CSR expenditure required to be incurred during the financial year 2019-20 was ₹ 44 Lakh. The Company has spent ₹ 44 Lakh during the financial year.
7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Raymond Apparel Limited

Place : Mumbai
Date : June 25, 2020

Sd/-
Nirvik Singh
Chairman
DIN: 01570572

Sd/-
Anshu Sarin
Chairman of CSR Committee
DIN: 07101558

CONTENTS OF CORPORATE SOCIAL RESPONSIBILITY POLICY
(Approved by the Board of Directors on April 30, 2014)

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The Company's commitment to CSR projects and programmes will be by investing resources into any of the following areas.

- ✓ Improving the quality of life in rural areas;
- ✓ Eradicating hunger, poverty and malnutrition;
- ✓ Promoting healthcare including preventive healthcare;
- ✓ Employment enhancing vocational Skills;
- ✓ Promotion of education including investment in technology in schools;
- ✓ Ensuring environmental sustainability including measures for reducing inequalities faced by Socially and economically backward groups;
- ✓ Promoting sports including rural and Olympic sports;
- ✓ Contribution to funds for promoting technology;
- ✓ Investing in various rural development projects;
- ✓ Contributing to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief; and
- ✓ Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time-to-time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

(A)	Conservation of energy-	
(i)	the steps taken to conserve energy;	<ul style="list-style-type: none"> Reduction of per unit consumption through converting existing CDMT bulbs into LED bulbs thereby reducing Carbon footprint significantly. Installation of latest energy saving equipments with 5 star ratings. Improving the efficiency of Air conditioners by injecting effluent treatment fluid. Regular maintenance backed with breakdown and preventive maintenance schedules.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	There was no alternate source of energy used during the period under review.
(iii)	the capital investment on energy conservation equipment's;	The Company has invested NIL amount on energy conservation equipment's.
(B)	Technology absorption-	
(i)	the efforts made towards technology absorption;	<ul style="list-style-type: none"> World class quality and designs to meet market demands. Encouraged local suppliers to develop substitutes for imported embellishments required. Regular Spring, Summer and Autumn Winter collections to match fashion Brands.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	<ul style="list-style-type: none"> Improvement in quality Some of the embellishments previously procured from overseas sources now locally developed.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Not applicable
(a)	the details of technology imported;	
(b)	the year of import;	
(c)	whether the technology been fully absorbed;	
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	the expenditure incurred on Research and Development	There were no expenditure incurred on research and development. However the Company has on an ongoing basis has qualified designers and technicians who develop new innovative design and products.
(C)	Foreign exchange earnings and Outgo –	
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	During the year foreign exchange earnings was ₹ 10.59 crore (Previous Year: ₹ 10.87 crore). The Foreign Exchange outgo during the year was ₹ 168.84 crore (previous year ₹ 116.31 crore).

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on March 31, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U18109MH2006PLC262077
2.	Registration Date	October 26, 2006
3.	Name of the Company	Raymond Apparel Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-government Company
5.	Address of the Registered office & contact details	Jekegram, Pokhran Road no.1, Thane 400 606, Maharashtra.
6.	Whether listed company	Unlisted Company
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai – 400 083. Email: rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in Phone: +91 22 49186270 Fax: +91 22 49186060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Men's Shirts	62052002	40.70%
2.	Men's Trousers	62034300	19.30%
3.	Men's Suits	62031100	10.40%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	Raymond Limited with its Nominees Plot No. 156/H. No.2, Village Zadgaon, Ratnagiri 415 612, Maharashtra	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)

2.	Colorplus Realty Limited Jekegram, Pokhran Road No.1, Thane 400 606, Maharashtra.	U70100MH1987PLC260720	Subsidiary Company	100%	Section 2(87)
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IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April 2019]				No. of Shares held at the end of the year [As on 31 st March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	22,19,200	22,19,200	100	-	24,83,200	24,83,200	100	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	-	22,19,200	22,19,200	100	-	24,83,200	24,83,200	100	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Other- Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-

Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	22,19,200	22,19,200	100	-	24,83,200	24,83,200	100	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance	-	-	-	-	-	-	-	-	-
Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding	-	-	-	-	-	-	-	-	-

nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	22,19,200	22,19,200	100	-	24,83,200	24,83,200	100	-

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in sharehol ding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbe red to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Raymond Limited and its nominees	22,19,200	100	-	24,83,200	100	-	-
	Total	22,19,200	100	-	24,83,200	100	-	-

C) Change in Promoters' Shareholding (please specify, if there is no change) There is no change during the year.

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Raymond Limited				
	At the beginning of the year	22,19,200	100%	22,19,200	100%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.): Conversion of Preference Shares into Equity shares on September 23, 2019			2,64,000	
	At the end of the year as on March 31, 2020			24,83,200	100%

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

The Shares are entirely held by Raymond Limited and its Nominees.

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company

	At the beginning of the year	
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	None of the Directors or Key Managerial Personnel of the Company hold any Shares in the Company.
	At the end of the year	

V. **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,478.55	8,600.00	4000	27,078.55
ii) Interest due but not paid	50.85	51.07	-	101.92
iii) Interest accrued but not due	-	-		0
Total (i+ii+iii)	14,529.40	8,651.07	4,000.00	27,180.47
Change in Indebtedness during the financial year				
* Addition	1,773,783.66	28,200.00	50,600.00	1,852,583.66
* Reduction	1,757,641.65	26,200.00	47,100.00	1,830,941.65
Net Change	16,142.01	2,000.00	3,500.00	21,642.01
Indebtedness at the end of the financial year				
i) Principal Amount	30,620.56	10,600.00	7,500.00	48,720.56
ii) Interest due but not paid	134.52	65.01	0	199.53
iii) Interest accrued but not due	-	-		0.00
Total (i+ii+iii)	30,755.08	10,665.01	7,500.00	48,920.09

VI. VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/MTD/ Manager				Total Amount
		Shri Sanjay Behl*	----	----	---	
1	Gross salary	NIL	-	-	-	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	-	-	-	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	-	-	-	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	-	-	-	NIL
2	Stock Option(No. of options under RAL ESOP2018)	6,506	-	-	-	NIL

3	Sweat Equity	NIL	-	-	-	NIL
4	Commission - as % of profit - others, specify...	NIL	-	-	-	NIL
5	Others, please specify	NIL	-	-	-	NIL
	Total (A)	6,506	-	-	-	NIL
	Ceiling as per the Act	NIL	-	-	-	NIL

* upto March 16, 2020

B. Remuneration to other directors

(₹ in Lakh)

Sr. NO.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Gaurav Dalmia	Joydeep Bhattacharya	I.D. Agarwal	Anshu Sarin	Gautam Trivedi	Mahendra Doshi	
	Fee for attending board committee meetings	2.00	2.20	11.20	5.50	6.00	2.50	29.40
	Commission	-	-	-	-			-
	Others, please specify	-	-	-	-			-
	Total (1)	2.00	2.20	11.20	5.50	6.00	2.50	29.40
2	Other Non-Executive Directors	Gautam Hari Singhania	Nirvik Singh	Sanjay Behl				
	Fee for attending board committee meetings	5.00	10.00	-				15.00
	Commission	-	-	-				-
	Others, please specify	-	-	-				-
	Total (2)	5.00	10.00	-				15.00
	Total (B)=(1+2)	7.00	12.20	11.20	5.50	6.00	2.50	44.40
	Total Managerial Remuneration	-	-	-				-
	Overall Ceiling as per the Act	-	-	-				-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs. in Lakh)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
			Smt. Priti Alkari	Shri Bibek Agarwala	
1	Gross salary	-	NIL	213.93	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	NIL	-	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	NIL	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	NIL	-	-
2	Stock Option (No. of options under RAL ESOP2018)	-	NIL	1000	-
3	Sweat Equity	-	NIL	-	-
4	Commission	-	NIL	-	-
	- as % of profit	-	NIL	-	-
	others, specify...	-	NIL	-	-
5	Others, please specify	-	NIL	-	-
	Total (1)	-	NIL	213.93	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NOT APPLICABLE

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Sd/
Nirvik Singh
Chairman
DIN: 01570572

Place: Mumbai
Date: June 25, 2020

Annexure E

Sr. No.	Particulars	RAL ESOP2019
1.	Number of options outstanding on April 2019	33,692
2.	Options Granted during April 2019 to March 2020	Nil
3.	Options vested during April 2019 to March 2020	Nil
4.	Options exercised during April 2019 to March 2020	Nil
5.	Date of Shareholders' Approval for the scheme	March 15, 2018
6.	Total number of shares arising as a result of exercise of options	33,692
7.	Options lapsed during April 2019 to March 2020	Nil
8.	The exercise price	Rs.10/-
9.	Variation of terms of options	None
10.	Money realised by exercise of Option	Nil
11.	Total number of options in force as on March 31, 2020	33,692
12.	Vesting Requirements	-
13.	Method used to account for ESOS	-
14.	Employee wise details of options granted to:	
	i. Key Managerial Personnel	7506
	ii. Any other employee who receives a grant in any one year of option amounting to five percent or more options granted during that year. a) Shri Sanjay Bahl – 3227 b) Shri K.A. Narayan – 3227 c) Shri Ashish Grover - 2176	
	iii. Identified employees who were granted options during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil
15.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	a) The weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model;	-
	b) The method used and the assumptions made to incorporate the effects of expected early exercise;	-
	c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	-
	d) Whether and how any other features of the option grant were incorporated into the measurement of fair value such as market condition.	-

INDEPENDENT AUDITOR’S REPORT

To the Members of Raymond Apparel Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raymond Apparel Limited (“the Company”), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including other Comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI’s Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note no. 43, to the financial statements, which explains the uncertainties and the management’s assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Further, our attendance at the physical inventory done by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end.

Our opinion is not modified in this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, Statement of changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its managerial personnel during the year and accordingly reporting in accordance with the requirements of section 197(16) of the Act is not required.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 36 to the financial statements;
 - b. The Company has no long-term contracts including derivative contracts as at March 31, 2020;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020

For Chaturvedi & Shah LLP

Chartered Accountants

Firm’s Registration No. - 101720W/W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No.103418

UDIN: 20103418AAAACZ1142

Place: Mumbai

Date: June 25, 2020

Annexure A to Independent Auditor's Report – March 31, 2020 on the Financial Statements of Raymond Apparel Limited

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of Raymond Apparel Limited ('the Company') on the financial statements for the year ended March 31, 2020, we report the following:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(b) We are informed that, the fixed assets are physically verified by the Management according to phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to information and explanations given to us, the title Deeds of the Immovable properties as disclosed in Note no. 2 to the financial statements, on property, plant and Equipment to the Financial statements, are held in the name of the Company except for the following where the company is in the process of transferring the title deeds in its name as these were acquired through Scheme of arrangement.

(Amount in Rs. Lakhs)

Particulars	Land	Building
No of cases	2	2
Gross Block as on March 31, 2020	34.28	85.46
Net Block as on March 31, 2020	34.28	80.43

- ii. The physical verification of inventory has been conducted by the management excluding inventory with third parties. In our opinion, the frequency of such verification is reasonable. In respect of Inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of accounts. Further, our attendance at the physical inventory done by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end. In one of the location, the inventory verification is supported by a firm of Chartered Accountants to obtain comfort over the existence and condition of inventories as at March 31, 2020. (Refer Note no. 43 to the financial statement)
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.

- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion and according to information and explanation given to us, the Company has complied with the applicable provisions of Section 186 of the Act.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost record under sub-section (1) of section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax and other material statutory dues applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Entry Tax (VAT), Income Tax, Wealth Tax, and Cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) The particulars of dues of Income Tax, Sales tax, duty of excise and value added tax as at March 31, 2020 which has not been deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (in lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act,1956	Central Sales Tax	18.45	1999-2000	Appellate Tribunal
Central Sales Tax Act,1956	Central Sales Tax	728.45	2001-02, 2002-03,2003-04,2004-05,2005-06, 2008-09,2009-10, 2010-11,2011-12,2012-13,2014-15,2015-16,2016-17,2017-18	Deputy Commissioner of Sales Tax

Name of Statute	Nature of Dues	Amount (in lakhs)*	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act,1956	Central Sales Tax	220.12	2012-13,2013-14	Sr. Joint Commissioner of Sales tax
Central Sales Tax Act,1956	Central Sales Tax	112.03	2008-09,2011-12,2012-13,13-14	Jt. Commissioner of Sales Tax(Appeals)
Central Sales Tax Act,1956	Central Sales Tax	270.03	2008-09	Assistant Commissioner
WB Value Added Tax Act,2003	Value Added Tax	510.42	2012-13, 2013-14 & 2015-16	Sr. Joint Commissioner of sales tax
Maharashtra Value added Tax Act,2002	Value Added Tax	21.80	2008-09, & 2012-13	Jt. Commissioner of Sales Tax
Maharashtra Value added Tax Act,2002	Value Added Tax	29.28	2013-14	Jt. Commissioner of Sales Tax
Central Excise Act,1944	Excise Duty	6.52	2001-2004	Commissioner of Central Excise (Appeals)
Income Tax Act,1944	Fringe Benefit Tax	12.24	2006-07	Commissioner (Appeals)
Income Tax Act,1944	Income Tax	10.91	2011-12	Commissioner (Appeals)
Income Tax Act,1944	Income Tax	13.72	2013-14	Commissioner (Appeals)
Income Tax Act,1944	Income Tax	15.11	2014-15	Commissioner (Appeals)
Income Tax Act,1944	Income Tax	15.44	2015-16	Commissioner (Appeals)
Income Tax Act,1944	Income Tax	4.65	2016-17	Commissioner (Appeals)
Income Tax Act,1944	Income Tax	6.39	2017-18	Commissioner (Appeals)

* Net of amount deposited under protest.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided for managerial remuneration during the year. According, Paragraph 3(xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company, Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No. - 101720W/W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No: 103418

UDIN: 20103418AAAACZ1142

Place: Mumbai

Date: June 25, 2020

Annexure B to Independent Auditor's Report – March 31, 2020 on the Financial Statements of Raymond Apparel Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Raymond Apparel Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No. - 101720W/W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No: 103418

UDIN: 20103418AAAACZ1142

Place: Mumbai

Date: June 25, 2020

Raymond Apparel Limited
Balance Sheet as at March 31, 2020

(Rs. in lakhs, unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Non-current Assets			
a) Property, Plant & Equipment	2	2,665.30	3,387.51
b) Capital work-in-progress	2	327.24	2,816.49
c) Right-of-use assets	2.1	32,703.38	-
d) Intangible assets	3	11.40	30.13
e) Investment in subsidiary	4	-	-
f) Financial assets			
(i) Investments	5	2,785.92	5,974.87
(ii) Loans	6	2.63	0.65
(iii) Others financial assets	7	4,646.23	3,922.86
g) Deferred tax assets (net)	32	9,897.81	2,798.12
h) Asset for income tax (net)		1,532.04	820.19
i) Other Non-Current Assets	8	651.05	1,779.78
2 Current assets			
a) Inventories	9	56,055.43	54,936.37
b) Financial assets			
(i) Trade receivables	10	45,633.29	40,651.99
(ii) Cash and cash equivalents	11	52.16	267.89
(iii) Loans	12	10.50	11.43
(iv) Others financial asset	13	474.40	1,227.84
c) Other current assets	14	12,803.47	7,329.98
TOTAL ASSETS		170,252.25	125,956.10
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share capital	15	248.32	221.92
b) Instrument entirely equity in Nature	15	-	3,430.00
c) Other equity	15	14,413.68	26,427.04
2 Liabilities			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease liabilities	16	30,698.44	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	48,720.56	27,078.55
(ii) Trade payables	18		
(A) total outstanding dues of micro & small enterprises		1,009.37	425.18
(B) total outstanding dues of creditors other than micro & small enterprises		56,881.31	57,898.14
(iii) Lease Liabilities	19	8,422.30	-
(iv) Other financial liabilities	20	6,130.86	7,065.22
(b) Other current liabilities	21	3,200.78	2,937.18
(c) Short term provisions	22	526.63	472.87
TOTAL LIABILITIES		170,252.25	125,956.10

Statement of Significant Accounting Policies 1
The accompanying notes form an integral part of the Ind AS Financial Statements
As per our report of even date attached

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Place: Mumbai
Date: June 25, 2020

Sd/-
Mr. Nirvik Singh
Chairman
DIN : 01570572
Place: Mumbai
Date: June 25, 2020

Sd/-
Priti Alkari
Company Secretary

Raymond Apparel Limited

Statement of profit and loss for the year ended March 31, 2020

(Rs. in lakhs, unless otherwise stated)

Sr. no.	Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
I	Income			
	Revenue from Operations	23	160,479.14	162,215.76
	Other Income	24	898.82	340.16
	Total Income (I)		161,377.96	162,555.92
II	Expenses			
	Cost of materials consumed	25	-	491.83
	Purchase of stock-in-trade	26	101,509.33	103,015.46
	Changes in inventories of finished goods, stock-in-trade and work-in progress	27	(1,241.49)	(12,998.00)
	Employee benefits expense	28	10,140.57	9,876.40
	Finance costs	29	7,393.28	2,804.15
	Depreciation and amortization expense	30	10,175.18	1,464.72
	Other Expenses	31		
	A) Manufacturing and Operating Costs		981.42	811.40
	B) Other expenses		45,295.66	53,669.69
	Total expenses (II)		174,253.95	159,135.65
III	Profit / (loss) before exceptional items and tax		(12,875.99)	3,420.27
IV	Profit / (loss) before tax		(12,875.99)	3,420.27
V	Tax expense	32		
	Current tax		-	1,210.27
	MAT credit availed/(utilised)		-	-
	Deferred tax charge/(credit)		(4,473.76)	10.12
VI	Profit / (loss) for the period (IV - V)		(8,402.23)	2,199.88
VII	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	Changes in fair value of FVOCI equity instruments		(3,188.96)	(626.27)
	Remeasurements of net defined benefit plan		4.25	(35.04)
	(ii) Income tax charge / (Credit) relating to items that will not be reclassified to profit or loss			
	Equity instruments through Other Comprehensive Income		(371.45)	(65.56)
	Remeasurements of net defined benefit plans		1.49	(12.25)
	Other Comprehensive Income for the period (i-ii)		(2,814.75)	(583.50)
VIII	Total Comprehensive Income for the period (VI + VII)		(11,216.98)	1,616.38
IX	Earnings per equity share of Rs. 10 each:			
	Basic earnings per share (Rs.)	44	(356.59)	99.13
	Diluted earnings per share (Rs.)	44	(333.83)	87.40

Statement of Significant Accounting Policies

1

The accompanying notes form an integral part of the Ind AS Financial Statements As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number: 103418

Place: Mumbai

Date: June 25, 2020

Sd/-

Mr. Nirvik Singh

Chairman

DIN : 01570572

Place: Mumbai

Date: June 25, 2020

Sd/-

Priti Alkari

Company Secretary

Raymond Apparel Limited
Statement of Changes in Equity
A. Equity Share Capital

(Rs. in lakhs, unless otherwise stated)

	Note	Amount
Balance as at March 31, 2018	15	221.92
Changes in equity share capital		-
Balance as at March 31, 2019		221.92
Changes in equity share capital		26.40
Balance as at March 31, 2020		248.32

B. Instrument entirely equity in Nature

(Rs. in lakhs, unless otherwise stated)

	Note	Amount
Balance as at March 31, 2018	15	3,430.00
Changes in preference share capital		-
Balance as at March 31, 2019		3,430.00
Changes in preference share capital		(3,430.00)
Balance as at March 31, 2020		-

C. Other Equity

(Rs. in lakhs, unless otherwise stated)

	Reserves and Surplus					Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
Balance as at March 31, 2018	7,233.38	92.34	2,828.08	2,630.77	12,026.09	24,810.66
Profit / (Loss) for the year	-	-	-	-	2,199.88	2,199.88
Other Comprehensive Income for the period	-	-	-	-	(583.50)	(583.50)
Total Comprehensive Income for the period	-	-	-	-	1,616.38	1,616.38
Balance as at March 31, 2019	7,233.38	92.34	2,828.08	2,630.77	13,642.47	26,427.04
Profit / (Loss) for the year	-	-	-	-	(8,402.23)	(8,402.23)
Other Comprehensive Income for the period	-	-	-	-	(2,814.75)	(2,814.75)
Conversion of Preference shares into equity shares	-	-	3,403.60	-	-	3,403.60
Adjustment on account of Lease Accounting	-	-	-	-	(4,199.98)	(4,199.98)
Total Comprehensive Income for the period	-	-	3,403.60	-	(15,416.96)	(12,013.36)
Balance as at March 31, 2020	7,233.38	92.34	6,231.68	2,630.77	(1,774.49)	14,413.68

Statement of Significant Accounting Policies 1

The accompanying notes form an integral part of the Ind AS Financial Statements
As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Place: Mumbai
Date: June 25, 2020

Sd/-
Mr. Nirvik Singh
Chairman
DIN : 01570572
Place: Mumbai
Date: June 25, 2020

Sd/-
Priti Alkari
Company Secretary

Raymond Apparel Limited
Statement of Cash Flow

(Rs. in lakhs, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
A Cash Flow from Operating Activities:		
Net Profit / (Loss) before Tax as per Statement of Profit and Loss	(12,875.99)	3,420.27
Add/(Deduct)		
a) Depreciation and Amortisation Expense	10,175.18	1,464.72
b) Finance cost	7,393.28	2,804.15
c) (Profit) / Loss on sale of Assets (Net)	28.00	61.35
d) Interest Income	(578.68)	(321.67)
e) Debit Balance Written-off / Bad-debts Written off	214.65	108.95
f) Provision for Doubtful debts and doubtful claims (Net)	-	-
g) Unrealised Loss on Foreign Currency Translation	(102.40)	81.06
h) Excess provision written back	(84.25)	-
i) Net Fair Value (Gain) / Loss (on account of fair valuation of deposits)	(307.21)	(3.26)
j) Other Non-operating income	(54.81)	(16.75)
k) Gain / (loss) from Remeasurement of net defined benefit plan	4.25	(35.04)
m) Dividend Income	(0.09)	(0.11)
	<u>16,687.92</u>	<u>4,143.40</u>
Operating Profit before Working Capital changes	3,811.93	7,563.67
Add/(Deduct)		
a) (Increase)/Decrease in Inventories	(1,119.06)	(11,667.49)
b) (Increase)/Decrease in Trade and Other Receivables	(10,082.89)	(16,703.60)
c) Increase/(Decrease) in Trade and Other Payable	1,640.90	21,246.16
	<u>(9,561.05)</u>	<u>(7,124.93)</u>
Cash (outflow) / inflow from operations	(5,749.12)	438.74
Deduct: Direct Taxes paid (net of refund)	(711.85)	(1,137.97)
Net Cash (Outflow) / Inflow from Operating Activities (A)	(6,460.97)	(699.23)
B Cash Flow from Investing Activities:		
Inflow		
a) Sale of Fixed Assets	5.45	0.79
b) Interest Received	577.95	618.75
c) Dividend Income	0.09	0.11
	<u>583.49</u>	<u>619.65</u>
Outflow		
a) Purchase of Fixed Assets	(1,499.64)	(434.05)
b) Acquisition of Right-for-use Assets	(3,855.30)	-
	<u>(5,354.94)</u>	<u>(434.05)</u>
Net Cash Outflow from Investing Activities (B)	(4,771.45)	185.60
C Cash Flow from Financing Activities:		
Inflow		
a) Inter Corporate Deposit taken	50,600.00	38,800.00
b) Increase in other borrowings (Net)	18,142.01	2,328.98
	<u>68,742.01</u>	<u>41,128.98</u>
Outflow		
a) Repayment of Inter Corporate Deposit	(47,100.00)	(37,800.00)
b) Repayment of Lease Liabilities	(3,330.41)	-
c) Finance Charges paid	(7,295.66)	(2,782.79)
	<u>(57,726.07)</u>	<u>(40,582.79)</u>
Net Cash inflow / (Outflow) from Financing Activity (C)	11,015.94	546.19
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	(216.48)	32.56
Cash and Cash equivalents at the beginning of the year	259.68	227.12
Cash and Cash equivalents at the close of the year	<u>43.20</u>	<u>259.68</u>
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and Cash equivalent as per above comprises of the following		
Cash and Cash Equivalents (Refer Note 11)	52.16	267.89
Bank Overdrafts (Refer Note 20)	(8.96)	(8.21)
Balances as per statement of Cash Flows	43.20	259.68

Notes :

1 The Above cash flow statement is prepared under 'indirect method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of Companies Act, 2013

2 Changes in liabilities arising from financing activities

Particulars	Opening Balance	Non-Cash / Accruals / Fair value Changes	Cash Flow / Repayments	Closing Balance
For the year ended March 31, 2020				
Preference share capital	3,430.00	(3,430.00)	-	-
Equity share capital	221.92	26.40	-	248.32
Securities premium	2,828.08	3,403.60	-	6,231.68
Borrowings	27,078.55	-	21,642.01	48,720.56
Interest accrued	101.91	7,393.28	(7,295.66)	199.53
Lease liabilities	42,451.16	7,094.49	(10,424.91)	39,120.74
For the year ended March 31, 2019				
Preference share capital	3,430.00	-	-	3,430.00
Equity share capital	221.92	-	-	221.92
Securities premium	2,828.08	-	-	2,828.08
Borrowings	23,749.57	-	3,328.98	27,078.55
Interest accrued	80.55	2,804.15	(2,782.79)	101.91

3 Previous year figures are regrouped and rearranged wherever necessary.

Statement of Significant Accounting Policies

The accompanying notes form an integral part of the Ind AS Financial Statements
As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants
Firm Registration Number: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number: 103418
Place: Mumbai
Date: June 25, 2020

Sd/-
Mr. Nirvik Singh
Chairman
DIN : 01570572
Place: Mumbai
Date: June 25, 2020

Sd/-
Priti Alkari
Company Secretary

Raymond Apparel Limited
Notes to the financial statements

Note 1 - Statement of Significant Accounting Policies

1. Background

Raymond Apparel Limited (the "Company"), headquartered in Mumbai, Maharashtra, (CIN: U18109MH2006PLC262077) is one of India's largest and most respected Branded apparel Company. The Company brings to the consumers best of fabric and style through some of the country's most prestigious brands – Park Avenue, Parx, Raymond Ready to Wear, Colorplus, Khadi, Ethnix & Next Look. The Company focuses on designing and branding of apparel and apparel accessories which are either outsourced as traded goods or manufactured through contract vendors. The Company sells primarily in India through independent retailers, large format stores and its own retail outlets.

2. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

These separate financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

(c) Property, plant and equipment

The Company has applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Plant and Machinery and Electric installation is provided on a Straight Line Method and in case of other assets on Written Down Value Method, over the estimated useful lives of assets. Leasehold improvements are amortised over the period of lease or estimated useful life, whichever is lower.

Assets individually costing Rs. 5,000 or less are depreciated fully in the year of acquisition.

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful life of assets are same as those prescribed in schedule II of the Act.

Useful life of Property, Plant and Equipment including intangible assets: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

The residual values are not more than 5% of the original cost of the asset. The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Computer software

Computer software are stated at historical cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 5 years, being its useful life.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Operating Lease

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.
- On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

Exemptions availed by Company:

- The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:
 - A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and
 - leases for which the underlying asset is of low value

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss account as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

Critical accounting estimates and judgements

Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised
- determining whether or not variable leased payments are truly variable, or in-substance fixed
- for lessors, determining whether the lease should be classified as an operating or finance lease.

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate.
- estimating the lease term.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Materials, Work-in-Progress, Stores and spares, Finished Goods and Stock-in-trade are stated 'at cost or net realisable value, whichever is lower'. Goods-in-Transit are stated 'at cost'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition, as applicable. Cost of purchase is ascertained based on the continuous moving weighted average basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(h) Investments in subsidiary

Investments in subsidiary is recognised at cost as per Ind AS 27.

(i) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- (1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value . Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

(1) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

(2) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses) Interest income from these financial assets is included in other income using the effective interest rate method.

(3) Fair value through profit and loss: Assets that do not meet the criteria for amortised cost are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its investment in subsidiary at cost less impairment, if any. The Company subsequently measures all equity investments other than above at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income Recognition**Interest Income**

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(j) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Derivative financial instruments

Derivative financial instruments which are foreign currency forward contracts, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(l) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(m) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(n) Financial Liabilities

(i) Financial Liabilities initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(o) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. The Company does not recognize a contingent asset unless the recovery is virtually certain.

(p) Revenue recognition

The entity derives revenues primarily from sale of manufactured goods, traded goods and related services.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time when performance obligation and Control of goods or services transferred.

Sale of goods

In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading.

Sale of goods :- customer loyalty programme (Deferred revenue and Loyalty Income)

The entity operates a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. Revenue related to the award points is deferred and recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. The expenditure of loyalty programme is netted against the revenue.

The entity also charges fixed percentage of sales to franchises who participates in this scheme, which is recognised as revenue.

Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss Account as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(r) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Raymond Apparel Limited's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(s) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit (MAT) is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(t) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(u) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event, if required, as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

The areas involving critical estimates or judgement are:

- (i) Estimated useful life of PPE, investment property and intangible assets - refer note 2, 2.1 and 3
- (ii) Inventory write down - refer note 9
- (iii) Estimation of tax expenses and tax payable - refer note 32
- (iv) Probable outcome of matters included under Contingent Liabilities - refer note 36
- (v) Estimation of Defined benefit obligation - Note 38
- (vi) Estimation uncertainty relating to the global health pandemic on COVID-19 - note 43

Raymond Apparel Limited
Notes to the financial statements

Note 2 - Property, Plant and Equipment

Particulars	(Rs. in lakhs)										
	Freehold Land	Buildings	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Computers	Leasehold Improvements	Total	Capital work-in-progress	
Gross carrying amount											
Balance as at March 31, 2018	34.28	88.83	512.50	996.98	102.60	801.26	607.38	6,021.65	9,165.48	89.40	
Additions	-	-	38.91	35.23	-	47.42	183.84	497.02	802.42	3,535.92	
Disposals	-	-	27.91	60.14	-	6.58	31.89	288.90	415.42	-	
Capitalisation during the year	-	-	-	-	-	-	-	-	-	808.83	
Balance as at March 31, 2019	34.28	88.83	523.50	972.07	102.60	842.10	759.33	6,229.77	9,552.48	2,816.49	
Transitional Adjustment	-	-	-	-	-	-	-	-	-	-	
Additions	-	-	614.70	313.74	225.88	81.37	267.67	1,906.95	3,410.31	921.06	
Disposals	-	-	626.13	376.03	-	83.37	3.75	2,094.65	3,183.93	-	
Capitalisation during the year	-	-	-	-	-	-	-	-	-	3,410.31	
Balance as at March 31, 2020	34.28	88.83	512.07	909.78	328.48	840.10	1,023.25	6,042.07	9,778.86	327.24	
Accumulated Depreciation											
Balance as at March 31, 2018	-	5.04	181.00	505.75	49.42	528.90	479.66	3,359.27	5,109.04		
Depreciation Charge for the year	-	1.68	58.43	131.01	16.75	171.28	165.01	865.05	1,409.21		
Disposals	-	-	25.18	56.76	-	5.66	31.57	234.11	353.28		
Balance as at March 31, 2019	-	6.72	214.25	580.00	66.17	694.52	613.10	3,990.21	6,164.97		
Depreciation Charge for the year	-	1.68	127.61	174.98	31.56	121.44	243.81	960.94	1,662.01		
Disposals	-	-	92.28	137.04	-	48.56	3.59	431.96	713.43		
Balance as at March 31, 2020	-	8.40	249.58	617.94	97.73	767.40	853.32	4,519.19	7,113.56		
Net Carrying Amount											
Balance as at March 31, 2019	34.28	82.11	309.25	392.07	36.43	147.58	146.23	2,239.56	3,387.51	2,816.49	
Balance as at March 31, 2020	34.28	80.43	262.49	291.84	230.75	72.70	169.93	1,522.88	2,665.30	327.24	

Notes:

(a) Refer note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(b) Land and Buildings include Rs. 8.24 Lakhs and Rs. 58.06 Lakhs respectively, pertaining to purchase of property at Pune which has been acquired by the Company by way of assignment of rights to the property vested by way of an assignment deed executed by the seller of the property.

Raymond Apparel Limited
Notes to the financial statements

Note 2.1 - Right-of-Use Assets

Particulars	Right of Use assets	Total
Gross carrying amount		
Balance as at April 01, 2019	37,342.50	37,342.50
Additions	4,606.14	4,606.14
Disposals	750.84	750.84
Balance as at March 31, 2020	41,197.80	41,197.80
Accumulated Depreciation		
Balance as at April 01, 2019	-	-
Depreciation Charge for the year	8,494.42	8,494.42
Balance as at March 31, 2020	8,494.42	8,494.42
Net Carrying Amount		
Balance as at April 01, 2019	37,342.50	37,342.50
Balance as at March 31, 2020	32,703.38	32,703.38

Notes:

(a) Refer note 37 for disclosure of Lease maturity

Raymond Apparel Limited
Notes to the financial statements

Note 3 - Intangible assets

(Rs. in lakhs)

Particulars	Computer Software #	Total
Gross carrying amount		
Balance as at March 31, 2018	305.05	305.05
Additions	6.41	6.41
Disposals	-	-
Balance as at March 31, 2019	311.46	311.46
Additions	-	-
Disposals	0.11	0.11
Balance as at March 31, 2020	311.35	311.34
Accumulated Depreciation		
Balance as at March 31, 2018	225.82	225.82
Amortisation for the year	55.51	55.51
Disposals	-	-
Balance as at March 31, 2019	281.33	281.33
Amortisation for the year	18.73	18.73
Disposals	0.11	0.11
Balance as at March 31, 2020	299.95	299.95
Net Carrying Amount		
Balance as at March 31, 2019	30.13	30.13
Balance as at March 31, 2020	11.40	11.40

Other than internally generated software.

Balance useful life as at March 31, 2020 is 2 - 4 years for Computer software

Raymond Apparel Limited
Notes to the financial statements

Note 4 - Investment in subsidiary

	As at March 31, 2020		As at March 31, 2019	
	Number	Rs. in lakhs	Number	Rs. in lakhs
Unquoted - Equity Instrument at Cost				
Colorplus Realty Limited (Equity Shares of Rs. 100 each)	100,000	6,339.65	100,000	6,339.65
Less: Provision for diminuation in value of Investment.	-	(6,339.65)	-	(6,339.65)
Total		-		-

Note 5 - Non Current Investments

	As at March 31, 2020		As at March 31, 2019	
	Number	Rs. in lakhs	Number	Rs. in lakhs
Unquoted - Equity Instrument at fair value through Other				
J.K. Investors (Bombay) Limited (Equity Shares of Rs. 100 each) (Refer note 40)	4,692	2,782.97	4,692	5,972.30
Accurate Finman Services Limited (Equity Shares of Rs. 10 each) (Refer note 40)	460	2.95	460	2.57
Total		2,785.92		5,974.87

I. Aggregate amount of unquoted investments	2,785.92	5,974.87
II. Aggregate amount of impairment in value of investments	6,339.65	6,339.65

Raymond Apparel Limited
Notes to the financial statements

Note 6 - Non Current Loans
(Unsecured, considered good)

(Rs. In Lakhs)

	As at March 31, 2020	As at March 31, 2019
Loans to employees	2.63	0.65
Total	2.63	0.65

Refer note 41 for information about credit risk and market risk for loans.

Note 7 - Other non current financial assets
(Unsecured, considered good unless otherwise stated)

(Rs. In Lakhs)

	As at March 31, 2020	As at March 31, 2019
Security Deposits	4,635.05	3,911.97
Investments in Term deposits #	11.18	10.89
Total	4,646.23	3,922.86

Represent deposit given as security

Note 8 - Other non-current assets
(Unsecured, considered good)

(Rs. In Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital advances	-	5.40
Prepaid expenses	259.76	1,132.48
VAT Receivable	-	281.86
Deposits with Government authorities	391.29	360.04
CVD Receivable	2,257.44	2,257.44
Less: Provision for CVD Receivable	(2,257.44)	(2,257.44)
	-	-
Total	651.05	1,779.78

Raymond Apparel Limited
Notes to the financial statements

Note 9 - Inventories

	(Rs. In Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Stock-in-trade	55,911.65	54,627.74
Stock-in-trade in transit	14.51	136.94
Packing material	129.27	171.69
Total	56,055.43	54,936.37

(a) Refer note 34 for disclosure of inventories pledged as security.

(b) Write-down of inventories to net realisable value amounted to Rs. 7957.04 Lacs(includes Rs. 727.09 Lacs related to shrinkage and rejection) as at 31st March'2020 and Rs. 6243.90 Lacs (includes Rs.0.51 Lacs related to shrinkage and rejection) as at March 31, 2019. These write-downs were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

Note 10 - Trade Receivables

	(Rs. In Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Considered good		
Secured		
Other than related parties	1,069.85	911.61
Unsecured		
Related parties (Refer note 39)	1,343.47	647.92
Other than related parties	43,219.97	39,092.46
Considered doubtful		
Other than related parties	267.57	267.57
Less: Allowance for doubtful receivables	(267.57)	(267.57)
Total	45,633.29	40,651.99

(a) Refer note 32 for disclosure of trade receivables pledged as security.

(b) Refer note 41 for information about credit risk and market risk of trade receivables.

(c) The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

Note 11 - Cash and cash equivalents

	(Rs. In Lakhs)	
	As at March 31, 2020	As at March 31, 2019
Cash on hand	26.39	239.68
Balances with Banks		
In current accounts	25.77	28.21
Total	52.16	267.89

Raymond Apparel Limited
Notes to the financial statements

Note 12 - Current loans
(Unsecured, considered good)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Current		
Loans to employees	10.50	11.43
Total	10.50	11.43

Refer note 41 for information about credit risk and market risk for loans.

Note 13 - Other current financial assets
(Unsecured, considered good)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Export benefit receivables	30.89	16.09
Export benefit receivables-considered doubtful	10.61	10.61
Less: Provision for doubtful benefit receivables	(10.61)	(10.61)
	-	-
Deposits with others (including rent deposit)	416.84	1,149.42
Interest receivable	2.62	1.89
Claims and other receivables	12.22	3.87
Claims and other receivables, considered doubtful	60.00	60.00
Less: Allowance for doubtful receivables	(60.00)	(60.00)
	-	-
Other	11.83	56.57
Total	474.40	1,227.84

Note 14 - Other current assets
(Unsecured, considered good unless otherwise stated)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	94.84	405.39
Advances to Suppliers (Refer note below)	807.61	571.57
VAT Credit Receivable	1.02	81.19
Deposits with customs, port trust, excise and other govt. authorities	11,894.87	6,165.80
Other advances		
- Related Party	-	23.08
- Other than related party	5.13	82.95
Total	12,803.47	7,329.98

(a) The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

Raymond Apparel Limited
Notes to the financial statements

Note 15 - Equity

a) Equity Share Capital

(Rs. in Lakhs)	
As at March 31, 2020	As at March 31, 2019
2,350.00	2,350.00
5,280.00	5,280.00
248.32	221.92

Authorised

2,35,00,000 (March 31, 2019: 2,35,00,000) Equity Shares of Rs. 10 each.
52,80,000 (March 31, 2019: 52,80,000) Preference share of Rs. 100 each.

Issued, subscribed and fully paid up

Equity Share Capital

24,83,200 (March 31, 2019: 22,19,200) Equity Shares of Rs.10 each fully paid up, held by the Holding Company Raymond Limited and its nominees.

b) Instrument entirely equity in Nature

Issued, subscribed and fully paid up
Instrument entirely equity in Nature

NIL (March 31, 2019: 34,30,000) Preference Shares of Rs 100 each fully paid up, held by the Holding Company Raymond Limited.

i) Reconciliation of number of shares

(Rs. in Lakhs)	
As at March 31, 2020	As at March 31, 2019
No. of shares	No. of shares
2,219,200	2,219,200
264,000	26.40
2,483,200	2,219,200
3,430,000	3,430,000
(3,430,000)	-
-	3,430,000

Equity Shares:

Balance as at the beginning of the year

Add: Conversion of Preference shares into equity shares (Refer note below)

Balance as at the end of the year

Preference Shares:

Balance as at the beginning of the year

Less: Conversion of Preference shares into equity shares (Refer note below)

Balance as at the end of the year

ii) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference shares:

Effective April 01, 2015, the terms of the Preference shares have been modified as under:

9% Non-Cumulative Compulsory Convertible Preference Shares has been converted into 2,64,000 number of equity shares of Rs 10 each dated: September 23, 2019.

iii) Shares held by Holding Company

(Rs. in Lakhs)	
As at March 31, 2020	As at March 31, 2019
2,483,200	2,219,200
-	3,430,000

Equity Shares of Rs. 10 each held by:
24,83,200 Equity shares [March 31, 2019: 22,19,200 Equity Shares] held by Raymond Limited and its nominees

Preference Shares of Rs. 100 each held by:

NIL Preference shares [March 31, 2019: 34,30,000 Equity Shares] held by Raymond Limited

iv) Details of equity and preference shares held by shareholders holding more than 5% of the aggregate shares in the Company

As at March 31, 2020		As at March 31, 2019	
%	No. of shares	%	No. of shares
100	2,483,200	100	2,219,200
-	-	100	3,430,000

Equity shares held by Raymond Limited and its nominees

Preference shares held by Raymond Limited

Raymond Apparel Limited
Notes to the financial statements

c) Other Equity

	Reserves and Surplus					(Rs. in Lakhs) Total
	Capital Reserve	Amalgamation Reserve	Securities Premium Reserve	General Reserves	Retained Earnings	
Balance as at March 31, 2018	7,233.38	92.34	2,828.08	2,630.77	12,026.09	24,810.66
Profit / (Loss) for the year	-	-	-	-	2,199.88	2,199.88
Other Comprehensive Income for the period	-	-	-	-	(583.50)	(583.50)
Total Comprehensive Income for the period	-	-	-	-	1,616.38	1,616.38
Balance as at March 31, 2019	7,233.38	92.34	2,828.08	2,630.77	13,642.47	26,427.04
Profit / (Loss) for the year	-	-	-	-	(8,402.23)	(8,402.23)
Other Comprehensive Income for the period	-	-	-	-	(2,814.75)	(2,814.75)
Conversion of Preference shares into equity shares	-	-	3,403.60	-	-	3,403.60
Adjustment on account of Lease Accounting	-	-	-	-	(4,199.98)	(4,199.98)
Total Comprehensive Income for the period	-	-	3,403.60	-	(15,416.96)	(12,013.36)
Balance as at March 31, 2020	7,233.38	92.34	6,231.68	2,630.77	(1,774.49)	14,413.68

Raymond Apparel Limited
Notes to the financial statements

Note 16 - Non-Current Financial Liabilities

	As at March 31, 2020	As at March 31, 2019
Financial Liabilities		
(a) Lease Liabilities	30,698.44	-
Total (A+B)	30,698.44	-

Note 17 - Current Borrowings

	As at March 31, 2020	As at March 31, 2019
A. Secured		
(a) Loans repayable on demand from banks (Refer note 34)	30,620.56	14,478.55
Secured - Total (A)	30,620.56	14,478.55
B. Unsecured		
(a) Loans repayable on demand from banks	10,600.00	8,600.00
(b) Loans & Advances from related Parties (Refer note 39)	7,500.00	4,000.00
Unsecured - Total (B)	18,100.00	12,600.00
Total (A+B)	48,720.56	27,078.55

(a) Refer note 34 for disclosure of inventories pledged as security.

Raymond Apparel Limited
Notes to the financial statements

Note 18 - Trade payables

(Rs. in lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Trade payables (Refer note 33)		
(A) total outstanding dues of micro & small enterprises	1,009.37	425.18
(B) total outstanding dues of creditors other than micro & small enterprises		
i) Amounts due to related parties (Refer note 39)	12,252.51	10,513.55
ii) Others	44,628.80	47,384.59
Total	57,890.68	58,323.32

Refer Note 41 for information about liquidity risk and market risk of trade payables.

(a) The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

Note 19 - Non-Current Financial Liabilities

(Rs. in lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Financial Liabilities		
(a) Lease Liabilities	8,422.30	-
Total (A+B)	8,422.30	-

Note 20 - Other current financial liabilities

(Rs. in lakhs, unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
Interest accrued and due on borrowings	199.53	101.91
Book Overdraft	8.96	8.21
Deposits from Dealers, Agents, etc.	4,103.79	2,159.55
Employees Benefits Payable	1,230.85	1,345.52
Derivative financial instruments	-	-
Capital Creditors		
Amounts due to related parties (Refer note 39)	111.62	3,012.93
Others	289.30	409.02
Other payables	186.81	28.08
Total	6,130.86	7,065.22

Note 21 - Other current liabilities**(Rs. in lakhs, unless otherwise stated)**

	As at March 31, 2020	As at March 31, 2019
Advance from customers	380.08	187.00
Credit Balance in Debtors	493.79	259.76
Statutory Dues	1,318.61	1,482.12
Other payables	1,008.30	1,008.30
Total	3,200.78	2,937.18

(a) The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

Note 22 - Short term provisions**(Rs. in lakhs, unless otherwise stated)**

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits (Refer Note 38)	526.63	472.87
Total	526.63	472.87

Raymond Apparel Limited
Notes to the financial statements

Note 23 - Revenue from Operations

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Sale of Products		
Manufactured goods - Garments	-	295.54
Stock-in trade - Garments and Accessories	160,445.40	161,867.33
Other operating income		
Export Incentives	33.74	52.89
Total	160,479.14	162,215.76

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price :

Item	Year ended March 31, 2020	Year ended March 31, 2019
Contract Price	190,148.19	184,693.15
Less :		
Gift Vouchers	(396.27)	(2,163.93)
Sales returns	(28,486.79)	(18,790.29)
Customer Loyalty programme	(184.50)	(721.06)
Bonus and Incentives	(204.92)	(228.93)
Any other benefit pass on to customer	(396.57)	(573.18)
Total	160,479.14	162,215.76

Note 24 - Other income

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Interest income	578.68	321.67
Dividend income		
Others	0.09	0.11
Net gain/loss on termination of leases	180.99	-
Other non-operating income	54.81	16.75
Credit Balances written back	84.25	-
Exchange Fluctuation-others	-	1.63
Total	898.82	340.16

Note 25 - Cost of materials consumed

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Raw materials consumed		
Opening Stock	-	931.88
Purchases	-	296.84
Less : Sales / Transferred to Stock in trade	-	871.50
Less: Closing Stock	-	-
Cost of raw materials consumed during the year	-	357.22
Packing materials consumed		
Opening Stock	-	207.06
Purchases	-	190.02
Less : Sales / Transferred to Stock in trade	-	262.47
Less: Closing Stock	-	-
Cost of packing materials consumed during the year	-	134.61
Total	-	491.83

Raymond Apparel Limited
Notes to the financial statements

Note 26 - Purchase of Stock-in-Trade

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of Stock-in-Trade	101,509.33	103,015.46
Total	101,509.33	103,015.46

Note 27 - Changes in inventories of finished goods (including stock-in-trade) and work-in-progress

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Opening inventories		
Finished goods	-	7,938.40
Stock-in-trade	54,799.43	33,863.03
	54,799.43	41,801.43
Closing inventories		
Finished goods	-	-
Stock-in-trade	56,040.92	54,799.43
	56,040.92	54,799.43
Total	(1,241.49)	(12,998.00)

Raymond Apparel Limited
Notes to the financial statements

Note 28 - Employee benefits expense

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	9,091.08	8,871.98
Contribution to provident funds and other funds	370.68	305.85
Defined benefit expense (Refer note 38)	84.60	69.23
Staff welfare expenses	594.21	629.34
Total	10,140.57	9,876.40

Note 29 - Finance costs

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on other short term borrowings	3,849.54	2,804.15
Interest on Lease Liability	3,543.74	-
Total	7,393.28	2,804.15

Note 30 - Depreciation and amortization expense

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	1,662.03	1,409.21
Amortization on Intangible assets	18.73	55.51
Depreciation on Right of use Assets	8,494.42	-
Total	10,175.18	1,464.72

Note 31 - Other expenses

A) Manufacturing and Operating Costs

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Job work charges	261.41	228.09
Excise duty	-	45.58
Lab Testing Charges	692.56	510.60
Other Manufacturing and Operating expenses	27.45	27.13
Total	981.42	811.40

Raymond Apparel Limited
Notes to the financial statements

B) Other expenses

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Rent (Refer Note A below)	293.63	10,111.40
Insurance	161.35	9.14
Rates and Taxes	43.24	394.87
Advertisement and sales promotion	10,495.68	12,828.62
Commission to selling agents	10,710.09	9,461.21
Outsourced Support Services	8,432.72	7,414.14
Freight, Octroi, etc	563.89	421.84
Information Technology Support Services	407.13	380.19
Legal and professional expenses (Refer Note B below)	1,387.41	986.36
Royalty	577.53	762.44
Payment to auditors (Refer Note A below)	-	-
Bad debts, Advances and Deposits written off	214.65	108.95
Provision for Doubtful debts	-	-
Provision For Doubtful Deposits, advances and others	-	-
Director Fees	44.40	42.50
Repairs & Maintenance, Others	1,472.69	1,461.54
Cash Discount	-	-
Donation	-	-
Expenditure towards Corporate Social Responsibility (Refer Note C below)	44.00	72.00
Exchange Fluctuation - Others	179.88	-
Travelling & Conveyance	1,599.35	1,804.28
Loss on sale of assets (Net)	28.00	61.35
Security Charges	236.89	253.28
Electricity Expenses	1,048.98	998.75
Material Handling expenses	2,661.26	2,009.94
Corporate Facility Charges	856.00	856.00
Net loss on termination of leases	-	-
Miscellaneous Expenses	3,836.89	3,230.89
Total	45,295.66	53,669.69

Raymond Apparel Limited
Notes to the financial statements

Legal and Professional expenses include:

A. Lease Rent Payment

The amount of Rs. 293.63 Lakhs as disclosed as rent expenses for the year ended March 31, 2020 reflects short term & low value leases which is exempted from application of Ind AS 116.

B. Auditors' remuneration and expenses

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Auditors' remuneration and expenses:		
Statutory audit fees	32.00	32.00
Fees for other audit related services	14.50	7.54
Reimbursement of out-of-pocket expenses	-	-
Total	46.50	39.54

C. Details of CSR expenditure:

(Rs. in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Amount required to be spent as per Section 135 of the Act	44.00	72.00
Contribution to Apne Aap Women's Collective Landscaping in Polytechnic College, Arvi in Dist. Wardha	-	-
Amount spent during the year on:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	44.00	72.00
Yet to be paid in Cash:		
(i) Construction / acquisition of an asset	-	-
(ii) On purpose other than (i) above	-	-
Total	44.00	72.00

During the year ended 31st March 2020 the company was required to spend Rs. 44.00 Lakhs (Previous year Rs. 42.73 Lakhs) towards the CSR activities out of which an amount of Rs. 20.00 Lakhs (Previous year Rs. 72.00 Lakhs) paid to J. K. Trust Gram Vikas Yojana and Rs. 24 Lakhs is paid to Society for Human and Environmental Development. The balance unspent amount is Nil. (Previous year is Nil)

Raymond Apparel Limited
Notes to the financial statements

Note 32 - Income Taxes

Tax expense recognised in the Statement of Profit and Loss:

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
Current tax expenses on the profit for the year	-	1,210.27
Adjustments of current tax of prior period	-	-
Total current tax	-	1,210.27
Deferred tax		
Origination and reversal of temporary difference	(4,473.76)	10.12
Change in tax rates	-	-
Total deferred income tax expense/(credit)	(4,473.76)	10.12
Total income tax expense/(credit)	(4,473.76)	1,220.39

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Reconciliation of effective tax rate		
Enacted income tax rate in India	34.944%	34.944%
Profit/(Loss) before tax & Exceptional items	(12,875.99)	3,420.27
Income Tax expense as per enacted rate	(4,499.39)	1,195.18
Tax effect of adjustment to reconcile income tax expenses as per enacted rate with reported income tax expenses:		
Differences due to:		
Expenses not deductible for tax purposes	15.32	-
MSME Interest Disallowance	9.41	-
Tax audit settlements	(6.82)	-
Tax on account of change in rate of tax	-	6.96
Donation / CSR	7.69	12.58
Others	0.03	5.67
Total income tax expense/(credit)	(4,473.76)	1,220.39
Effective Tax Rate	34.7450%	35.6811%

	(Rs. in lakhs)				
	As at March 31, 2019	Transitional Adjustment	Credit/(charge) in Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2020
Movement during the year ended March 31, 2020					
Deferred tax assets/(liabilities)					
Provision for post retirement benefits and other employee benefits	165.24	-	20.27	(1.49)	184.02
Provision for doubtful debts and advances	118.17	-	-	-	118.17
Depreciation	2,787.73	-	99.81	-	2,887.54
Provision for sales return	352.34	-	-	-	352.34
Fair value gains/losses	53.14	470.79	(64.18)	-	459.75
MITM of outstanding forward contracts	16.88	-	(16.88)	-	-
Fair valuation of investments	(695.37)	-	-	371.45	(323.92)
ROU Assets & Lease Liabilities	-	1,785.17	326.76	-	2,111.93
Business Losses & Unabsorbed Depreciation & Others	-	-	4,107.98	-	4,107.98
Total	2,798.13	2,255.96	4,473.76	369.96	9,897.81

Raymond Apparel Limited
Notes to the financial statements

Note 33 - Dues to micro and small enterprises:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosure pursuant to the

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,009.37	425.18
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	26.94	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note 34 - Assets pledged as Security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Other Assets		
<i>Floating charge</i>		
Inventory	56,055.43	54,936.37
Account receivable	45,633.29	40,651.99
Total	101,688.72	95,588.36
Total Assets pledged as security	101,688.72	95,588.36

Note 35 - Operating Segment

The Company's business activity falls within a single primary business segment viz. "Readymade Garments and Accessories" the disclosure requirement of IND AS -108 "Operating Segment" is not applicable. Further the Company does not meet the quantitative threshold as mentioned in Ind AS 108 and hence separate disclosure is not required.

Raymond Apparel Limited
Notes to the financial statements

Note 36 - Contingent liabilities, contingent assets and commitments

i) Contingent Liabilities

(Rs. in lakhs)

	March 31, 2020	March 31, 2019
Claims against the Company not acknowledged as debts in respect of:		
- Sales Tax	2,171.36	1,027.12
- Income Tax	158.43	184.23
- Excise / Custom Duty	12.53	12.53
- Other legal claims	0.26	0.26
	2,342.58	1,224.14

Note :

Future cash flows in respect of above are determinable only on receipt of judgements/decisions pending with various authorities/forums.

It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above matters pending resolution of the respective proceedings.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

ii) Contingent assets

The company did not have any contingent assets as at the end of the year.

iii) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(Rs. in lakhs)

	March 31, 2020	March 31, 2019
Property, plant and equipment	67.01	81.00
Less: Capital advances	-	(5.40)
Net Capital commitments	67.01	75.60

Note 37 - Lease

	March 31, 2020	March 31, 2019
Premises taken on operating lease:		
The Company has operating lease agreements for office premises, showrooms and warehouses. These lease arrangements range for a period between 3 and 9 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.		
Lease rentals recognized in the Statement of Profit and Loss for the year is Rs. 11,057.29 Lakhs (2018-19 Rs. 10,024.62 lakhs)		
With respect to operating lease, the future lease payment as at Balance Sheet date is as under:		
For a period not later than one year	8,422.30	7,225.54
For a period later than one year but not later than five years	24,288.65	35,350.06
For a period later than five years	6,409.79	10,489.29

The Company has adopted Ind AS 116, "Leases", effective 1 April 2019, using modified retrospective approach as a result of which comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 1 April 2019 for measuring lease liabilities at ₹ 42,451.16 lakhs and accordingly recognized right-of-use assets at ₹ 37,342.50 lakhs (after adjusting prepaid lease rent) by adjusting retained earnings by ₹ 4,199.98 lakhs (net of tax), as at the aforesaid date. In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases are recognized as amortization of right-of-use of assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 8.5% p.a.

Raymond Apparel Limited
Notes to the financial statements

Note 38 - Post retirement benefit plans

I. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 370.68 lakhs (31st March 2019 : Rs. 305.85 lakhs).

II. Defined benefit plan:

A. Balance Sheet

	(Rs. in lakhs)	
	Defined benefit plans	
	As at March 31, 2020	As at March 31, 2019
Present value of plan liabilities	719.92	632.49
Fair value of plan assets	656.29	566.85
Net plan liability / (asset)	63.63	65.64

B. Movements in plan assets and plan liabilities

	Year ended March 31, 2020		Year ended March 31, 2019	
	Plan Asset	Plan Liability	Plan Asset	Plan Liability
	Total	Total	Total	Total
As at the beginning of the year	566.85	632.49	480.94	518.70
Interest cost	-	47.44	-	40.51
Current service cost	-	79.67	-	66.28
Past Service cost	-	-	-	-
Asset / Liability Transferred In/ Acquisitions	-	-	-	-
Interest income	42.51	-	37.56	-
Return on plan assets less expected interest on plan assets	(3.07)	-	0.58	-
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	-	(26.66)	-	12.10
Actuarial (gain)/loss arising from experience adjustments	-	19.35	-	23.53
Employer's contributions	50.00	-	71.37	-
Benefit payments	-	(32.37)	(23.60)	(28.63)
As at the end of the year	656.29	719.92	566.85	632.49
		63.63		65.64

The liability is split between plan participants as follows:

Number of active members: 689 members (2018-19: 646 members)

The weighted average duration of the defined benefit plans is 8 years (2018-19 : 8 years)

The Company expects to contribute Rs. 149.43 lakhs to the funded plans in financial year 2019-20 (2018-19: Rs. 145.31 lakhs)

Raymond Apparel Limited
Notes to the financial statements

C. Statement of Profit and Loss

	(Rs. in lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Employee benefit expenses:		
Current service cost	79.67	66.28
Finance cost/(income)	4.93	2.95
Past Service Cost	-	-
Net impact on the profit/(loss) before tax (Refer note 28)	84.60	69.23
Remeasurement of the net defined benefit liability:		
Actual return on plan assets less expected interest on plan assets	3.07	(0.58)
Actuarial gains/(losses) arising from changes in demographic	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	(26.66)	12.10
Actuarial (gain)/loss arising from experience adjustments	19.35	23.53
Net impact on the Other Comprehensive Income before tax	(4.24)	35.05

D. Assets

	(Rs. in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Unquoted		
Insurer Managed Fund	656.29	566.85
Total	656.29	566.85

E. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind-AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

	As at March 31, 2020	As at March 31, 2019
Financial Assumptions		
Discount rate	6.43%	7.81%
Salary Escalation Rate	0% - 7.50%	0% - 7.50%
Expected Rate of Return on Assets (per annum)	6.43%	7.81%

Demographic Assumptions

Mortality in Service: Indian Assured Lives Mortality (2006-08)

Raymond Apparel Limited
Notes to the financial statements

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	2020		2019		(Rs. in lakhs)
	Change in assumption	Increase in Rate / (Decrease) in DBO	Decrease in Rate / (Increase) in DBO	Increase in Rate / (Decrease) in DBO	
Discount rate	1.00%	(43.16)	48.81	(37.48)	42.27
Salary Escalation Rate	1.00%	43.77	(34.88)	37.80	(35.21)
Employee Turnover Rate	1.00%	(2.55)	2.82	(5.83)	4.08

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

G. The defined benefit obligations shall mature after year end as follows:

Year ending March 31	(Rs. in lakhs)	
	2020	2019
1st following year	89.96	61.99
2nd following year	75.75	75.80
3rd following year	62.14	67.87
4th following year	62.75	57.29
5th following year	67.52	58.78
Thereafter	830.17	824.35

H Risk exposure:

Through its defined benefits plan, the company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in bond yield will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are invested with the Life Insurance Corporation of India Limited. It is subject to interest rate risk. The company intends to maintain the above investments in the continuing years.

Raymond Apparel Limited
Notes to the financial statements

Note 39 - Related Party Disclosures as per IND AS 24:

I. Relationships	Country of Incorporation	Ownership Interest	
		March 31, 2020	March 31, 2019
(a) Holding Company: Raymond Limited	India	100%	100%
(b) Subsidiary Company : Colorplus Realty Limited	India	100%	100%

Other Related Parties with whom transactions have taken place:

(c) Fellow Subsidiary Companies : Silver Spark Apparel Limited Celebrations Apparel Limited Raymond Woollen Outerwear Limited JK Files (India) Limited JK Talabot Limited Ring Plus Aqua Limited Raymond Luxury Cotton Limited Dress Master Apparel Private Limited	India India India India India India India India
(d) Other Related Parties where significant influence exists for the Related Party stated in (a) above: J.K. Helene Curtis Limited J.K. Ansell Limited	India India
(e) Joint Ventures of Related Party referred to in (a) above: Raymond UCO Denim Private Limited	India
(f) Related Party which has significant influence on Related Party stated in (a) above: J.K. Investors (Bombay) Limited	India
(g) Key management personnel Anshu Sarin Gaurav Dalmia Gautam Yogendra Trivedi Gautam Hari Singhania Sanjay Kumar Behl** I D Agarwal Joydeep Bhattacharya Nirvik Singh Bibek Agarwala, CFO Priti Alkari, CS**	
(h) Other Related Parties: Jiva Designs Private Limited	

**No transactions during the year

II. Transactions carried out with related parties referred to in 1(a) to 1(f) above:

Nature of transaction	Related Parties							
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above	Referred in 1 (e) above	Referred in 1 (f) above	Referred in 1 (g) above	Referred in 1 (h) above
Purchase								
Goods and Materials								
Raymond Limited	934.76							
Raymond Luxury Cotton Limited	(4,125.13)		39.34 (49.50)					
Silver Spark Apparel Limited			1,432.61 (378.03)					
Celebrations Apparel Ltd			2,442.97 (4,100.49)					
Dress Master Apparel Pvt Ltd			1,568.66 (2,186.43)					
J.K. Helene Curtis Limited				131.85 (88.33)				
Raymond UCO Denim Private Limited					2.52 (321.08)			
Jiva Designs Pvt. Ltd.								55.86 (50.43)
Fixed Assets								
Raymond Limited	-							
Silver Spark Apparel Limited	(2,795.82)							
Sales								
Goods and Materials								
Raymond Limited	7,185.34 (6,431.20)							
Raymond Luxury Cotton Limited			- (0.71)					
Silver Spark Apparel Limited			91.06 (71.76)					
Celebrations Apparel Limited			64.38 (77.21)					
Dress Master Apparel Pvt Ltd			7.89 (1.62)					
J.K. Helene Curtis Limited				93.25 (57.29)				
Fixed Assets								
Raymond Limited	2,437.05							

Nature of transaction	Related Parties							
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above	Referred in 1 (e) above	Referred in 1 (f) above	Referred in 1 (g) above	Referred in 1 (h) above
Expenses								
Rent and other Service Charges								
Raymond Limited	255.81 (198.48)							
Job Work Charges								
Dress Master Apparel Pvt Ltd			-					
Agency Commission								
J.K. Investors (Bombay) Limited							55.97 (49.64)	
Royalty								
Raymond Limited	644.33 (830.74)							
Interest paid (ICD)								
Raymond Limited	807.71 (869.35)							
J.K. Talabot Ltd			20.49 (83.37)					
Deputation of Staff								
Raymond Limited	-							
Other Payments:								
Advertisement Expenses								
Raymond Limited	955.87 (1,981.78)							
J.K. Talabot Ltd.			-					
Reimbursement of Expenses								
Raymond Limited	1,049.79 (1,241.60)							
Silver Spark Apparel Limited			- (0.34)					
Loyalty Bonus								
Raymond Limited	1,288.35 (1,210.64)							
Corporate Facility Charges								
Raymond Limited	856.00 (856.00)							
Director Fees								
Anshu Sarin							5.50 (2.00)	
Gaurav Dalmia							2.00 (4.50)	
Gautam Hari Singhanla							5.00 (4.00)	
Gautam Yogendra Trivedi							6.00 (3.00)	
I D Agarwal							11.20 (11.50)	
Joydeep Bhattacharya							2.20 (10.50)	
Mahendra Doshi							2.50 (-)	
Nirvik Singh							10.00 (7.00)	
Remuneration								
Bibek Agarwala							213.93 (206.63)	

Nature of transaction	Related Parties							
	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above	Referred in 1 (e) above	Referred in 1 (f) above	Referred in 1 (g) above	Referred in 1 (h) above
Income								
Loyalty Income								
Raymond Limited	541.45 (521.80)							
Deputation of Staff								
Colorplus Realty Limited		14.02 (14.63)						
Recovery of expenses								
Raymond Limited	1,179.27 (1,089.39)							
Colorplus Realty Limited		1.50 (1.68)						
J.K. Investors (Bombay) Limited						- (19.55)		
Finance:								
Loans taken								
Raymond Limited	50,300.00 (34,800.00)							
J.K. Talabot Ltd.			300.00 (3,000.00)					
Loans repaid								
Raymond Limited	46,100.00 (34,800.00)							
J.K. Talabot Ltd.			1,000.00 (2,000.00)					
Security Deposit received								
Raymond Limited	-							

Note: The above disclosures do not include change in terms of Preference Shares held by the Holding Company (Refer note 15).
(Previous year's figures have been shown within the brackets).

III. Balances receivable or payable at the year end:

Nature of transaction	(Rs. in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Accounts Payable:		
Holding Company		
Raymond Limited	10,102.31	8,356.21
Subsidiary		
Colorplus Realty Limited	-	-
Fellow Subsidiary & Joint Ventures		
Silver Spark Apparel Limited	1,289.55	87.00
Celebrations Apparel Limited	190.89	1,430.00
Dress Master Apparel Private Limited	368.05	455.65
Raymond Luxury Cotton Limited	41.50	9.90
Raymond UCO Denim Pvt. Ltd.	6.88	121.60
J.K. Helene Curtis Limited	113.79	3.00
J.K. Investors (Bombay) Limited	77.81	14.53
Other Related Parties		
Jiva Designs Pvt. Ltd.	61.73	35.66
Total	12,252.51	10,513.55
Capital Creditors:		
Holding Company		
Raymond Limited	111.62	3,012.93
Total	111.62	3,012.93
Borrowings		
ICD Outstanding		
Raymond Limited	7,200.00	3,000.00
JK Talabot Limited	300.00	1,000.00
Total	7,500.00	4,000.00

Accounts Receivable:		
Holding Company		
Raymond Limited	1,026.05	559.16
Subsidiary		
Colorplus Realty Limited	24.70	17.84
Fellow Subsidiary		
Dress Master Apparel Private Limited	8.28	-
Silver Spark Apparel Limited	101.62	6.01
Celebrations Apparel Limited	132.50	64.91
Other Related Companies		
J K Helene Curtis Ltd	50.32	-
Total	1,343.47	647.92
Other Advances		
J.K. Investors (Bombay) Limited	-	23.08
Total	-	23.08

Raymond Apparel Limited
Notes to the financial statements
Note 40 - Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at March 31, 2020	Fair Value through P & L			Fair Value through OCI			Carried at amortised cost			(Rs. in lakhs) Total Amount
	Non Current	Current	Total	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
Financial Assets										
Investment	2,785.92	-	2,785.92	-	-	-	-	-	-	2,785.92
Equity instruments	2,785.92	-	2,785.92	-	-	-	-	-	-	2,785.92
Other Assets										
Loans	2.63	10.50	13.13	-	-	-	-	-	13.13	13.13
Other Financial Assets	4,635.05	416.84	5,051.89	-	-	-	-	-	5,051.89	5,051.89
- Security Deposits	-	57.56	57.56	-	-	-	-	-	57.56	57.56
- Others	11.18	-	11.18	-	-	-	-	-	11.18	11.18
Trade receivable	-	45,633.29	45,633.29	-	-	-	-	-	45,633.29	45,633.29
Cash and Cash equivalents	-	52.16	52.16	-	-	-	-	-	52.16	52.16
Financial Liabilities										
Lease Liabilities	30,698.44	8,422.30	39,120.74	-	-	-	-	-	39,120.74	39,120.74
Borrowings	-	48,720.56	48,720.56	-	-	-	-	-	48,720.56	48,720.56
Other Financial Liabilities	-	6,130.86	6,130.86	-	-	-	-	-	6,130.86	6,130.86
Trade Payables	-	57,890.68	57,890.68	-	-	-	-	-	57,890.68	57,890.68
Total	30,698.44	121,164.40	151,862.84	-	-	-	-	-	151,862.84	151,862.84

Financial Assets and Liabilities as at March 31, 2019	Fair Value through P & L			Fair Value through OCI			Carried at amortised cost			Total Amount
	Non Current	Current	Total	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
Financial Assets										
Investment	5,974.87	-	5,974.87	-	-	-	-	-	-	5,974.87
Equity instruments	5,974.87	-	5,974.87	-	-	-	-	-	-	5,974.87
Other Assets										
Loans	0.65	11.43	12.08	-	-	-	-	-	12.08	12.08
Other Financial Assets	3,911.97	1,149.42	5,061.39	-	-	-	-	-	5,061.39	5,061.39
- Security Deposits	-	78.42	78.42	-	-	-	-	-	78.42	78.42
- Others	10.89	-	10.89	-	-	-	-	-	10.89	10.89
Trade receivable	-	40,651.99	40,651.99	-	-	-	-	-	40,651.99	40,651.99
Cash and Cash equivalents	-	267.89	267.89	-	-	-	-	-	267.89	267.89
Total	9,898.38	42,159.15	52,057.53	-	-	-	-	-	46,082.66	52,057.53
Financial Liabilities										
Borrowings	-	27,078.55	27,078.55	-	-	-	-	-	27,078.55	27,078.55
Other Financial Liabilities	-	7,065.22	7,065.22	-	-	-	-	-	7,065.22	7,065.22
Trade Payables	-	58,323.32	58,323.32	-	-	-	-	-	58,323.32	58,323.32
Total	-	92,467.09	92,467.09	-	-	-	-	-	92,467.09	92,467.09

Raymond Apparel Limited
Notes to the financial statements

Valuation technique used to determine fair value in respect of Investment in Level II.

JK Investors (Bombay) Ltd

Valuation of JK Investors (Bombay) Ltd has been carried out by an independent valuer based on Market Approach (EV/EBITDA multiple) for its core business and based on Market Approach (Market Price/PECV multiple), Net Assets Value Approach as applicable in respect of its investment in various entities.

Fair values of financial assets and liabilities carried at amortised cost:

	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Other Assets				
Loans	13.13	13.13	12.08	12.08
Other Financial Assets				
- Security Deposits	5,051.89	5,051.89	5,061.39	5,061.39
- Others	68.74	68.74	89.31	89.31
Trade Receivable	45,633.29	45,633.29	40,651.99	40,651.99
Cash and Cash equivalents	52.16	52.16	267.89	267.89
	50,819.21	50,819.21	46,082.66	46,082.66
Financial Liabilities				
Lease liabilities	39,120.74	39,120.74	-	-
Borrowings	48,720.56	48,720.56	27,078.55	27,078.55
Other Financial Liabilities	6,130.86	6,130.86	7,065.22	7,065.22
Trade Payables	57,890.68	57,890.68	58,323.32	58,323.32
	151,862.84	151,862.84	92,467.09	92,467.09

Raymond Apparel Limited
Notes to the financial statements

Note 41 - Financial Risk Management

Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategy. The Company's financial risk management policy is set by the Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by the Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	(Rs. in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Borrowings bearing variable rate of interest	41,220.56	23,078.55

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax:

Change	(Rs. in lakhs)	
	As at March 31, 2020	As at March 31, 2019
50 bps increase would decrease the profit before tax by	(206.10)	(115.39)
50 bps decrease would increase the profit before tax by	206.10	115.39

Market Risk: Foreign Currency Risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Derivative instruments and unhedged foreign currency exposure:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Currency	Amount	Currency	Amount
Forward contracts to buy USD	USD	-	USD	32.33

(FC in lakhs)

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

(b) Particulars of unhedged foreign currency exposures as at the reporting date:

As at March 31, 2020	(FC in lakhs)	
	USD	GBP
Trade Receivables	0.30	-
Trade Payables	22.99	0.03

As at March 31, 2019	(FC in lakhs)	
	USD	GBP
Trade Receivables	7.61	-
Trade Payables	-	0.60

(c) Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit before tax:

	2019-2020		2018-2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(17.16)	17.16	(0.42)	0.42
EURO	(0.03)	0.03	(0.01)	0.01
GBP	-	-	(0.90)	0.90
Increase / (decrease) in profit or loss	(17.19)	17.19	(1.33)	1.33

(Rs. in lakhs)

Raymond Apparel Limited
Notes to the financial statements

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business;
- ii) Actual or expected significant changes in the operating results of the counterparty;
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the company. The company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

Ageing of Account Receivables

	(Rs. in lakhs)	
	As at March 31, 2020	As at March 31, 2019
Not due	15,014.59	26,309.67
0-3 months	16,701.06	11,710.04
3-6 months	11,749.05	2,044.95
6 months to 12 months	1,766.16	411.59
Beyond 12 months and less than 2 years	402.44	175.74
Total	45,633.29	40,651.99

Movement in provisions of doubtful debts

	(Rs. in lakhs)	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	267.57	267.57
Add: Allowance for bad and doubtful debts	-	-
Less: Provision written back / reversed	-	-
Less:- Provision utilised against bad debts	-	-
Balance at the end of the year	267.57	267.57

Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity,

Raymond Apparel Limited
Notes to the financial statements

Maturity patterns of borrowings

	As at March 31, 2020				As at March 31, 2019		
	O-1 year	1-5 years	Total	Total	0-1 year	1-5 years	Total
Long term borrowings (Including current maturity of long term debt)	-	-	-	-	-	-	-
Short term borrowings	48,720.56	-	-	-	27,078.55	-	27,078.55
Total	48,720.56	-	-	-	27,078.55	-	27,078.55

(Rs. in lakhs)

Maturity patterns of other financial liabilities

As at March 31, 2020	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade Payable	26,127.80	28,218.44	3,544.44	-	-	57,890.68
Payable related to Capital goods	327.62	61.73	11.57	-	-	400.92
Lease Liabilities	373.58	2,021.32	2,072.52	3,954.88	30,698.44	39,120.74
Other Financial Liability (Current and Non Current)	5,729.94	-	-	-	-	5,729.94
Total	32,558.94	30,301.49	5,628.53	3,954.88	30,698.44	103,142.28

(Rs. in lakhs)

As at March 31, 2019	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	Beyond 12 months	Total
Trade Payable	27,905.55	23,497.05	6,919.98	0.74	-	58,323.32
Payable related to Capital goods	3,315.73	100.95	5.27	-	-	3,421.95
Other Financial Liability (Current and Non Current)	3,643.27	-	-	-	-	3,643.27
Total	34,864.55	23,598.00	6,925.25	0.74	-	65,388.54

(Rs. in lakhs)

Raymond Apparel Limited
Notes to the financial statements

Note 41A - Capital Risk Management

Risk Management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets in order to maintain or adjust the capital structure.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note 42 - Scheme of Arrangement

The Board of Directors of the Company at its meeting held on November 06, 2019 had approved the Composite Scheme of Arrangement ("Scheme") which comprise of amalgamation of the company and Scissors Engineering Products Limited (wholly owned subsidiary of Raymond Limited) with Raymond Limited (Holding company) and then Demerger of the lifestyle business undertaking into Raymond Lifestyle Limited on a going concern basis. The Appointed Date is April 01, 2020. The Scheme will be effective upon receipt of such approvals as may be statutorily required including that of Mumbai Bench of the National Company Law Tribunal ("NCLT"). Pending receipt of final approval, no adjustments have been made in the books of account and in the financial statements.

Note 42A - CVD Receivables

Imported garments were fully exempted from payment of CVD under Notification No. 30/2004- C.E. dated 09.07.2004, subject to the condition that no CENVAT Credit has been availed on the inputs or on capital goods. However, during the relevant period (FY 11 to FY 14), there was a dispute between the importers and the Customs Department regarding the applicability of the said benefit and the fulfillment of the aforesaid condition. The Customs Department had taken a view that the condition of "where NO CENVAT credit has been availed on the inputs by suppliers" was not applicable on the imported goods and accordingly, the importers were not eligible for the benefit of the said Notification. Basis the above notification, Raymond Apparel Limited had paid CVD under protest amounting to INR 22.57 Crs and expensed out, during the period from 2011 to 2015.

However, Raymond Apparel Limited had filed refund applications of CVD paid under protest, amounting to INR 22.57 Crs, basis the order passed by the Hon'ble Supreme Court of India in the case of M/s. SRF Ltd. vs Commissioner of Customs, Chennai reported at 2015 (318) E.L.T. 607 (SC) on 26.03.2015 interpreted Condition No. 20 of Notification No. 06/2002-CE (SI. No. 122). The Hon'ble Supreme Court held that importers of goods could claim benefit of such notification at the time of import for exemption from payment of CVD.

Basis as above, company has brought the said amount in the books of account as "Claim Receivables" and created a provision for an equivalent amount, as prudent practice.

Note 43 -

In March 20, the WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant, equipments, and other intangible assets and in relation to other financial statements captions. In the case of Inventory, Management has performed the year-end inventory verification at each of its locations after the year end due to COVID 19 pandemic and there was no inventory movement after the year end 31st March 2020 . In one of the locations , the inventory verification is supported by a firm of Chartered Accountants to obtain comfort over the existence and condition of inventories as at March 31, 2020 .

The impact of covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of theses financials statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities by reopening its retail stores and warehouses on gradual basis in line with guideline issued by the Government authorities. The company is adhering to all COVID-19 guidelines for employees and customers.

Raymond Apparel Limited
Notes to the financial statements

Note 44 - Earning's per share

	(Rs. in Lakhs)	
	Year ended March 31, 2020	Year ended March 31, 2019
Earning's per share has been computed as under:		
Profit / (Loss) for the year	(8,402.23)	2,199.88
Weighted average number of equity shares outstanding	2,356,249	2,219,200
Basic Earning's Per Share (Face value of Rs. 10 per share)	(356.59)	99.13
Add: Weighted average number of potential equity shares	160,643	297,692
Weighted average number of Equity shares (including dilutive shares) outstanding	2,516,892	2,516,892
Diluted Earning's Per Share (Face value of Rs. 10 per share)	(333.83)	87.40

Note 45 - Employee Stock Options

Pursuant to Share holders approval on 15 March 2018 meeting, the company has granted 33692 stock options to eligible employees of the Company and the employees of its holding company in accordance with the Raymond Apparel Limited Employees Stock Options Plan 2018 ("RAL ESOP 2018") with the vesting period as provided in the Award Agreement with each Employee. Holder of each option is eligible for one fully paid equity share of the Company of the face value of Rs.10 each on payment of Rs.10 per option. The fair value of option determined on the date of grant is Rs. 1570 based on the comparable companies multiple method. The stock options plan 2018 is in the process of finalisation , in view of that the Disclosure in terms of Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 is annexed here below."

The stock options plan 2018 is in the process of finalisation , in view of that the Disclosure in terms of Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 is annexed here below."

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Number of options outstanding on Beginning of the year	33,692	33,692
2	Options Granted during the year	Nil	Nil
3	Options vested during the year	Nil	Nil
4	Options exercised during thye year	Nil	Nil
5	Options lapsed during the year	Nil	Nil
6	The exercise price	Rs.10/-	Rs.10/-
7	Variation of terms of options	None	None
8	Money realised by exercise of Option	Nil	Nil
9	Total number of options in force at the end of the year	33,692	33,692

Note 46 - Consolidation of Subsidiary

As per second proviso of Rule 6 of Companies (Account) Amendment Rule, 2016, the Company being - (i) a wholly owned subsidiary of Raymond Limited; (ii) not listed in India or outside India and (iii) the parent Company files its consolidated financial statements, hence the Company has availed the exemption from preparation of consolidated financial statement.

As per our report of even date attached

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
 Lalit R. Mhalsekar
 Partner
 Membership Number: 103418
 Place: Mumbai
 Date: June 25, 2020

Sd/-
 Mr. Nirvik Singh
 Chairman
 DIN : 01570572
 Place: Mumbai
 Date: June 25, 2020

Sd/-
 Priti Alkari
 Company Secretary

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr No.	Particulars	(₹ in Lac)
1	Sl. No.	1
2	Name of the subsidiary	Colorplus Realty Limited
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Not Applicable
5	Share capital	100.00
6	Reserves & surplus	(148.93)
7	Total assets	0.23
8	Total Liabilities	49.16
9	Investments	NIL
10	Turnover	0.00
11	Profit / (Loss) before taxation	(19.24)
12	Provision for taxation/ Deferred tax charge/(credit)	NIL
13	Profit / (Loss) after taxation	(19.24)
14	Proposed Dividend	NIL
15	% of shareholding	100%

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding %	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
5. Networth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
6. Profit / Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
i. Not Considered in Consolidation	-	-	-

For and on behalf of the Board of Directors

Place: Mumbai
Date: June 25, 2020

Sd/-
Nirvik Singh
Chairman
DIN: 01570572

RAYMOND LIFESTYLE LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI SANJAY BAHL SHRI K.A. NARAYAN (APPOINTED W.E.F MARCH 18, 2020) SHRI VIPIN AGARWAL SHRI SANJAY BEHL (RESIGNED W.E.F MARCH 18, 2020)
STATUTORY AUDITORS	:	MESSRS V. B. DALAL & CO. CHARTERED ACCOUNTANTS
REGISTERED OFFICE	:	JEKEGRAM, POKHRAN ROAD NO. 1, THANE – 400 606, MAHARASHTRA

RAYMOND LIFESTYLE LIMITED

CIN: U52322MH2019PLC332934

Registered Office: Jekegram, Pokhran Road No. 1, Thane West- 400606

DIRECTOR'S REPORT

To,

The Members

The Directors take pleasure in presenting the First Annual Report together with Audited Financial Statements for the period ended on March 31, 2020.

1. FINANCIAL SUMMARY AND HIGHLIGHTS OF PERFORMANCE

The Company was incorporated on November 14, 2019 and has not yet commenced its business operations being the first financial year of the Company since incorporation. Therefore, there has been no material change which occurred between the end of the financial year and date of this Report, affecting the financial position of the Company. The Company has incurred loss of Rs. 5000 during the period under review.

2. DIVIDEND

The Company has not yet commenced its business operations being the first financial year of the Company since incorporation and therefore, the Directors of your Company did not recommend any dividend to the equity shareholders the Company for the financial year ended March 31, 2020.

3. RESERVES

Your Company has not transferred any amount to the General Reserves of the Company.

4. STATUTORY AUDITORS

Messrs V. B. Dalal & Co., Chartered Accountants (Firm Registration no. 102055W), were appointed as the First Auditors of the Company and hold office till the conclusion of the first Annual General Meeting of the Company and being eligible offer themselves for re-appointment to hold the office as Statutory Auditors from the conclusion of the First Annual General Meeting until the conclusion of sixth Annual General Meeting at a remuneration as may be determined by the Board of Directors of the Company from time to time. They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for re-appointment.

There is no qualification made by the auditors in their audit report for the period under review.

Your Directors recommend the resolution in relation to their appointment as the Statuary Auditors of the Company for the approval by shareholders of the Company.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has adequate internal control and risk-mitigation system, which is constantly strengthened with new / revised standard operating procedures.

6. SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2020 was Rs. 5.00 lakh. During the year under review, the Company has not issued any shares. As on March 31, 2020, none of the Directors of the Company hold any shares of the Company.

7. PUBLIC DEPOSITS

During the under review, the Company has not accepted any public deposits under Section 73 of the Companies Act, 2013.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees or Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, forms part of the Notes to the Financial Statements.

9. DIRECTORS

Shri Sanjay Bahl, Shri Sanjay Kumar Behl and Shri Vipin Agarwal were appointed as First Directors of the Company since the date of incorporation of the Company i.e. November 14, 2019.

The Board of Directors had appointed Shri K. A. Narayan as an Additional Director of the Company effective from March 18, 2020. In terms of Section 161 of the Companies Act, 2013, Shri K. A. Narayan holds office up to the date of ensuing Annual General Meeting. The Board of Directors have recommended the appointment of Shri K. A. Narayan at the ensuing Annual General Meeting.

During the year, Shri Sanjay Kumar Behl resigned from the Board of Directors with effect from March 18, 2020. The Board places on record its appreciation for the services rendered by Shri Behl during his tenure as a Director of the Company.

During the year, three Board Meetings were held on November 15, 2019, November 26, 2019 and March 18, 2020. Attendance of the Board Members is given below:

Date of the Board Meeting	Name of the Directors		
	Shri Sanjay Bahl	Shri Vipin Agarwal	Shri Sanjay Kumar Behl*
15/11/2019	✓	✓	✓
26/11/2019	✓	✓	✓
18/03/2020	✓	✓	NA

** Shri Sanjay Kumar Behl resigned from the Board of Directors of the Company w.e.f. March 18, 2020.

10. COMPLIANCE WITH SECRETARIAL STANDARDS

In terms of Section 118(10) of the Companies Act, 2013, the Company is complying with the Secretarial Standards issued by the Institute of Company Secretaries of India and approved by Central Government with respect to Meetings of the Board of Directors and General Meetings.

11. RELATED PARTY TRANSACTIONS

During the under review, the Company has not entered into related party transactions under Section 188 of the Companies Act, 2013.

12. RISK MANAGEMENT

The Company has adequate risk management measures which are implemented, developed, assessed, reviewed and strengthened from time to time.

13. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Board under Section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors have prepared the annual accounts on a going concern basis; and
- e. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

15. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Since the Company has no manufacturing facility, information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of the Companies (Accounts) Rules, 2014, on conservation of energy and technology absorption is not applicable. The Company has not yet commenced business operations and hence there were no Foreign exchange earnings / outgo for period under review.

16. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "Annexure A" to this Report.

17. PARTICULARS OF EMPLOYEES

The Company has not yet commenced business operations and does not have any employees. Therefore, furnishing of information in accordance with Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable to the Company.

18. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

19. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

During the period under review, the Company has not yet commenced business operations and does not have any employees. Therefore, provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are not applicable to the Company.

20. SIGNIFICANT OR MATERIAL ORDERS

There are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

21. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has not yet commenced business operations and therefor information pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Accounts) Rules, 2014 is not applicable.

22. APPLICABILITY OF MAINTENANCE OF COST RECORDS

The Company has not yet commenced business operations and therefore provisions related to maintenance of cost records as prescribed under Companies (Cost Records and Audit) Rules, 2014, are not applicable to the Company for the period under review.

23. COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT

During the year under review, the Board of Directors of the Company at their Meeting held on November 26, 2019, had approved the Composite Scheme of Amalgamation and Arrangement between Raymond Limited, Raymond Lifestyle Limited (RLL), Raymond Apparel Limited (RAL) and Scissors Engineering Products Limited (SEPL) and their respective Shareholders ('the Scheme') and filed with National Company Law Tribunal, Mumbai Bench ('NCLT').

Raymond Limited, the holding company of your Company, through itself and its subsidiaries is primarily engaged in the business of marketing of branded textiles, branded apparels, as well as B2C shirting, B2B textiles tailoring, customized tailoring and textile manufacturing ('Lifestyle business'). Along with its textile segment, Raymond Limited through itself, its subsidiaries and associates / joint ventures is also engaged in a diversified profile of businesses such as real estate, aviation, FMCG, auto components, tools, hardware and manufacture and garmenting of denim etc. ('Non-Lifestyle Business').

The Scheme proposes amalgamation of RAL and SEPL with Raymond Limited and demerger of its Lifestyle Business into Raymond Lifestyle Limited.

24. ACKNOWLEDGEMENT

The Directors extend their grateful appreciation for the co-operation, support and valuable guidance received from banks, government and other statutory authorities.

For and on behalf of the Board of Directors of
RAYMOND LIFESTYLE LIMITED

Place: Mumbai
Date: June 27, 2020

Sd/-
SANJAY BAHL
DIRECTOR
DIN: 00332153

Sd/-
VIPIN AGARWAL
DIRECTOR
DIN: 02963480

**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U52322MH2019PLC332934
2.	Registration Date	November 14, 2020
3.	Name of the Company	Raymond Lifestyle Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non- Government Company
5.	Address of the Registered office & contact details	Raymond Limited, Jekegram, Pokhran Road No. 1, Thane West - 400606
6.	Whether listed company	Yes / No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
Not Applicable as the Company has not yet commenced its business operations being the first financial year of the Company since incorporation			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of shares held	Applicable section
1.	Raymond Limited	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares as on November 14, 2019				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	50000	50000	100.00	-	50000	50000	100.00	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	-	50000	50000	100.00		50000	50000	100.00	-
(2) Foreign									
a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
b) Others- Individuals	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-				-				-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	50000	50000	100.00	50000	-	50000	100.00	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares as on November 14, 2019				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	50000	50000	100.00	50000	-	50000	100.00	-

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at November 14, 2019			Shareholding at the end of the year [As on 31-March-2020]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raymond Limited and its nominees	-	-	-	50000	100.00	-	100.00
	Total	-	-	-	50000	100.00	-	100.00

iii) Change In Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Raymond Limited and its nominees				
	At the beginning of the year	50000	100.00	50000	100.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	50000	100.00	50000	100.00

**iv) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer /	-	-	-	-

	bonus/ sweat equity etc):				
3	At the end of the year	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel:

Sl.N o.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	-	-	-	-
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
3	At the end of the year	-	-	-	-

V. INDEBTEDNESS - Indebtedness of the Company including interest outstanding / accrued outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

The Company does not have any Managing Director, Whole-time Director or Manager.

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
1	Independent Directors	None of the Directors did not receive any remuneration for the year ended March 31, 2020.	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
Overall Ceiling as per the Act			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR/MANAGER/WTD:

The Company does not have any Key Managerial Personnel.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



V. B. DALAL & CO.

Chartered Accountants

Office # 235, 2nd Floor, "C" Wing, Rahul Mittal Industrial Estate,
Andheri Kurla Road, Andheri (East), Mumbai - 400 059

Phone : 49720579 / 49784572

Website : www.vbdalal.com E-mail : vbdalal@vbdalal.com

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RAYMOND LIFESTYLE LIMITED

Report on the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **RAYMOND LIFESTYLE LIMITED** ('the Company'), which comprises the Balance Sheet as at **March 31 2020**, and the Statement of Profit and Loss (statement of changes in equity) and statement of Cash Flows for the period then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and profit/loss, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included

in the Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any litigation pending and hence there is no impact on its financial position in the aforesaid financial statements.
 - ii. The company did not have any long term contract including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: Mumbai
Dated: 27.06.2020
UDIN: 20010373AAAAHB4007



FOR V. B. DALAL & CO.
CHARTERED ACCOUNTANTS

(V. B. DALAL)
PROPRIETOR
M.No.10373
F.R.No.102055

RAYMOND LIFESTYLE LIMITED

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RAYMOND LIFESTYLE LIMITED

Referred to in paragraph 1 of Report on other Legal and Regulatory Requirements of our report of even date.

On the basis of such checks as we considered appropriate and in terms of the information & explanation given to us, we report that:

1. a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The Fixed assets have been physically verified by the management at reasonable intervals; According to the information and explanations given to us no material discrepancies were noticed on such verification;
2. The company does not have any inventory, hence the provisions of clause (ii) are not applicable to the company.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanation given to us, the provisions of section 185 and 186 have been duly complied with in respect of loans, investments, guarantees given by the Company.
5. According to the information and explanations given to us and to the best of our knowledge, the company has not accepted any deposits. Therefore, the clause (v) of the Order is not applicable
6. Maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act for the year under review. Therefore, the clause (vi) of the Order is not applicable.
7. a) According to the record of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it with the appropriate authorities.
- b) According to the information and explanation given to us there are no dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute.



8. In our opinion and according to the information and explanation given by the management, the Company does not have any borrowings from the financial institution, banks, Government or debenture holders. Therefore, the clause (viii) of the Order is not applicable.
9. Based on the information and explanation given by the management, the company has not raised any monies by way of Initial Public Offer or Further Public Offer including death insurance, hence the provisions of clause (ix) are not applicable to the company.
10. Based upon the audit procedure performed and information and explanation given by the management, we report that no fraud on the company or by its officers or employees has been noticed or reported during the course of our audit.
11. Based on the information and explanation given by the management, no managerial remuneration has been paid or being provided in the Financial Statements, hence the provisions of clause (xi) are not applicable to the company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
13. Based upon the audit procedure performed and information and explanation given by the management, we report that all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, and details thereof have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any Preferential allotment or Private placement of shares or fully or partly paid Debentures during the year. Therefore, the clause (xiv) of the Order is not applicable.
15. Based on our audit procedure and on the information and explanation given by the management, we are of the opinion that the Company has not entered into any non cash transaction with directors or any person connected to him and hence provisions of section 192 of the Companies Act, 2013 are not applicable
16. The Company is not required to be registered under section 45-1 of the Reserve Bank of India Act, 1934.

Place: Mumbai
Dated: 27.06.2020
UDIN: 20010373AAAHB4007



FOR V. B. DALAL & CO.
CHARTERED ACCOUNTANTS

(V. B. DALAL)
PROPRIETOR
M.No.10373
F.R.No.102055W

RAYMOND LIFESTYLE LIMITED

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RAYMOND LIFESTYLE LIMITED

Referred to in paragraph 2(f) of Report on other Legal and Regulatory Requirements of our report of even date

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **RAYMOND LIFESTYLE LIMITED ("the Company")** as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting ("the Guidance Note") issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



RAYMOND LIFESTYLE LIMITED
AS AT 31ST MARCH, 2020

	Particulars	Note No.	As at 31st March, 2020 (Rs.)
I	ASSETS		
	1 Non-current Assets		
	(a) Property, Plant and Equipment	-	-
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Others financial assets	-	-
	2 Current assets		
	(a) Financial Assets		
	(i) Investments	-	-
	(ii) Cash and cash equivalents	1	500000
	(b) Assets for Current Tax (Net)		-
	TOTAL ASSETS		500000
II	EQUITY AND LIABILITIES		
	1 Equity		
	a) Equity share capital	2	500000
	b) Other equity		
	(i) Reserves & Surplus	3	(5000)
	(ii) Other Reserves (OCI)		-
	2 Liabilities		
	Current liabilities		
	(a) Financial Liabilities		
	(i) Other financial liabilities	4	5000
	(b) Other Current Liabilities		
	(i) Statutory Dues		-
	TOTAL LIABILITIES		500000
	Significant Accounting Policies	-	

As per our Report of even date

For V.B. DALAL & CO.

Chartered Accountants

Sd/-

Proprietor

Membership No. 10373

F. R. No. 102055W

Mumbai.

Date : June 27, 2020

For Raymond Lifestyle Limited

Sd/-

Sanjay Bahl

Director

DIN: 00332153

Sd/-

Vipin Agarwal

Director

DIN: 02963480

RAYMOND LIFESTYLE LIMITED
Statement of Profit and Loss for the period ended 31st March, 2020

	Particulars	Note No.	Period ended 31st March, 2020
I	Revenue from operations		-
	Other income		-
	Total Income		-
II	Expenses:		
	Cost of materials consumed		-
	Purchases of stock-in-trade		-
	Employee benefits		-
	Finance costs		-
	Depreciation and amortisation		-
	Other expenses (Audit Fees)		5000
	Total expenses		5000
III	Profit/(Loss) before tax (I - II)		(5000)
IV	Tax expense		
	Current tax		-
	Deferred tax charge/(credit)		
V	Profit/ (Loss) after tax for the period (III - IV)		(5000)
VI	Other Comprehensive Income for the year		
	Items that will not be reclassified to Profit and Loss		-
	Items that will be reclassified to Profit and Loss		-
			-
VII	Total Comprehensive Income for the year (V+VI)		(5000)
VIII	Earnings per equity share		
	Basic		(0.10)
	Diluted		(0.10)
	Significant Accounting Policies	3	

As per our Report of even date
For V.B. DALAL & CO.
Chartered Accountants
Sd/-

Proprietor
Membership No. 10373
F. R. No. 102055W
Mumbai.
Date : June 27, 2020

For Raymond Lifestyle Limited

Sd/-
Sanjay Bahl
Director
DIN: 00332153

Sd/-
Vipin Agarwal
Director
DIN: 02963480

RAYMOND LIFESTYLE LIMITED
Notes to the financial statements for the period ended 31st March, 2020

Note 1 - Bank Balances other than cash and cash equivalents

Particulars	As at 31st March, 2020 (Rs.)
Balances with Banks	
In current accounts	500000
Total	500000

Note 2 - Equity

(A) Equity Share Capital		As at 31st March, 2020 (Rs.)	
Particulars			
Authorised			
50000 equity shares of ₹ 10 each			500000
Issued, Subscribed & Paid up			
50000 equity shares of ₹ 10 each fully paid-up			500000
Total			500000
i) Reconciliation of number of equity shares			
		As at 31st March, 2020	
	No. of Shares held	Amount (₹ in lakhs)	
Equity Shares:			
Add: Shares issued at the time of Incorporation	50000	500000	
Shares at the end of the year	50000.00	500000	
ii) Right, Preferences and restrictions attached to shares:			
The Company has only one class of equity share having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.			
iii) Details of shares held by shareholders holding more than 5% of the aggregate shares:			
		As at 31st March, 2020	
Equity Shares of Rs. 10 held by:	No of Shares		%
Raymond Limited	50000	100	

RAYMOND LIFESTYLE LIMITED

Statement of Changes in Equity for the year ended 31st March, 2020

Note 3 Other Equity

Particulars	Reserves & Surplus
<u>Balance as on the date of Incorporation</u>	
Add : loss for the period	(5000)
<u>Balance as at 31.03.2020</u>	<u>(5000)</u>

Note 4 - Current Liabilities - Other current financial liabilities

Particulars	As at 31st March, 2020
Audit Fees	5000
Total	<u>5000</u>

RAYMOND LIFESTYLE LIMITED

Statement of Changes in Equity for the period ended 31st March, 2020

Statement of other equity

Particulars	Reserves & Surplus
<u>Balance as at date of Incorporation</u>	-
Add : loss for the period	(5000)
<u>Balance as at 31.03.2020</u>	(5000)

As per our Report of even date

For V. For Raymond Lifestyle Limited

Chartered Accountants

Sd/-

Proprie Director

Membership No. 10373

F. R. No. 102055W

Mumbai.

Date : June 27, 2020

For Raymond Lifestyle Limited

Sd/-

Vipin Agarwal

Director

DIN: 02963480

Sd/-

Sanjay Bahl

Director

DIN: 00332153

Consolidated Cash Flow Statement for the year ended 31st March, 2020

	Year ended 31st March, 2020 (Rs.)
CASH FLOW FROM OPERATING ACTIVITIES:	
Profit before exceptional items and tax	(5000)
Adjustments for:	
Add/(Deduct)	-
Operating profit before working capital changes	
Adjustments for:	
Increase in trade and other payables and provisions	5000
Cash used in operations	-
Direct taxes paid (net of refunds)	-
Net cash used in operating activities - [A]	-
CASH FLOW FROM INVESTING ACTIVITIES:	
Inflow/Outflow	-
Net cash (used in)/ generated from investing activities - [B]	-
CASH FLOW FROM FINANCING ACTIVITIES:	
Proceed from Issue of shares	500000
Net cash generated from financing activities - [C]	500000
Net increase in cash and cash equivalents - [A+B+C]	500000
Add: Balance at the beginning	-
Cash/Cash Equivalent at the close of the period	500000
As per our Report of even date	
For V.B. DALAL & CO.	For Raymond Lifestyle Limited
Chartered Accountants	Sd/-
Sd/-	Vipin Agarwal
Proprietor	Director
Membership No. 10373	DIN: 02963480
F. R. No. 102055W	Sd/-
Mumbai	Sanjay Bahl
Date June 27, 2020	Director
	DIN: 00332153

RAYMOND LUXURY COTTONS LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	: SHRI HARISH CHATTERJEE SHRI SANJAY BAHL SMT. RASHMI MUNDADA, INDEPENDENT DIRECTOR SHRI R. NARAYANAN, INDEPENDENT DIRECTOR <i>(RE-APPOINTED W.E.F. FEBRUARY 27, 2020)</i> SHRI R. A. PRABHUDESAI, INDEPENDENT DIRECTOR <i>(EXPIRATION OF TERM W.E.F. FEBRUARY 12, 2020)</i> SHRI BIBEK AGARWALA <i>(RESIGNED W.E.F. MARCH 03, 2020)</i>
KEY MANAGERIAL PERSONNEL	: SHRI HARISH CHATTERJEE, MANAGER SHRI SRINIVASA VAJHA, CHIEF FINANCIAL OFFICER <i>(APPOINTED W.E.F. OCTOBER 23, 2019)</i> SHRI BIBEKANANDA PRADHAN, CHIEF FINANCIAL OFFICER <i>(RESIGNED W.E.F. JULY 09, 2019)</i> SHRI TABISH SIDDIQUI, COMPANY SECRETARY
COST AUDITOR	: MESSRS R. NANABHOY & CO., COST ACCOUNTANTS
SECRETARIAL AUDITOR	: MESSRS ROBERT PAVREY & ASSOCIATES, COMPANY SECRETARIES
STATUTORY AUDITOR	: MESSRS CHATURVEDI & SHAH LLP, CHARTERED ACCOUNTANTS
INTERNAL AUDITOR	: MESSRS MAHAJAN & AIBARA, CHARTERED ACCOUNTANTS LLP
REGISTERED OFFICE	: NEW HIND HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI – 400 001, MAHARASHTRA
REGISTRAR AND SHARE TRANSFER AGENT	: KARVY FINTECH PRIVATE LIMITED KARVY SELENIUM TOWER B, PLOT NO 31-32, GACHIBOWLI FINANCIAL DISTRICT, HYDERABAD - 500 032

RAYMOND LUXURY COTTONS LIMITED

CIN: U17120MH2004PLC149276

Registered Office: New Hind House, N. M. Marg, Ballard Estate, Fort, Mumbai – 400001

DIRECTORS' REPORT

To,

THE MEMBERS

Your Directors take pleasure in presenting their Sixteenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

1. FINANCIAL SUMMARY & HIGHLIGHTS OF PERFORMANCE

Your Company manufactures high value fine cotton and linen shirting for both domestic and international customers. The net turnover of the Company was at ₹621.82 crore (Previous Year: ₹648.13 crore). Profit after tax was ₹14.12 crore (Previous Year: ₹14.61 crore).

2. DIVIDEND

In order to conserve the resources of the Company, your Directors do not recommend any dividend for the Financial Year 2019-20.

3. RESERVES

Your company has not transferred any amount to the reserves of the Company.

4. AUDITORS

Statutory Auditor

Messrs Chaturvedi & Shah LLP, Chartered Accountants (ICAI Firm Registration Number 101720W/W100355) are the statutory auditors of the Company for the year ended March 31, 2020. Their appointment as statutory auditor to hold office is valid from the conclusion of the 13th Annual General Meeting of the Company till the conclusion of the 18th Annual General Meeting of the Company.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

Cost Auditor

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your Company is required to maintain cost records relating to manufacturing operations of the Company and accordingly, such records are maintained by the Company and audited by the Cost Auditor appointed in this regard.

The Board of Directors, on the recommendation of Audit Committee, had appointed Messrs Sevekari, Khare and Associates, Cost Accountants (Firm Registration Number: 000084) as Cost Auditor to audit the cost records of the Company for the Financial Year 2019-20 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus taxes as applicable and reimbursement of out of pocket expenses.

However, pursuant to a business strategy to consolidate the cost audit function of Lifestyle Business under one cost audit firm and taking into consideration the subsequent 'No-Objection' received from Messrs Sevekari, Khare and Associates, Cost Accountants, the Board substituted the Cost Auditors by appointing Messrs R. Nanabhoy & Co., Cost Accountants, as Cost Auditor of the Company for the Financial Year 2019-20 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus taxes as applicable and reimbursement of out of pocket expenses.

The Board of Directors on the recommendation of Audit Committee has re-appointed Messrs R. Nanabhoy & Co., Cost Accountants, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2020-21 at a remuneration of ₹ 1,20,000/- (Rupees One Lakh Twenty Thousand Only) plus taxes as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking member's approval for ratifying the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed Messrs Robert Pavrey & Associates, a firm of Company Secretaries in Practice (C.P.No. 1848) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as "**Annexure 1**" and forms an integral part of this Report.

There have been no qualification(s), reservation(s), or adverse remark(s) or disclaimer(s) made in the Secretarial Audit Report by the Secretarial Auditor for the financial year 2019-20.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures.

The Company has entrusted the internal and operational audit to M/s. Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

6. SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2020 was ₹ 168.68 crore. During the year under review, the Company has not issued any shares. As on March 31, 2020, none of the Directors of the Company hold any shares of the Company.

7. PUBLIC DEPOSITS

During the under review, the Company has not accepted any public deposits under Section 73 of the Companies Act, 2013.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013, if any, form part of the notes to the Financial Statements.

9. DIRECTORS AND THEIR MEETINGS

A. Directors

During the year under review, Shri R. Narayanan completed his first term as an Independent Director of the Company on February 12, 2020. The Board of Directors had re-appointed Shri R. Narayanan as an Additional Director designated as an Independent Director on the Board of the Company to hold office for a second term of two consecutive years with effect from February 27, 2020. In terms of Section 161 of the Companies Act, 2013, Shri R. Narayanan holds office up to the date of ensuing Annual General Meeting. The Board of Directors has recommended the appointment of Shri R. Narayanan at the ensuing Annual General Meeting.

During the year under review, Shri R. A. Prabhudesai ceased to be an Independent Director of the Company with effect from February 12, 2020 on completion of his term. Shri Bibek Agarwala, Non-Executive Director of the Company resigned as a Director from the Board of the Company with effect from March 03, 2020 due to work constraints. The Board places on record its appreciation for the services rendered by Shri R. A. Prabhudesai and Shri Bibek Agarwala during their tenure as Directors of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Sanjay Bahl, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment.

During the year, 6 Board Meetings were convened and held as detailed below. The Board Meeting held and Attendance of Directors at the Meetings is given below:

SN	Name of Director	Date of Board Meeting					
		23-04-2019	29-07-2019	23-10-2019	21-01-2020	27-02-2020	28-02-2020
1.	Shri Harish Chatterjee	✓	✓	✓	✓	✓	✓
2.	Shri Sanjay Bahl	✓	✓	✓	✓	✓	✓
3.	Smt. Rashmi Mundada	✓	✓	✓	✓	✓	✓
4.	Shri R.A. Prabhudesai ¹	-	✓	✓	✓	NA	NA
5.	Shri R. Narayanan ²	✓	✓	✓	✓	NA	✓
6.	Shri Bibek Agarwala ³	✓	✓	✓	-	-	-

¹ Shri R.A. Prabhudesai ceased to be an Independent Director w.e.f. February 12, 2020.

² Shri R. Narayanan ceased to be an Independent Director w.e.f. February 12, 2020 and was re-appointed as an Additional Director designated as Independent Director w.e.f. February 27, 2020

³ Shri Bibek Agarwal resigned from the Board of the Company w.e.f. March 03, 2020

B. Independent Directors

All Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and hold highest standards of integrity.

The Ministry of Corporate Affairs ("MCA") vide Notification Number G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Institute of Corporate Affairs (IICA). Accordingly, the Independent Directors of the Company have registered themselves with the IICA.

C. Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

D. Key Managerial Personnel (KMPs)

During the year, Shri Bibekananda Pradhan resigned as Chief Financial Officer of the Company w.e.f. July 09, 2019 and Shri Srinivasa Vajha was appointed as Chief Financial Officer w.e.f. October 23, 2019.

Your Company currently has the following KMPs:

Sr. No.	Name of the Person	Designation
1	Shri Harish Chatterjee	Manager
2	Shri Srinivasa Vajha*	Chief Financial Officer
3	Shri Tabish Siddiqui	Company Secretary

*Shri Srinivasa Vajha was appointed as a Chief Financial Officer w.e.f. October 23, 2019

10. COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with the Secretarial Standards applicable on it.

11. COMMITTEES OF THE BOARD

The Board has constituted the following committees:

A. Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rule, 2014, the Audit Committee Composition as under:

1. Shri R. Narayanan : Independent Director, Chairman
2. Smt. Rashmi Mundada : Independent Director, Member
3. Shri Harish Chatterjee : Executive Director, Member

The terms of reference of the Audit Committee are determined by the Board and their relevance reviewed from time to time.

Details of the Audit Committee Meetings held and Attendance of Directors at the Meetings is given below:

Sr. No.	Name of Director	DATE OF MEETING				
		23-04-2019	29-07-2019	23-10-2019	21-01-2020	27-02-2020
1.	Shri R. A. Prabhudesai*	-	✓	✓	✓	NA
2.	Shri R. Narayanan	✓	✓	✓	✓	✓
3.	Shri Rashmi Mundada**	NA	NA	NA	NA	✓
4.	Shri Harish Chatterjee	✓	✓	✓	✓	✓

* Ceased to be an Independent Director of the Company and Member of the Committee w.e.f. February 12, 2020

** Inducted as Member of the Committee w.e.f. February 27, 2020

B. Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors has constituted the Nomination and Remuneration Committee and framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The Board has clearly defined terms of reference for Nomination and Remuneration Committee, which are as follows:

- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/re-appointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- delegation of any of its powers to any Member of the Committee or the Company Secretary.

The Nomination and Remuneration Committee Meeting held and Attendance of Directors at the meeting is given below:

Sr. No.	Name of Director	DATE OF MEETING	
		22-10-2019	11-02-2020
1	Shri R.A. Prabhudesai*	✓	✓
2	Shri R. Narayanan	✓	✓
3	Smt. Rashmi Mundada	✓	✓
4	Shri Sanjay Bahl**	NA	NA

* Ceased to be a Director of the Company and Member of the Committee w.e.f. February 12, 2020

** Inducted as Member of the Committee w.e.f. February 27, 2020

C. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company constituted the Corporate Social Responsibility (CSR) Committee and spent an amount of ₹ 49 Lakh in pursuance of its Corporate Social Responsibility. A report on CSR activities and the contents of Corporate Social Responsibility policy annexed as "Annexure 2".

The CSR Committee Meeting held and Attendance of Directors at the Meetings is given below:

Sr. No.	Name of Director	DATE OF MEETING
		27-02-2020
1.	Shri R. Narayanan	✓
2.	Smt. Rashmi Mundada*	✓
3.	Shri Harish Chatterjee	✓
4.	Shri Bibek Agarwala**	NA

* Inducted as Member of the Committee w.e.f. February 27, 2020

** Ceased to be a Member of the Committee w.e.f. February 27, 2020

D. Committee of the Directors

The composition of the Committee of Directors is as under:

- | | | | |
|----|------------------------|---|-------------------------|
| 1. | Shri R. Narayanan | : | Independent Director |
| 2. | Shri Harish Chatterjee | : | Executive Director |
| 3. | Shri Sanjay Bahl* | : | Non –Executive Director |
| 4. | Shri Bibek Agarwala** | : | Non –Executive Director |

* Inducted as Member of the Committee w.e.f. April 25, 2020

** Ceased to be a Director of the Company and Member of the Committee w.e.f. March 03, 2020

The Board has clearly defined terms of reference for the Committee of Directors, which are as follows:

1. approval of transfer of shares and issue of duplicate/split/consolidation /sub-division of share certificates;
2. opening/modification of operation and closing of Bank Accounts;
3. to change the signatories for availment of various facility from Banks/Financial Institution;
4. to grant authority to execute and sign Foreign Exchange Contracts and Derivative Transactions;
5. grant of Special/General Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi- Government Institutions;
6. to approve Lease / Leave & License agreement for opening Retail outlets / EBO etc;
7. to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to-time.

No meetings of the Committee of Directors were held during the year.

12. VIGIL MEHCANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to Section 177(9) of the Companies Act, 2013, your Company has formulated the Vigil Mechanism/Whistle Blower policy to report genuine concerns to be disclosed. The policy is also displayed on www.raymond.in/grp_luxurycottons.asp.

13. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year 2019-2020 were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Thus, disclosure in form AOC - 2 is not required.

14. RISK MANAGEMENT

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the risks.

15. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

16. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors have prepared the annual accounts on a going concern basis; and
- e. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as prescribed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, on conversation of Energy, Technology absorption and foreign

exchange earnings and outgo is annexed herewith as “Annexure 3” to this report.

18. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as “Annexure 4”.

19. PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 are not applicable.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

21. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report except for the impact arising out of COVID-19, which is detailed below in point no. 22 of this Report.

22. IMPACT OF COVID-19

In March 20, the WHO declared COVID-19 to be a pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of the financial statements. A detailed note on the impact of COVID-19 on the operations of the Company forms part of the Note 44 of the Notes to the Financial Statements.

23. AWARDS AND ACHIEVEMENTS

During the year under review, your Company has bagged awards as mentioned hereunder:

- 1) Winner in Textile Sector for Outstanding Achievements in Safety Management - 18th Annual Greentech safety award- 2019
- 2) Winner in Textile Sector for Outstanding Achievements in Environment Management - 19th annual Greentech Environment award- 2019
- 3) 14th State level energy Conservation Award 2018-19 - Certificate of Merit for Energy Management - Maharashtra Energy Development Agency (MEDA).

24. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, redressal is placed on the intranet for the benefit of its employees. There were no complaints filed against any of the employees of the Company under this Act.

25. ACKNOWLEDGEMENT

The Directors express their appreciation to all the employees for their dedication and commitment. The Directors also extend their appreciation to the Banks for their continued support and co-operation.

For and on behalf of the Board
For **Raymond Luxury Cottons Limited**

Date : June 24, 2020
Place : Mumbai

Sd/-
Harish Chatterjee
Director
DIN: 03560685

Sd/-
Sanjay Bahl
Director
DIN: 00332153

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Raymond Luxury Cottons Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Raymond Luxury Cottons Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of :

- (i) The Companies Act, 2013 ('Act') and rules made thereunder; and
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that, there were no events/ actions in pursuance of:

- (iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (v) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (vi) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (ix) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (x) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (xi) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (xii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

requiring compliance thereof by the Company during the Audit Period.

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (i) Competition Act, 2002;
- (ii) Consumer Protection Act, 1986; and
- (iii) The Legal Metrology Act, 2009.

We further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors.

Adequate notice is given to all the directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the Audit Period, no events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

For **ROBERT PAVREY & ASSOCIATES**
Company Secretaries

Sd/-

Place: Mumbai
Dated: June 24, 2020

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928B000375553

This report is to be read with Annexure A which forms an integral part of this report.

To,
The Members
Raymond Luxury Cottons Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **ROBERT PAVREY & ASSOCIATES**
Company Secretaries

Sd/-

Place: Mumbai
Dated: June 24, 2020

ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928B000375553

ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

Sr. No.	Particulars	Remarks
1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	The CSR Policy was approved by the Board of Directors and has been uploaded on the Company's website. A gist of the program that the Company can undertake under the CSR policy is mentioned below. The web link is http://www.raymond.in/sites/default/files/CSR%20Policy.pdf The Company had proposed to contribute to the following projects: 1. <u>J. K. Trust, Bombay</u> Kota Hospital as CSR support for FY-2019-20 2. <u>Raichel Joseph Foundation</u> Salaries of the teaching staff of the Juhu Gandhigram Municipal School adopted by Raichel Joseph Foundation 3. <u>Smt. Sulochanadevi Singhania School Trust</u> Menstrual Hygiene Programme / In-house Rural Sports Training Centre (SKILLS) / Psychological Counseling & Life Skill Training to be supported along with other Group companies as part of their CSR obligation 4. <u>Sant Achyut Maharaj Heart Hospital, Amravati</u> Providing support to Heart Hospital towards procurement of a Heart Lung Machine, 2D Echo Machine and a ventilator to be supported along with other Group companies as part of their CSR obligation
2.	The composition of the CSR Committee.	a. Shri R. Narayanan, Chairman b. Smt. Rashmi Mundada, Member c. Shri Harish Chatterjee, Member
3.	Average net profit of the Company for last three financial years.	₹ 2206.62 Lakh.
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above).	₹ 45.00 Lakh.
5.	Details of CSR spent during the financial year:	
	a. total amount to be spent for the financial year:	₹ 45.00 Lakh.
	b. amount unspent, if any	Nil

	c. manner in which the amount spent during the financial year:	<p>In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules 2014, your Company has collaborated with other organisations for undertaking CSR projects.</p> <p>During the year under review the CSR Committee identified projects with</p> <ol style="list-style-type: none"> 1. <u>J. K. Trust, Bombay</u> Kota Hospital as CSR support for FY-2019-20 2. <u>Raichel Joseph Foundation</u> Providing Salaries of the teaching staff of the Juhu Gandhigram Municipal School adopted by Raichel Joseph Foundation 3. <u>Smt. Sulochanadevi Singhania School Trust</u> Menstrual Hygiene Programme, / In-house Rural Sports Training Centre (SKILLS) / Psychological Counseling & Life Skill Training to be supported along with along with other Group companies as part of their CSR obligation 4. <u>Sant Achyut Maharaj Heart Hospital, Amravati</u> Providing support to Heart Hospital towards procurement of a Heart Lung Machine, 2D Echo Machine and a ventilator to be supported along with along with other Group companies as part of their CSR obligation
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The details of projects undertaken during the year under review are as under:

(₹ in Lakh)

Sr. No.	CSR project or Activity Identified.	Sector in Which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing Agency
1.	Kota Hospital as CSR support for FY-2019-20	Promoting Health Care	Thane, Maharashtra	5.00	5.00	5.00	J. K. Trust, Bombay
2.	Salaries of the teaching staff of the Juhu Gandhigram Municipal School adopted by Raichel Joseph Foundation.	Education	Thane, Maharashtra	30.00	30.00	30.00	Raichel Joseph Foundati on.

Sr. No.	CSR project or Activity Identified.	Sector in Which the Project is Covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through Implementing Agency
3.	Menstrual Hygiene Programme, / In-house Rural Sports Training Centre (SKILLS) / Psychological Counseling & Life Skill Training to be supported along with other Group companies as part of their CSR obligation	Education & training to promote sports	Thane, Maharashtra	12.00	12.00	12.00	Smt. Sulochanadevi Singhania School Trust
4.	Providing Support to Heart Hospital towards procurement of a Heart Lung Machine, 2D Echo Machine and a ventilator to be supported along with other Group companies as part of their CSR obligation.	Promoting Health Care	Amravati	2.00	2.00	2.00	Sant Achyut Maharaj Heart Hospital
TOTAL				49.00	49.00	49.00	

6. In case the Company has failed to spend the two percent, of the average net profit of the latest three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

During the year under review, your Company has committed to undertake CSR activities through

- a) J. K. Trust, Bombay;
- b) Raichel Joseph Foundation;
- c) Smt. Sulochanadevi Singhania School Trust; and
- d) Sant Achyut Maharaj Heart Hospital.

The overall CSR expenditure required to be incurred during the financial year 2019-20 was ₹ 45 Lakh. The Company has spent ₹ 49 Lac during the financial year (₹ 45 Lakh for FY 2019-20 and ₹ 4 Lakh for FY 2018-19 which was carried forward to FY 2019-20).

7. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board
For Raymond Luxury Cottons Limited

Sd/-

Sd/-

Place: Mumbai

R. Narayanan

Harish Chatterjee

Date: June 24, 2020

Chairman of CSR Committee
DIN: 00631703

Director
DIN: 03560685

CONTENTS OF CORPORATE SOCIAL RESPONSIBILITY POLICY
(Approved by the Board of Directors on March 20, 2015)

Our aim is to be one of the most respected Companies in India delivering superior and sustainable value to all our customers, business partners, shareholders, employees and host communities.

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The Company's commitment to CSR projects and programs will be by investing resources into any of the following areas.

- ✓ Improving the quality of life in rural areas;
- ✓ Eradicating hunger, poverty and malnutrition;
- ✓ Promoting healthcare including preventive healthcare;
- ✓ Employment enhancing vocational Skills;
- ✓ Promotion of education including investment in technology in schools;
- ✓ Ensuring environmental sustainability including measures for reducing inequalities faced by socially and economically backward groups;
- ✓ Promoting sports including rural and Olympic sports;
- ✓ Contribution to funds for promoting technology;
- ✓ Investing in various rural development projects;
- ✓ Contributing to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief; and
- ✓ Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time-to-time.

Annexure 3

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION AND FOREIGN EXCHANGE AND OUTGO (Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014)

(A)	Conservation of energy-	
(i)	the steps taken to conserve energy;	<p>The company is making continuous efforts on ongoing basis for energy conservation by adopting innovative measures to reduce wastage and optimise consumption. Some of the specific measures undertaken by the Company in this direction at its textile units located at Kolhapur and Amravati are as under:</p> <ol style="list-style-type: none"> 1. Power saving in luwa humidification plant by modifying automation software. 2. Energy saving by optimising power consumption of weaving overhead cleaner. 3. Energy saving in ETP by reducing decanter operation by developing alternate arrangement for dewatering the sludge. 4. Replacement of normal indication lamps by LED indication lamps in some of the machines. 5. Installation of motion sensor in office and toilet area to save electrical power in lighting and exhaust fans. 6. Installation of Energy management system for daily power consumption monitoring and analysis. 7. Installation VFD's in Rapid dryer. 8. Installation of LED Lights. 9. Replacement of inefficient motors by efficient motors. 10. Installation of energy efficient ceiling fans. 11. Installation of Harmonic Filter to reduce the harmonics and make electrical supply healthy. 12. Stopped one boiler by increasing the efficiency of boiler, Planning and segregation of the steam-consuming machine. 13. Energy conservation by use of low temperature dyes in dyeing department. <p>These measures have also led to power saving, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.</p>
(ii)	the steps taken by the company for utilizing alternate sources of energy;	Installed solar street lights from energy conservation point of view as well as a step towards sustainable initiative by use of renewable energy.
(iii)	the capital investment on energy conservation equipment's;	The Capital investment on energy conservation equipment's is Rs. 117 lakhs during the FY 2019-2020.

(B)	Technology absorption-	
(i)	the efforts made towards technology absorption;	<ol style="list-style-type: none"> 1. Installation of new Boiler 6TPH as a stand by and its operational trials completed successfully within stipulated time. 2. Following digital developments carried out for the ease of operation. <ul style="list-style-type: none"> • Weigh bridge online weighing system i.e. weighment linked with SAP - All incoming/outgoing materials weighment data will be available in SAP • Installation of digital coal weighing system on coal conveyor belt – For measuring daily coal consumption with more accuracy • Installed digital CFM meters for continuous air consumption monitoring and recording. 3. Installed Wireless Fire alarm annunciation. 4. Interfacing of Data log Online loom monitoring system with SAP. 5. Barcode printed stickers for Roll doffing. 6. Barcode scanning at Fabric inspection. 7. A water recovery system called DAF (Dissolved Air Flotation) installed for Water recovery from Ring frame effluent. Using DAF there is @ 90% water recovered which is re-usable. 8. Installation of Rf drier to reduce the energy consumption for drying of yarn as compared to Rapid dryer. 9. Installation of Air Monitoring system in Kolhapur. 10. Installation of Sludge drier to reduce the cost of disposal and reduce impact on environment.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution;	<ol style="list-style-type: none"> 1. Cost reduction in manufacturing in spite of increase in inputs and reduction percentage improvement. 2. New prominent developments in addition to our regular fabric composition. 3. Below new fabrics were introduced/developed: <ul style="list-style-type: none"> • Cotton recycle polyester (pet bottles) yarn products. • Sustainability products with Avitera dyeing concept (Low utilization of the Sources required such as Water, steam & electricity etc.) • Cotton Linen Intimate Blended products. • Cotton scafati products. • Cotton Celient yarn products. • Cotton Coccona yarn products. • Special finishes: Different types of Fragrance Finishes, Aloe Vera finish, Natural Neem finish, Fearless White finish etc. • Cotton Nylon stretch products.

(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
(a)	the details of technology imported;	
(b)	the year of import;	
(c)	whether the technology been fully absorbed;	
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	the expenditure incurred on Research and Development	Nil
(C)	Foreign exchange earnings and Outgo –	
	The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	During the year Foreign Exchange earnings was ₹ 3000.98 Lakh (Previous Year: ₹ 4882.8 Lakh). The Foreign Exchange outgo during the year was ₹ 8872.88 Lakh (Previous Year: ₹ 7694.84 Lakh).

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31-03-2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U17120MH2004PLC149276
2.	Registration Date	27 th October, 2004
3.	Name of the Company	Raymond Luxury Cottons Limited
4.	Category/Sub-category of the Company	Public Limited Company / Indian Non-Government Company
5.	Address of the Registered office & contact details	New Hind House, N.M. Marg, Ballard Estate, Fort, Mumbai – 400 001. Contact No. 022 6152 7000
6.	Whether listed company	Yes / No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot No 31-32, Gachibowli Financial District, Hyderabad- 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Cotton fabric	13121	87%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ associate	% of shares Held	Applicable section
1	Raymond Limited Plot No. 156/H. No.2, Village Zadgaon, Ratnagiri 415 612	L17117MH1925PLC001208	Holding Company	75.69%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Share-holders	No. of Shares held at the beginning of the year[As on April 1, 2019]				No. of Shares held at the end of the year[As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.		127680000	127680000	75.69		127680000	127680000	75.69	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-		127680000	127680000	75.69		127680000	127680000	75.69	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A) (2)	-	127680000	127680000	75.69	-	127680000	127680000	75.69	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	41000000	41000000	24.31	-	41000000	41000000	24.31	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – DR	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	41000000	41000000	24.31	-	41000000	41000000	24.31	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	41000000	41000000	24.31	-	41000000	41000000	24.31	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	168680000	168680000	100	-	168680000	168680000	100	

ii) Shareholding of Promoters

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Raymond Limited and its nominees	127680000	75.69	NIL	127680000	75.69	NIL	-
	Total	127680000	75.69	NIL	127680000	75.69	NIL	-

iii) Change In Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Raymond Limited and its nominees				
	At the beginning of the year	127680000	75.69	127680000	75.69
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	127680000	75.69	127680000	75.69

iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Cotonifico Honegger SpA				
	At the beginning of the year	41000000	24.31	41000000	24.31
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	41000000	24.31	41000000	24.31

v) **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

SN.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	None of the Directors and KMP's hold shares in the Company			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

vi) **INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.**

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	27,495.91	30.64	-	27,526.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	150.55	-	-	150.55
Total (i+ii+iii)	27,646.46	30.64	-	27,677.10
Change in Indebtedness during the financial year				
* Addition	2,069.39	536.90	-	2,606.29
* Reduction	4,929.14	567.53	-	5,496.68
Net Change	(2,859.75)	(30.64)	-	(2,890.39)
Indebtedness at the end of the financial year				
i) Principal Amount	24,678.21	-	-	24,678.21
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	108.50	-	-	108.50
Total (i+ii+iii)	24,786.71	-	-	24,786.71

Note: CC represents cash credit / overdraft from various banks. We have only considered the opening and closing balances as per books as these are utilized / repaid on a daily basis.

vii) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors and /or Manager:

(Amount in ₹ Lakh)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Shri Harish Chatterjee*	-
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...	-	-
5	Others, please specify	-	-
	Total (A)	-	-
	Ceiling as per the Act	-	-

* Shri Harish Chatterjee did not receive any remuneration from the Company during the financial year 2019-20

B. Remuneration to other Directors

(Amount in ₹)

SN.	Particulars of Remuneration	Name of Directors			Total
		Shri R.A. Prabhudesai	Shri R. Narayanan	Smt. Rashmi Mundada	
1	Independent Directors				
	Fee for attending board committee meetings	2,00,000	3,00,000	3,50,000	8,50,000
	Commission				
	Others, please specify				
	Total (1)	2,00,000	3,00,000	3,50,000	8,50,000
2	Other Non-Executive Directors*				
	Fee for attending board committee meetings	-	-		
	Commission	-	-		
	Others, please specify	-	-		
	Total (2)	-	-		
	Total Managerial Remuneration (B)=(1+2)	2,00,000	3,00,000	3,50,000	8,50,000
	Overall Ceiling as per the Act		-		-

*Other Non – Executive Directors of the company did not receive any remuneration for the FY 2019-20.

C. Remuneration to Key Managerial Personnel Other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel (Amount in ₹)			
		CFO		CS	Total
		Shri Bibekananda Pradhan <i>(Resigned as CFO w.e.f. July 9, 2019)</i>	Shri Srinivasa Vajha * <i>(Appointed as CFO w.e.f. October 23, 2019)</i>	Shri Tabish Siddiqui *	
	Gross salary				
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,76,000	-	-	14,76,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	14,76,000	-	-	14,76,000

* did not receive any remuneration from the Company during the financial year 2019-20

viii) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

INDEPENDENT AUDITOR’S REPORT

To the Members of Raymond Luxury Cottons Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raymond Luxury Cottons Limited (“the Company”), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit (Including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI’s Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note no.43, to the financial statements, which explains the uncertainties and the management’s assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Further, our attendance at the physical inventory done by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end.

Our opinion is not modified in this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its managerial personnel during the year and accordingly reporting in accordance with the requirements of section 197(16) of the Act is not required.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note no. 31 to the financial statements;
 - b. The company has no long term contracts including derivative contracts outstanding as on March 31, 2020,
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No.103418

UDIN: 20103418AAAADB9149

Place: Mumbai

Date: June 24, 2020

Annexure A to Independent Auditor's Report – March 31, 2020

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of Raymond Luxury Cottons Limited ('the Company') on the financial statements for the year ended March 31, 2020, we report the following:

- i. a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a regular programme of physical verification of fixed assets to cover all the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the programme of physical verification, a portion of the fixed assets has been physically verified during the year and no material discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and based on examination of records of the Company, the title deeds of immovable properties are held in name of the Company.
- ii. According to information and explanation given to us, the inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records and have been dealt with in books of accounts. Further, our attendance at the physical inventory done by the management was impracticable under the current lockdown restrictions imposed by the government and we have therefore, relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end. In one of the location, the inventory verification is supported by a firm of Chartered Accountants to obtain comfort over the existence and condition of inventories as at March 31, 2020. (Refer Note no. 43 to the financial statement)
- iii. According to information and explanation given to us, during the year the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.
- iv. According to information and explanation given to us, during the year the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act and the Company has not made investment hence, provision of Section 186 of the Act is not applicable to the Company. Accordingly paragraph 3(iv) of the order is not applicable to the Company.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from public and hence the directives issued by Reserve Bank of India and relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under shall not apply. Accordingly, Paragraph 3(v) of the Order is not applicable to the Company.

- vi. According to the information and explanation given to us, We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of manufacturing activities and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Cess, and other material statutory dues applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Entry Tax (VAT), Income Tax, Wealth Tax, and Cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Sales Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, and Cess which have not been deposited on account of dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted/delayed in repayment of loans or borrowings to financial institutions, banks and Government as at March 31, 2020.

Further, The Company has opted for moratorium of 3 months as per Guidelines issued by Reserve Bank of India (RBI) vide its notification no. RBI/2019-20/186/DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on COVID-19-Regulator Package from the actual due date for instalments falling between March 1, 2020 to May 31, 2020, and further extending the period of moratorium up to six months vide letter dated May 22,2020 , in the wake of extended lockdown ; thus all the instalments and interest falling due from March 1,2020 to August 31,2020, can be rescheduled for further six months and the tenor of such loans may be shifted accordingly.

For Interest and Instalment payments on working capital and term loan facility from banks falling due from March 01 2020 to May 31, 2020, has been applied up to August 31, 2020.

Interest and Instalment not paid as on March 31, 2020 under moratorium scheme given below:

Facility	Bank Name	Principal		Interest	
		Amount	Due Date	Amount	Due Date
CC	State Bank of India			9.74 Lakhs	31.03.2020
CC	Bank of Maharashtra			5.94 Lakhs	31.03.2020
WC DL	State Bank of India			8.41 Lakhs	31.03.2020
Term Loan	State Bank of India	100 Lakhs	31.03.2020	2.7 Lakhs	31.03.2020
Term Loan	IDBI			13.53 Lakhs	31.03.2020

- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer during the year under audit. The Company has raised money through term loans (debt instruments) and they were applied for the purpose for which they have been raised.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided for managerial remuneration during the year. According, Paragraph 3(xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company, Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, all the transactions with the related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No.103418

UDIN: 20103418AAAADB9149

Place: Mumbai

Date: June 24, 2020

Annexure B to Independent Auditor's Report – March 31, 2020 on the Financial Statements of Raymond Luxury Cottons Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Raymond Luxury Cottons Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No.103418

UDIN: 20103418AAAADB9149

Place: Mumbai

Date: June 24, 2020

Raymond Luxury Cottons Limited
Balance sheet
(Rs. in Lakhs)

	Note	As at 31st March 2020	As at 31st March 2019
I ASSETS			
1 Non-current Assets			
a) Property, Plant and Equipment	2	41,603.36	44,621.03
b) Capital work-in-progress	2	391.04	193.13
c) Right-of-Use Assets	2.1	270.06	-
d) Intangible assets	3	4.64	10.36
e) Financial Assets			
(i) Others financial assets	4	54.13	51.14
f) Assets for Income Tax (Net)	5	322.45	109.85
g) Other non-current assets	6	3,154.56	3,475.74
2 Current assets			
a) Inventories	7	12,033.67	8,536.42
b) Financial Assets			
(i) Trade receivables	8	14,097.62	15,190.06
(ii) Cash and cash equivalents	9	12.78	0.81
(iii) Bank Balances other than Cash and cash equivalents	10	942.82	884.11
(iv) Loans	11	2.17	2.23
(v) Others financial asset	12	976.05	968.62
c) Other current assets	13	388.67	357.91
TOTAL ASSETS		74,254.02	74,401.41
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	14	16,868.00	16,868.00
b) Other equity	15	12,521.04	11,163.71
Liabilities			
2 Non-current liabilities			
a) Financial Liabilities			
(i) Borrowings	16	9,473.28	14,191.48
(ii) Other financial liabilities	17	318.82	284.22
b) Deferred Tax liabilities (Net)	5	1,208.28	901.40
d) Other non - current liabilities	18	2,485.56	3,131.60
3 Current liabilities			
a) Financial Liabilities			
(i) Borrowings	19	10,375.79	8,405.91
(ii) Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		204.34	193.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		13,724.67	12,024.34
(iii) Other financial liabilities	21	5,938.51	6,272.55
b) Provisions	22	530.36	374.93
c) Other current liabilities	23	605.37	589.85
TOTAL EQUITY AND LIABILITIES		74,254.02	74,401.41
Significant Accounting Policies	1		
The accompanying notes are an integral part of these financial statements.			

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

 Lalit R. Mhalsekar
 Partner
 Membership Number: 103418
 Mumbai, 24 June, 2020

For and on Behalf of Board of Directors

Sd/-

 Harishkumar Chatterjee
 Director
 DIN: 03560685

Sd/-

 Srinivasa Bharadwaja Vajha
 Chief Financial Officer
 Mumbai, 24 June, 2020

Sd/-

 Sanjay Bahl
 Director
 DIN: 00332153

Sd/-

 Tabish Siddiqui
 Company Secretary

Raymond Luxury Cottons Limited
Statement of Profit and Loss

(Rs. in Lakhs)

	Note	Year ended 31st March 2020	Year ended 31st March 2019
I INCOME			
Revenue from Operations	24	62,182.33	64,813.36
Other Income	25	520.53	805.50
Total Income		62,702.86	65,618.86
II EXPENSES			
Cost of materials consumed	26	27,475.05	27,378.86
Changes in inventories of finished goods and work-in progress	27	(737.72)	456.82
Employee benefits expense	28	6,893.94	5,914.23
Finance costs	29	2,474.57	2,330.20
Depreciation and amortization expense	30	4,010.48	4,116.81
<u>Other expenses</u>	31		
i) Manufacturing and Operating Costs	31 A	16,418.12	19,625.25
ii) Other expenses	31 B	4,046.33	3,246.23
Total expenses		60,580.77	63,068.40
III Profit before exceptional items and tax (I-II)		2,122.09	2,550.46
IV Profit before tax		2,122.09	2,550.46
V Tax expense	5		
Current tax		373.26	552.47
Tax Pertaining to earlier years			173.00
MAT Credit availed/Receivable		(373.26)	(552.47)
Deferred tax charge		709.71	916.34
VI Profit/(Loss) for the period (IV - V)		1,412.37	1,461.12
VII Other Comprehensive Income			
(i) Items that will not be reclassified to profit or loss			
Remeasurements Gain/(Loss) of net defined benefit plans	35	(84.60)	(38.71)
(ii) Income tax (Charge)/Crediton (i) above		29.56	13.53
Other Comprehensive Income for the quarter/year (i-ii)		(55.04)	(25.18)
VIII Total Comprehensive Income for the year (VI + VII)		1,357.33	1,435.94
IX Earnings per equity share of Rs. 10 each (in Rs.):			
Basic	44	0.84	0.87
Diluted		0.84	0.87
Nominal Value per share (in Rs.)		10.00	10.00

The accompanying notes are an integral part of these financial statements

As per our Report of even date

For and on Behalf of Board of Directors

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Sd/-

Harishkumar Chatterjee
Director
DIN: 03560685

Sanjay Bahl
Director
DIN: 00332153

Sd/-

Lalit R. Mhalsekar
Partner
Membership Number: 103418
Mumbai, 24 June, 2020

Sd/-

Srinivasa Bharadwaja Vajha
Chief Financial Officer
Mumbai, 24 June, 2020

Sd/-

Tabish Siddiqui
Company Secretary

Raymond Luxury Cottons Limited
Statement of Cash flow

(Rs. in Lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	2,122.09	2,550.46
Adjustments for:		
Depreciation and amortisation expenses	4,010.48	4,116.81
Loss/(gain) on sale of fixed assets	0.11	2.95
Interest income	(65.21)	(43.70)
Unrealised exchange (loss)/Gain	(329.18)	214.77
Finance Costs	2,474.57	2,330.20
Deferred Income on Government Grant	(352.97)	(438.44)
Remeasurements Gain/(Loss) of net defined benefit plans	(84.60)	(38.71)
Operating profit before working capital changes	7,775.29	8,694.34
Adjustments for:		
Decrease/(Increase) in Trade and Other Receivables	769.42	(2,943.39)
Decrease/(Increase) in Inventories	(3,497.25)	234.52
(Decrease)/Increase in Liabilities and Provision	2,224.53	(42.76)
Cash generated from operations	7,271.99	5,942.71
Taxes paid (net of refunds)	(585.86)	(654.38)
Net cash generated from operating activities - [A]	6,686.13	5,288.33
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment/ intangible assets/CWIP	(1,314.02)	(915.23)
Sale proceeds of property, plant and equipment	-	(0.01)
Purchase/sale of current investments (Net)	-	-
Interest received	65.21	43.70
Net cash used in investing activities - [B]	(1,248.81)	(871.54)
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of borrowings	(4,818.22)	(4,557.52)
Proceeds from borrowings	-	1,137.36
Short Term borrowings availed / Repaid - (net)	1,969.88	1,666.65
Interest Paid	(2,518.30)	(2,012.39)
Net cash generated from financing activities - [C]	(5,366.64)	(3,765.90)
Net increase/(decrease) in cash and cash equivalents - [A+B+C]	70.68	650.89
Add: Cash and cash equivalents at the beginning of the year (Refer note no 9)	884.92	234.03
Cash and cash equivalents at the end of the year (Refer note no 9)	955.60	884.92
The accompanying notes are an integral part of these financial statements		

Note

1 The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows' referred to in section of 133 of Companies Act, 2013.

2 Changes in Liabilities arising from Financing Activities

Particulars	Opening Balance	Non Cash/ Accruals/ Fair value Changes	Cash Flows - Repayments	Closing Balance
For the year ended March 31, 2020				
Long term borrowings	14,191.48	100.02	(4,818.22)	9,473.28
Interest on accrued on long term borrowings	114.07	1,632.10	(1,653.65)	92.52
For the year ended March 31, 2019				
Long term borrowings	18,153.24	425.22	(4,386.98)	14,191.48
Interest on accrued on long term borrowings	133.52	1,678.54	(1,697.99)	114.07

As per our Report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number: 101720W/ W100355

For and on Behalf of Board of Directors

Sd/-
Harishkumar Chatterjee
Director
DIN: 03560685

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Sd/-
Srinivasa Bharadwaja Vajha
Chief Financial Officer
Mumbai, 24 June, 2020

Sd/-
Tabish Siddiqui
Company Secretary

Raymond Luxury Cottons Limited
Notes to the Financial Statements

BACKGROUND

Raymond Luxury Cottons Limited ('the Company') (CIN: U17120MH2004PLC149276), incorporated in Mumbai, Maharashtra, India, carries on business of textiles. The Company is involved in manufacturing of Linen Yarn, Cotton and Linen fabric. The Company is a subsidiary of Raymond Limited.

Note 1 :- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1) BASIS OF PREPARATION

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('the Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

The accounting policies have been consistently applied except, where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard requires a change in accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following :

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value.

(iii) Current non-current classification

All assets and liabilities have been classified as current or non current as per the company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Ind AS 116 Leases :

The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- (a) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

(b) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or Entity of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, plant and equipment

Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

All items of property, plant and equipments are stated at cost of acquisition, less accumulated depreciation and impairments, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Expenses incurred relating to project, prior to commencement of commercial operations are considered as project development expenditure and shown under Capital Work In Progress.

(b) Depreciation and amortisation

(i) Depreciation on Factory Buildings and Plant and Machinery is provided on a Straight Line Method and in case of other assets on Written Down Value Method, over the estimated useful life of assets. Based on an independent technical evaluation, the useful life of Plant and Machinery was estimated as 24 years (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The useful life of factory building has been taken as 19 years and 20 years based on the management estimate for the additions made during the year which is different from that prescribed in Schedule II of the Act.

(ii) Cost of Leasehold Land is amortized over the period of lease.

(iii) Depreciation on additions to assets or on sale/discardment of assets, is calculated pro rata from the month of such addition or up to the month of such sale/ discardment, as the case may be.

(iv) The residual values are not more than 5% of the original cost of the asset. The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(v) Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss.

(c) Intangible assets

i) Computer Software

Computer software are stated at cost of acquisition, less accumulated amortization and impairments, if any.

ii) Amortisation methods and useful life

The Company amortises computer software using the straight-line method over the period of 3 years. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss.

(d) Lease

Company as a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

(e) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, bank overdraft, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

(f) Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

(g) Inventories

Raw materials, packing materials, finished goods, work in progress, stores and spares are stated at the lower of cost and net realisable value. Cost of raw materials comprises cost of purchases. Cost of work-in progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Cost is ascertained based on the continuous moving weighted average basis. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company. Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale.

(h) Investments and other financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- 1) those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- 2) those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit or Loss are expensed in the Statement of Profit and Loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following categories:

- a) Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

- b) Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses) Interest income from these financial assets is included in other income using the effective interest rate method.

- c) **Fair value through statement of profit or loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through Statement of Profit or Loss. Interest income from these financial assets is included in other income.

Equity Instruments

The Company measures its investment in subsidiary at cost less impairment if any. The Company subsequently measures all equity investments other than above at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(i) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the company or the counterparty.

(j) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For assessing impairment, assets are Entityed at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Entitys of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Derivative financial instruments

Derivative financial instruments, such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks and interest rate risks. Such derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the statement of profit and loss, in the period when they arise.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(m) Borrowing

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable some or all of the facility would be drawn down the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash transferred or liabilities assumed, is recognized in the Statement of Profit and Loss.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the term investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred.

(n) Provisions and Contingent Liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognize a contingent asset unless the recovery is virtually certain.

(o) Financial Liabilities

(i) Financial Liabilities initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(p) Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services. As per IND AS 115 - Revenue from Contracts with Customers, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and Control of goods or services transferred over a time.

Sale of goods

In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading.

Sales Return

The company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Other operating revenue - Export incentives

Export Incentives under various schemes are accounted in the year of export.

Interest income :

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends :

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

(q) Government Grant

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions

Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and are deducted from the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities/current liabilities as deferred income and are credited to the Statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(r) Employees benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave that are not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the Government Securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

iii) Post-employment obligations

(a) defined benefit plans such as gratuity

(b) defined contribution plans such as provident fund

Gratuity

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of profit or loss as past service cost.

Provident Fund

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(s) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss. Foreign currency monetary assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(t) Income Tax

- i) The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.
- ii) Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.
- iii) Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.
- iv) Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.
- v) Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(u) Earnings Per Share

i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- 1) the profit attributable to owners of the company
- 2) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 1) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- 2) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

(v) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors assesses the financial performance and position of the company, and makes strategic decisions.

(x) Use of Estimates and Judgement

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

3) CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

1) Useful life of Property, Plant and Equipment including intangible assets: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2) Taxes : The Entity provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any.

3) Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the

post-employment benefit obligation. The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4) Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

5) Estimate with respect to uncertainties related to Covid 19.(Refer Note 44)

Note: 2 - Property, Plant and Equipment

	Lease Hold Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total	Capital Work in progress
Gross Carrying Amount								
Balance as at 31st March 2018	252.47	4,717.71	23,691.28	178.17	8.33	23.23	28,871.19	23,955.04
Additions	-	7,113.47	19,505.17	184.10	-	31.02	26,833.76	3,071.84
Disposals			28.37				28.37	26,833.76
Balance as at 31st March 2019	252.47	11,831.18	43,168.08	362.27	8.33	54.25	55,676.58	193.12
Additions			944.03	20.03		10.10	974.16	1,185.14
Disposals			0.30				0.30	974.16
Reclassification		(105.55)	105.55					
Balance as at 31st March 2020	252.47	11,725.63	44,217.35	382.30	8.33	64.35	56,650.44	404.10

	Lease Hold Land	Buildings	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total	Capital Work in progress
Accumulated Depreciation								
Balance as at 31st March 2018	8.31	468.25	6,355.32	121.57	5.52	11.26	6,970.23	
Charge for the year	2.77	517.65	3,514.15	58.28	0.73	17.17	4,110.74	
Disposals			25.43				25.43	
Balance as at 31st March 2019	11.08	985.90	9,844.04	179.85	6.25	28.43	11,055.55	
Charge for the year	2.77	502.63	3,422.17	50.15	0.53	13.47	3,991.72	
Disposals			0.20				0.20	
Balance as at 31st March 2020	13.85	1,488.53	13,266.01	230.00	6.78	41.90	15,047.07	
Net Carrying Amount								
Balance as at 31st March, 2018	244.16	4,249.46	17,335.96	56.60	2.81	11.97	21,900.96	23,955.04
Balance as at 31st March, 2019	241.39	10,845.28	33,324.05	182.42	2.08	25.83	44,621.03	193.12
Balance as at 31st March 2020	238.62	10,237.10	30,951.34	152.30	1.55	22.45	41,603.36	391.04

The lease term in respect of asset acquired under finance lease expires after a period of 95 years. As per agreement, the lessee shall grant the lessee a new lease of the demised premises for a further term of 95 years. The option lapses if the lessee do not comply with the covenants and conditions as mentioned in the lease agreement. Other than Land there are two more assets taken on Lease which have 5 years lease term, which are included in above Lease assets as per Ind AS 116.

Assets pledged as security against borrowing refer note no 34

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 2.1 - Right-of-Use Assets

(Rs. in lakhs)

	Building	Total
Gross Carrying Amount		
Balance as at 1st April 2019	-	-
Transition on account of adoption of Ind AS 116*	282.93	282.93
Additions	-	-
Disposals	-	-
Balance as at 31st March 2020	282.93	282.93

Accumulated Depreciation		
Balance as at 1st April 2019	-	-
Charge for the year	12.87	12.87
Disposals	-	-
Balance as at 31st March 2020	12.87	12.87
Net Carrying Amount		
Balance as at 31st March 2020	270.06	-
Balance as at 1st April 2019	-	-

* Leasehold Building is reclassified on account of adoption of Ind AS 116

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 3 - Intangible Assets

(Rs. in lakhs)

	Software	Total
Gross Carrying Amount		
Balance as at 31st March 2018	14.85	14.85
Additions	10.80	10.80
Disposals	-	-
Balance as at 31st March 2019	25.65	25.65
Additions	0.17	0.17
Disposals	-	-
Balance as at 31st March 2020	25.82	25.82

Accumulated Depreciation		
Balance as at 31st March 2018	9.23	9.23
Charge for the year	6.06	6.06
Disposals	-	-
Balance as at 31st March 2019	15.29	15.29
Charge for the year	5.89	5.89
Disposals	-	-
Balance as at 31st March 2020	21.18	21.18
Net Carrying Amount		
Balance as at 31st March 2020	4.64	4.64
Balance as at 31st March 2019	10.36	10.36
Balance as at 31st March, 2018	5.62	5.62

other than Internally generated.

Balance useful life of the assets is 2 years for additions made during year and 1 year for additions made during FY 2018-19

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 4 - Other financial assets
(Unsecured and considered good, unless otherwise stated)

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Security Deposits	54.13	51.14
Total	54.13	51.14

Note: 5(a): Income Tax

Tax expense recognised in the Statement of Profit and Loss

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Current tax		
Current year	373.26	552.47
MAT credit entitlement	(373.26)	(552.47)
Total	-	-

Deferred tax

Origination and reversal of temporary difference

709.71 916.34

Total deferred income tax expense/(credit)

709.71 916.34

Income tax expense/(credit) for current year

709.71 916.34

Income tax expense for earlier years

- 173.00

Total income tax expense/(credit)

709.71 1,089.34

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Reconciliation of effective tax rate		
Profit before tax	2,122.09	2,550.46
Enacted income tax rate in India (%)	34.94	34.94
Income Tax expense as per enacted rate	741.54	891.23
Current Tax pertaining to earlier years		
Tax pertaining to Previous years		
Tax effect of adjustment to reconcile income tax expenses as per enacted rate with reported income tax expenses		
Differences due to:		
Expenses not deductible for tax purposes	15.75	27.59
Others Specified as below:		
Investment allowance		
Tax pertaining to earlier years		
Other items	(47.62)	(2.49)
Income tax expense/(credit) for current year	709.67	916.34
Effective tax rate (%)	33.44%	35.93%

Consequent to reconciliation items shown above, the effective tax rate is 33.51% (2018-19: 35.93%)

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 5(b): Income Tax

The movement in deferred tax assets and liabilities for the year ended 31st March 2020:

Particulars	(Rs. in lakhs)		
	As at 31st March 2019	Credit/(charge) in statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income
Deferred tax assets/(liabilities)			As at 31st March 2020
Provision for post retirement benefits and other employee benefits	131.02	54.32	185.34
Provision for doubtful debts and advances	392.17	(0.00)	392.16
Expenses allowable for tax purposes when paid	154.74	(50.06)	104.68
Depreciation	(3,543.90)	(219.92)	(3,763.82)
Other temporary differences(Unabsorbed Losses)	834.02	(501.26)	332.76
Transaction cost for Borrowings	(12.40)	4.33	(8.07)
Interest cost on lease liability		10.36	10.36
Lease rent paid/payable		(11.97)	(11.97)
Depreciation on right to use asset		4.50	4.50
MAT credit receivable	1,133.68	373.26	1,506.94
Remeasurements of net defined benefit plans	9.28		38.85
Total	(901.39)	(336.44)	(1,208.28)

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 6 - Other non-current assets

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Capital advances (Refer note 32(a))	29.72	76.05
Prepaid Rent - Leasehold Land	-	253.21
Balance with government authorities	3,124.84	3,146.48
Total	3,154.56	3,475.74

Note: 7 - Inventories

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Raw Materials	3,157.80	2,476.86
Raw Materials - In Transit	1,580.65	
Work-in-progress	3,425.49	3,194.00
Finished goods	2,813.16	2,276.10
Finished goods- In Transit	-	30.83
Stock-in-trade		
Stock-in-trade - In Transit		
Stores and Spares	985.52	531.92
Stores and Spares - In Transit	71.05	26.71
Total	12,033.67	8,536.42

Write down of Inventories to NRV amounted to Rs. 522.44 Lakhs (31st March 2019 Rs.488.86 Lakhs);. These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

Note: 8 - Trade receivables

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Unsecured, considered good		
Related parties (Refer Note- 36)	8,980.46	9,455.84
Other parties	5,117.16	5,734.22
Considered doubtful		
Related parties (Refer Note- 36)	1,122.24	1,122.24
Less: Allowance for bad and doubtful debts	(1,122.24)	(1,122.24)
Total	14,097.62	15,190.06

The provision for doubtful debt pertains to amount recoverable from erstwhile JV partner Cottonificio Honegger S.p.a (CH) (Refer Note 39). Since CH is one off party among the debtors, no disclosure on expected credit loss has been given.

The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain trade receivable. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

The movement in Allowance for bad and doubtful debts is as follows:

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Balance as at beginning of the year	1,122.24	1,122.24
Balance as at the end of the year	1,122.24	1,122.24

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 9 - Cash and cash equivalents

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Balances with Banks in current accounts	12.68	0.71
Cash on hand	0.10	0.10
Total	12.78	0.81

Note: 10 - Bank Balances other than Cash and cash equivalents

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Balances head as Margin money deposits	942.82	884.11
Total	942.82	884.11

Note: 11 - Loans

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Loans to employees	2.17	2.23
	2.17	2.23

Note: 12 - Other Financial Assets

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Considered good		
Other assets	26.78	15.39
Export benefits receivables	4.40	10.02
Interest Subsidy Receivable	944.87	943.21
Total	976.05	968.62

Note: 13 - Other Current Assets

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Advances to Suppliers	89.17	171.32
Balance with government authorities	70.23	62.76
Prepaid expenses	121.16	37.82
Prepaid Rent - Leasehold Land	-	10.03
Other advances	59.94	7.48
Export benefits receivables	48.17	68.50
Total	388.67	357.91

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 14 - Share capital

	As at 31st March 2020	As at 31st March 2019
Authorised 210,000,000 (31st March, 2018: 210,000,000) Equity Shares of Rs. 10 each	21,000.00	21,000.00
Issued 207,000,000 (31st March, 2018: 207,000,000) Equity shares of Rs. 10 each	20,700.00	20,700.00
Subscribed and fully paid up 168,680,000 (31st March, 2018: 168,680,000) Equity Shares of Rs. 10 each	16,868.00	16,868.00
	16,868.00	16,868.00

a) Reconciliation of number of shares

	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount (Rs. in lakhs)	Number of shares	Amount (Rs. in lakhs)
Equity Shares :				
Balance as at the beginning of the year	16,86,80,000	16,868.00	16,86,80,000	16,868.00
Add: Shares issued during the year*	-	-	-	-
Balance as at the end of the year	16,86,80,000	16,868.00	16,86,80,000	16,868.00

*To the extent subscribed for.

(b) The Company has only one class of equity share having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Raymond Limited*	12,76,80,000	75.69%	12,76,80,000	75.69%
Cottonificio Honegger S.P.A	4,10,00,000	24.31%	4,10,00,000	24.31%

* including equity shares jointly held with nominee shareholders

Raymond Luxury Cottons Limited
Notes to the Financial Statements

15. Other equity

	(Rs. in Lakhs)
	Reserves and Surplus
Retained Earnings	
Balance as at 31st March 2018	9,727.76
Profit for the year	1,461.12
Other Comprehensive Income for the year	(25.18)
Total Comprehensive Income for the year	1,435.94
Balance as at 31st March 2019	11,163.70
Profit for the year	1,412.37
Other Comprehensive Income for the year	(55.04)
Total Comprehensive Income for the year	1,357.33
Balance as at March 2020	12,521.03

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 16 - Non-current liabilities Borrowings

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
<u>Secured</u>		
Term loans from banks (Refer note 34)	9,473.28	14,191.48
Total	9,473.28	14,191.48

Nature of Security and terms of repayment for Long Term

The Company has opted for moratorium of 3 months as per Guidelines issued by Reserve Bank of India (RBI) vide its notification no. RBI/2019-20/186/DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 on COVID-19-Regulator Package from the actual due date for installments falling between March 1, 2020 to May 31, 2020., and further extending the period of moratorium upto six months vide letter dated May 22,2020 , in the wake of extended lockdown ; thus all the instalments and interest falling due from March 1,2020 to August 31,2020, can be rescheduled for further six months and the tenor of such loans may be shifted accordingly.

Facility	Bank Name	Principal		Interest	
		Amount	Due Date	Amount	Due Date
CC	State Bank of India			9.74 Lakhs	31.03.2020
CC	Bank of Maharashtra			5.94 Lakhs	31.03.2020
WC DL	State Bank of India			8.41 Lakhs	31.03.2020
Term Loan	State Bank of India	100 Lakhs	31.03.2020	2.7 Lakhs	31.03.2020
Term Loan	IDBI			13.53 Lakhs	31.03.2020

Further the Company have received the refund of installment of Term loan and interest on term loan and working capital loan in April & May '20 , from ICICI & HDFC bank which was duly paid in the month of March. Details of refund are given below:

Facility	Bank Name	Principal		Interest	
		Amount	Due Date	Amount	Due Date
CC	ICICI			2.34 Lakhs	31.03.2020
WC DL	HDFC			26.06 Lakhs	01.03.2020
Term Loan	HDFC	572.65 Lakhs	31.03.2020	71.73 Lakhs	01.03.2020
Term Loan	ICICI			24.03 Lakhs	31.03.2020

AS on March 31, 2020 the balance outstanding of the term loan of HDFC bank is reduced by the installment paid on March 31, 2020 and interest reversed is also disclosed as paid, since we received the balance confirmation from respective bank for balance as on March 31, 2020. Accordingly the said reversal subsequent to March 31, 2020 is not adjusted in the Financial statement .

Nature of Security and balance outstanding

Terms of Repayment**

i) Term loan under TUFS of Rs. 300 Lakhs (31st March 2019: Rs.600 Lakhs) is secured by all immovable property of the borrower located at Plot No. T-1 & T-1 Part, admeasuring 221525 Sq. Meters or thereabout, in the Kagal - Hatkanangale Five Star Industrial Area, Kasba: Sangaon	Repayable in 20 quarterly installments of Rs. 100.00 Lakhs each commencing from 31th December, 2015 and last installment due on 30 Sept, 2020. Rate of interest as at year end 10.6% per annum* (31st March 2019: 10.35% p.a)*.
ii) Term loan under TUFS of Rs. 990.31 Lakhs (31st March 2019: Rs.1,4850 Lakhs) is secured by all immovable property of the borrower located at Plot No. T-1 & T-1 Part, admeasuring 221525 Sq. Meters or thereabout, in the Kagal - Hatkanangale Five Star Industrial Area, Kasba: Sangaon	Repayable in 20 quarterly installments of Rs. 165 Lakhs each commencing from 16th October, 2016 and last installment due on 16th December, 2021. Floating rate of interest as at year end 10.25% per annum* (31st March 2019: 10.45% p.a)*.
iii) Term loan under TUFS of Rs. 1040 Lakhs (31st March 2019: Rs. 1,560 Lakhs) is secured by all immovable property of the borrower located at Plot No. T-1 & T-1 Part, admeasuring 221525 Sq. Meters or thereabout, in the Kagal - Hatkanangale Five Star Industrial Area, Kasba: Sangaon	Repayable in 20 quarterly installments of Rs. 130 Lakhs each commencing from 20th May, 2017 and last installment due on 20th May, 2022. Floating rate of interest as at year end 10.25% per annum* (31st March 2019: 10.45% p.a)*.
iv) Term loan under TUFS of Rs. 1442.14 Lakhs (31st March 2019: Rs. 2,273 Lakhs) is secured by all immovable property of the borrower located at Plot No. T-1 & T-1 Part, admeasuring 221525 Sq. Meters or thereabout, in the Kagal - Hatkanangale Five Star Industrial Area, Kasba: Sangaon	Repayable in 20 quarterly installments of Rs. 206.6 Lakhs each commencing from 31 July, 2017 and last installment due on 30th April, 2022. Floating rate of interest as at year end 11.05% per annum* (31st March 2019: 10.45% p.a)*.

<p>v) Term loan under TUFs of Rs.818.07 Lakhs (31st March 2018: Rs. 696 Lakhs) is secured by all immovable property of the borrower located at Plot No. T-1 & T-1 Part, admeasuring 221525 Sq. Meters or thereabout, in the Kagal - Hatkanangale Five Star Industrial Area, Kasba: Sangaon</p>	<p>Repayable in 20 quarterly installments of Rs. 54.24 Lakhs each commencing from 23rd November, 2018 and last installment due on 22nd November, 2023. Floating rate of interest as at year end 10.25% per annum* (31st March 2019: 9.4%)*.</p>
<p>vi) Term loan under TUFs of Rs. 9,734.98 Lakhs (31st March 2019: Rs. 12025.56 Lakhs) is secured by First Pari Passu charge by way of mortgage in favour of HDFC bank over all that pieces and parcels of land bearing Plot No. T-18/1 admeasuring 1,23,750 Sq mts carved out of Plot No. 18 admeasuring 9,38,942 Sq mts in the additional Amravati (Nandgaon Peth) Industrial Area, together with all , present and future , buildings and structures erected thereon including all plant and machinery and/or equipment , furniture and fittings etc fastened thereto. (moveable and immoveable)</p>	<p>Repayable in 24 quarterly installments of Rs.528.70 Lakhs each commencing from 31st December, 2018 and last installment due on 30th July, 2024. Floating rate of interest as at year end 8.75% per annum*. (31st March 2019: 9.3%)*.</p>
<p>The amounts mentioned include installments falling due within a year aggregating to Rs. 4,829.14 Lakhs (31st March 2019: Rs.4,929.14 Lakhs) have been grouped under "Current maturities of long-term debt" [Refer Note 20]</p>	
<p>Amount of Rs. 23.08 Lakhs (31st March, 2019: Rs. 35.47 Lakhs) related to deferred expense towards processing charges is netted of against loan.</p>	
<p>* Rate of Interest is without considering interest subsidy as per Central and State Government TUF Schemes. Subsidy is not been taken into provision for March 2020.</p>	
<p>**The company has applied and availed moratorium scheme for deferment of payment of instalment as per Guidelines issued by Reserve Bank of India (RBI) vide its notification no. RBI/2019- 20/186/DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020 and yet to receive the revised schedule of payment confirmation from bank</p>	

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 17 - Other financial liabilities

		(Rs. in lakhs)	
		As at 31st March 2020	As at 31st March 2019
Lease liability		318.82	284.22
Total		318.82	284.22

Note: 18 - Other non - current liabilities

		(Rs. in lakhs)	
		As at 31st March 2020	As at 31st March 2019
Government Grants relating to assets (Refer Note 23 and 32 (b))		2,485.56	3,131.60
Total		2,485.56	3,131.60

1) Under the Government Scheme, the Company is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme. The government grant is accounted as stated in the accounting policy on Government Grant (Refer note 1). The Government Grant shown above represents unamortised amount of subsidy with the corresponding adjustment to the carrying amount of property, plant and equipment.

2) Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant (Refer Note 1r). The Government Grant shown above represents unamortised amount of the duty saved referred to above. Export obligation to be fulfilled subsequent to the reporting date, within the period allowed under the Scheme is disclosed Note 32 (b).

Note: 19 - Current Liabilities Borrowings

		(Rs. in lakhs)	
		As at 31st March 2020	As at 31st March 2019
Secured			
Working capital loans from Banks repayable on demand [Refer Note 34]*		10,375.79	8,375.27
Unsecured			
Acceptances		-	30.64
Total		10,375.79	8,405.91

* Exclusive charge by way of hypothecation on all movable plant & machinery, entire current assets, receivables and insurance proceeds both present & future located at the Borrowers manufacturing units.

Raymond Luxury Cottons Limited
Notes to the Financial Statements
Note: 20 - Trade payables

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Amounts payable to related parties [Refer Note 36]	195.65	677.84
Others (including provision for expenses)	13,529.02	11,346.49
	13,724.67	12,024.34
Total outstanding dues of micro enterprises and small enterprises	204.34	193.42
	204.34	193.42
Total	13,929.01	12,217.76

The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain trade payables. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statement on receipt of the balance confirmations post the balance sheet date.

Note: 21 - Other financial liabilities

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Current maturities of long-term debt	4,829.14	4,929.16
Interest accrued but not due on borrowings	108.50	150.55
Retention money and Security Deposits	88.00	123.35
Salary and Wages payable	859.62	1,012.16
Derivative financial instruments	-	7.57
Capital Creditors	36.98	43.43
Lease liability	5.76	2.48
Other payables	10.51	3.85
	5,938.51	6,272.55
Total	5,938.51	6,272.55

Note: 22 -Provisions

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Provision for employee benefits [Refer Note: 35]	530.36	374.93
	530.36	374.93
Total	530.36	374.93

Note: 23 - Other current liabilities

(Rs. in lakhs)

	As at 31st March 2020	As at 31st March 2019
Advances from customer	111.92	101.35
Statutory Dues	146.32	98.33
Government Grants relating to assets (Refer Note 16, 23 and 32 (b))	347.13	390.17
	605.37	589.85
Total	605.37	589.85

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 24 - Revenue from Operations

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Sale of manufactured goods - fabrics	61,755.19	64,622.68
Income from services - Job work	0.36	3.12
Other operating revenue		
- Export incentives	79.71	146.45
- Sale of process waste	347.07	324.70
Less: Transferred to Project Development Expenditure (Refer Note 2a)	-	283.59
Total	62,182.33	64,813.36

Note: 25 - Other Income

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Interest income	65.21	105.91
Deferred Income on Government Grant (Refer Note 16 and 21)*	352.97	438.44
Other non-operating income	102.35	262.79
	520.53	807.14
Less: Transferred to Project Development Expenditure (Refer Note 2a)	-	(1.64)
Total	520.53	805.50
* Government grants are related to investments made by the company in		

Note: 26 - Cost of Raw Materials Consumed

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Opening Stock	2,476.86	2,283.15
Add: Purchases	28,155.99	26,980.60
Less : Closing Stock	3,157.80	2,476.86
	27,475.05	26,786.89
Less: Transferred to Project Development Expenditure (Refer Note 2a)		591.97
Total	27,475.05	27,378.86
Total	27,475.05	26,786.89

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 27 - Changes in Inventories of Finished goods and Work-in-progress

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Opening inventories		
Finished goods	2,306.93	2,481.52
Work-in-progress	3,194.00	3,476.23
Closing inventories		
Finished goods	2,813.16	2,306.93
Work-in-progress	3,425.49	3,194.00
Less: Transferred to Project Development Expenditure (Refer Note 2a)		-
Total	(737.72)	456.82

Note: 28 - Employee Benefits Expense

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Salaries, wages, etc. (including managerial remuneration)	6,167.03	5,396.59
Contribution to provident funds and other funds	273.69	168.93
Gratuity (Refer Note 35)	80.38	66.67
Staff welfare expenses	372.84	361.31
	6,893.94	5,993.50
Less: Transferred to Project Development Expenditure (Refer Note 2a)	-	(79.27)
Total	6,893.94	5,914.23

Note: 29 - Finance Costs

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Interest on Term Loans *	1,632.10	1,678.54
Interest on bank overdraft/ short term borrowings	800.43	752.28
Interest on lease liability	29.66	-
Other borrowing costs (amortisation of Processing fees)	12.38	13.23
	2,474.57	2,444.05
Less: Transferred to Project Development Expenditure (Refer Note 2a)	-	(113.85)
Total	2,474.57	2,330.20

a) The amount of borrowing costs capitalised during the year is NIL (31st March 2019: 113.85 lakhs)

b) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is NIL (31st March 2019: 9.3%) applicable to the Company's specific borrowings during the year.

* Net of Interest subsidy under TUF scheme of NIL (31st March 2019: Rs. 396.81 lakhs)

Raymond Luxury Cottons Limited
Notes to the Financial Statements
Note: 30 - Depreciation and Amortization Expense

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation on Property, Plant and Equipment	3,991.72	4,110.75
Depreciation on Right to use assets	12.87	-
Amortisation on Intangible assets	5.89	6.06
Total	4,010.48	4,116.81

Note: 31 - Other expense

31A) Manufacturing and Operating Costs

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Consumption of stores and spare parts	6,118.30	7,445.89
Power, water and fuel	3,592.96	4,821.89
Job work charges	4,873.27	5,057.50
Repairs to buildings	520.00	705.64
Repairs to machinery	1,068.49	1,114.96
Other Manufacturing and Operating expenses	245.10	689.03
	16,418.12	19,834.91
Less: Transferred to Project Development Expenditure (Refer Note 2a)	-	(209.66)
Total	16,418.12	19,625.25

31B) Other Expenses

(Rs. in lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Rent	21.72	34.71
Insurance	272.32	42.46
Repairs & Maintenance Others	15.78	45.32
Rates and Taxes	39.40	27.20
Commission to selling agents	211.93	431.64
Freight, Octroi, etc	202.88	193.49
Legal and Professional Expenses	691.25	584.54
Director Fees	8.50	8.50
Expenditure towards Corporate Social Responsibilities [Refer Note (b) below]	49.00	57.00
Donations	3.00	-
Corporate Facility Charges	656.16	536.00
Provision for doubtful debts	37.53	-
Assets/Receivable/advances - Write off	101.11	-
Travelling and Conveyance	372.03	285.35
Outsourced Support Services/Salary outsourced		
IT outsourced Support Services	178.81	102.55
Electricity stores, offices and other	-	-
Security Charges	-	-
Net Loss on disposal of property, plant and equipments	0.11	2.95
Miscellaneous Expenses	1,184.80	910.41
	4,046.33	3,262.12
Less: Transferred to Project Development Expenditure (Refer Note 2a)	-	(15.89)
Total	4,046.33	3,246.23

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 32- Disclosure as required under Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSME) are as under –

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year;	223.42	219.34
b) The amount of interest paid under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each year	1,892.71	734.13
c) The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid)	19.07	8.73
d) The amount of interest accrued and remaining unpaid at the end of accounting year	44.99	25.92
e) Further interest remaining due and payable for earlier years	25.92	17.18

The above information has been determined for the parties identified on the basis of the information available with the Company regarding the status of the parties under the MSME.

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 33 - Contingent liabilities and contingent assets

a) Contingent liabilities (to the extent not provided for)

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Claims against the Company not acknowledged as debts - Disputed Service Tax where department has filed appeal	-	1.35

Note: Future cash flows in respect of above are determinable only on receipt of judgement/decision pending with the authority/forum and/or final outcome of the matter.

b) Contingent assets

There is no contingent asset identified during the year

Note: 34 - Capital and other Commitments

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
(a) Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	140.26	647.23
Less: Capital advances	(29.72)	(76.05)
Net Capital commitments	110.54	571.18
(b) Guarantees given by the Company's bankers and Bonds and Letter of Undertaking executed by the Company to Government Authorities for purchase under concessional duty/ exemption scheme in respect of (net of obligation completed) (Refer Note 16 and 21)	18,605.00	23,266.68
	18,715.55	23,837.86

Note: 35 - Lease

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<p>Premises taken on operating lease: The Company has operating lease agreements for land and guest house. These lease arrangements range for a period between 3 and 30 years, which include both cancellable and non-cancellable leases. Most of the leases are renewable for further period on mutually agreeable terms and also include escalation clauses.</p> <p>Lease rentals recognized in the Statement of Profit and Loss for the year is Rs. 21.72 Lakhs (2018-19 Rs. 34.71 lakhs)</p> <p>With respect to non-cancellable operating lease, the future minimum lease payment as at Balance Sheet date is as under:</p> <p>For a period not later than one year</p> <p>For a period later than one year and not later than five years</p> <p>For a period later than five years</p>	<p>7.70</p> <p>31.08</p> <p>280.04</p>	<p>-</p> <p>-</p> <p>-</p>
<p>The Company has adopted Ind AS 116, "Leases", effective 1 April 2019, using modified retrospective approach as a result of which comparative information are not required to be restated. The Company has discounted lease payments using the incremental borrowing rate as at 31st March 2020 for measuring lease liabilities at ₹ 324.58 lakhs and accordingly recognized right-of-use assets at ₹ 270.06 lakhs (after adjusting prepaid lease rent), as at the aforesaid date. In the Statement of Profit and Loss for the current year, the nature of expenses in respect of operating leases are recognized as amortization of right-of-use of assets and finance costs, as compared to lease rent in previous periods, and to this extent results for the current period are not comparable. On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised was 8.5% p.a.</p>		

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 36 - Assets pledged as Security

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
<u>A) Non-current Asset (to the extent covered in Loans)</u>		
Land hold land	238.62	241.39
Buildings	10,237.10	10,845.28
Plant and equipment	30,951.34	33,324.05
Furniture & fixtures	152.30	182.42
Office equipments	22.45	25.83
Vehicles	1.55	2.08
Capital Work-in-progress	391.04	193.13
	41,994.39	44,814.18
<u>B) Current Asset (to the extent covered in Loans)</u>		
Inventories	12,033.67	8,536.42
Trade receivable	14,097.62	15,190.06
	26,131.29	23,726.48
Total Assets pledged as security	68,125.68	68,540.66
# Refer Note 2, 7, 8, 14, 17 and 19.		

**Raymond Luxury Cottons Limited
Notes to the Financial Statements**

Note: 37 - Post retirement benefit plans

A. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs 273.69 Lakhs (31st March 2019: Rs.168.93 Lakhs).

B. Defined benefit plan:

Employee Benefit Schemes recognised in the financial statements as at 31st March 2020 and 31st March 2019 are as follows:

	Defined benefit plans (Rs. in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Present value of plan liabilities	741.55	566.99
Fair value of plan assets	462.27	375.03
Net Plan liability/(asset)	279.29	191.96

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C. Movements in plan assets and plan liabilities

	Year ended 31st March 2020		Year ended 31st March 2019	
	Plan Assets	Plan liabilities	Plan Assets	Plan liabilities
	Total	Total	Total	Total
As at 1st April	375.03	566.99	290.64	444.70
Current service cost		65.14		54.21
Past service cost		-		-
Return on plan assets excluding amounts included in net finance income/cost	2.87	-	1.91	-
Interest cost		-		-
Interest income	29.78	45.02	23.51	35.98
Actuarial (gain)/loss arising from changes in financial assumptions	-	(29.78)	-	-
Actuarial (gain)/loss arising from experience adjustments	-	25.91	-	12.01
Employer contributions	77.41	61.57	-	28.61
Benefit payments	(22.83)	(23.07)	67.48	-
As at 31st March	462.27	741.55	375.03	566.99
		279.29		191.95

The liabilities are split between different categories of plan participants as follows:

- active members - 1,570 (31st March 2019: 1,180)

The weighted average duration of the defined benefit plans is 17 years (31st March 2019 : 16 Years)

The Company expects to contribute Rs. 16.8.16 Lakhs (31st March 2019 : 132.26 Lakhs) to the funded plans in the next financial year.

Raymond Luxury Cottons Limited
Notes to the Financial Statements

D. Statement of Profit and Loss

	(Rs. in Lakhs)	
	Year ended 31st March 2020	Year ended 31st March 2019
Employee Benefit Expenses:		
Current service cost	65.14	54.21
Total	65.14	54.21
Finance cost/(income)	15.24	12.46
Net impact on the Profit / (Loss) before tax	80.38	66.67
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(2.87)	(1.91)
Actuarial (gains)/losses arising from changes in financial assumptions	25.91	12.01
Experience (gains)/losses arising on pension plan and other benefit plan liabilities	61.57	28.61
Net impact (income)/expenses on the Other Comprehensive Income before tax	84.61	38.71

E. Assets

	(Rs. in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Defined benefit plans		
Total (A)		
Unquoted		
Insurer Managed Fund	462.27	375.03
Total	462.27	375.03

Raymond Luxury Cottons Limited
Notes to the Financial Statements

F. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

	As at 31st March 2020	As at 31st March 2019
Actuarial Assumptions		
Discount rate	6.82%	7.94%
Salary Escalation Rate	3.00%-7.50%	7.50%
Expected Rate of Return on Assets	6.82%	7.94%

Demographic Assumptions

Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table mortality in retirement

G. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	Change in assumption	2019-20		2018-19	
		Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate	1%	(98.62)	121.99	(73.45)	90.64
Salary Escalation Rate	1%	120.94	(93.78)	89.51	(74.13)

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

The weighted average duration of the defined benefit obligation is 17 years (31st March 2019 - 16 year).The expected maturity analysis of undiscounted pension, gratuity and post-employment medical benefits is as follows:

Raymond Luxury Cottons Limited
Notes to the Financial Statements

H. The defined benefit obligations shall mature after year end 31st March 2020 as follows:

	(Rs. in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
1st following year	61.03	31.47
2nd following year	14.76	21.66
3rd following year	16.64	29.95
4th following year	35.00	15.69
5th following year	16.66	26.08
Thereafter	2,387.36	2273.88

I. Risk exposure:

Through its defined benefits plan, the company is exposed to a number of risks, the most significant of which are detailed below:

Changes in bond yields

A decrease in bond yield will increase plan liabilities, although this will be partially offset by an increase in the value of the plan's bond holdings

Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Plan assets are invested with the Life Insurance Corporation of India Limited. It is subject to interest rate risk. The company intends to maintain the above investments in the continuing years.

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 38 - Related Party Disclosures as per Ind AS 24

(A) Relationship where control exists

Holding Company Raymond Limited, India

(B) Other Related Parties with whom the company had transactions

Fellow Subsidiaries Raymond Apparel Limited, India
 Colorplus Realty Limited, India (formerly known as Colour Plus Fashions Limited India)
 Silver Spark Apparel Limited, India
 Celebrations Apparel Limited, India
 Dress Master Apparel Private Limited, India
 Raymond (Europe) Limited, United Kingdom

(C) Parties having significant influence on the Company

(i) Shareholder Cottonificio Honegger S.p.A, Italy**

(ii) Party having significant influence on parties stated in A (a) above with whom company had transactions J.K. Investors (Bombay) Limited, India

(D) Key management personnel

Harish Chatterjee, Director
 Harish Chatterjee, Manager
 Bibek Agarwala, Director (upto March 03, 2020)**
 Narayanan Ramalingam, Director (Expiration of term w.e.f. February 12, 2020)
 Narayanan Ramalingam, Director (Re-appointed w.e.f. February 27, 2020)
 R. A. Prabhudesai, Director (Expiration of term w.e.f. February 12, 2020)
 Sanjay Bahl, Director**
 Bibekananda Pradhan, Chief Financial Officer (CFO) (upto July 09, 2019)
 Srinivasa Vajha, Chief Financial Officer (CFO) (appointed w.e.f. October 23, 2019)
 Ramshi Mundada Brijgopal, Director
 Tabish Siddiqui, Company Secretary

(E) Other Related Parties where control of Joint Venture Partners exist and transactions have taken place

Raymond UCO Denim Private Limited, India

**No transactions during the year

Disclosure of transactions carried out with related parties in the ordinary course of business:-

(Rs. in Lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
(1) Parties mentioned in 36(A) above		
Sales – Goods :	3,935.34	4,103.97
Expenses :		
Purchases of raw material	1.55	1.55
Rent and other service charges	16.56	16.56
Employment cost	161.77	-
ICD interest	87.55	92.34

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Disclosure of transactions carried out with related parties in the ordinary course of business:-

(Rs. in Lakhs)

	Year ended 31st March 2020	Year ended 31st March 2019
Corporate Facility Charges	656.16	536.00
Other reimbursements		
Electricity	5.55	5.20
Legal and professional charges	51.92	2.37
Travel & Guesthouse	16.24	24.60
security charges	14.94	8.98
Telephone Expenses	0.15	0.24
Aircraft charges	-	-
GST Implementation	-	-
Other reimbursement expenses	151.68	14.00
Loan or Deposit received or paid		
Inter Corporate Deposit-Received	8,000.00	2,500.00
Inter Corporate Deposit-Paid	8,000.00	2,500.00
<u>(2) Parties mentioned in 36(B) above</u>		
Sales – Goods :		
Celebrations Apparel Limited	1,639.66	2,134.07
Raymond Apparel Limited	39.34	49.50
Raymond (Europe) Limited	120.45	203.78
Silver Spark Apparel Limited, India	600.93	-
Dress Master Apparel Private Limited, India	6.48	
Purchases of raw material		
Raymond Apparel Limited	-	0.71
<u>(3) Party mentioned in 36(C) (ii) above</u>		
Sales – Goods :	26,269.79	24,966.67
Expenses :		
Land lease	31.03	31.03
<u>(4) Parties mentioned in 36(E) above</u>		
Sales – Goods :	25.74	47.96
Job Work Income:	0.33	
Purchases of raw material	12.88	12.88
Expenses :	0.96	4.18
Jobworks Charges-Income	-	-
<u>(5) Individuals mentioned in 36(D) above</u>		
Director Fees		
Narayanan Ramalingam	3.00	3.00
R. A. Prabhudesai	2.00	2.50
Rashmi Mundada	3.50	3.00
Remuneration		
S.K.Tyagi (upto January 18, 2019)	-	114.90
Bibekananda Pradhan (upto July 9, 2019)	14.76	44.51

Disclosure of outstanding balances of related parties as at the year end:

(contd.)

Raymond Luxury Cottons Limited
Notes to the Financial Statements

(Rs. in Lakhs)

	As at 31st March 2020	As at 31st March 2019
Parties mentioned in 36(A) above		
Receivable	1,284.66	1,183.91
Payable	195.42	654.54
Parties mentioned in 36(B) above		
Receivable		
Celebrations Apparel Limited	131.08	706.59
Raymond Apparel Limited	41.50	9.90
Raymond Europe	4.43	49.45
Silver Spark Apparel Limited, India	1,168.40	
Dress Master Apparel Private Limited, India	0.51	
Payable		
Silver Spark Apparel Limited	-	21.19
Parties mentioned in 36(C) above		
Receivable		
Cottonificio Honegger S.p.A (Note No. 39)	1,122.24	1,122.24
Allowance for bad and doubtful debts	1,122.24	1,122.24
	-	-
J.K. Investors (Bombay) Limited	6,350.27	7,506.00
Parties mentioned in 36(E) above		
Receivable	-	-
Payable	0.23	2.11

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 39 - Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control through approved policies and procedures over the entire process of market risk management.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, corporate interest rate risk management is performed by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

	(Rs in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
Borrowings bearing variable rate of interest	24,678.21	26,526.55

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

	(Rs in Lakhs)	
	As at 31st March 2020	As at 31st March 2019
50 bp increase- decrease in profits	(129.42)	(124.59)
50 bp decrease- Increase in profits	129.42	124.59

Market Risk- Foreign currency risk

The Company operates internationally and portion of the business is transacted in different currencies and consequently the company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods and services in the respective currencies.

Derivative instruments and unhedged foreign currency exposure:

(a) Derivative outstanding as at the reporting date: (FC in lakhs)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Currency	Amount	Currency	Amount
Forward contracts to buy USD	-	-	-	-
Forward contracts to buy EUR	-	-	10.16	807.26

All the derivative instruments have been acquired for hedging purposes.

(b) Particulars of unhedged foreign currency exposures as at the reporting date:

As at 31st March 2020	(FC in lakhs)				
	USD	EURO	JPY	CHF	CNY
Trade Receivables	6.07	0.84	-	-	-
Trade Payables	0.36	58.53	-	0.01	-

As at 31st March 2019	(FC in lakhs)				
	USD	EURO	JPY	CHF	CNY
Trade Receivables	9.53	1.32	-	-	-
Trade Payables	2.02	31.18	-	-	-

Foreign Currency Risk Sensitivity**A change of 1% in Foreign currency would have following Impact on profit before tax****(Rs in Lakhs)**

	2019-2020		2018-2019	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	4.31	(4.31)	5.19	(5.19)
EURO	(47.75)	47.75	(23.18)	23.18
Others	(0.01)	0.01	-	-
Increase / (decrease) in profit or loss	(43.45)	43.45	(17.98)	17.98

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customer, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments or on case to case basis. Where loans or receivables have been written off, the company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

(Rs in Lakhs)

Ageing of Account receivables	As at 31st March 2020	As at 31st March 2019
Not due	7,759.74	11,245.20
0-3 months	5,824.27	3,557.34
3-6 months	392.50	349.99
6 months to 12 months	84.78	37.53
beyond 12 months	36.33	-
Total	14,097.62	15,190.06

Movement in provisions of doubtful debts	As at 31st March 2020	As at 31st March 2019
Opening provision	1,122.24	1,122.24
Add:- Additional provision made	-	-
Less:- Provision write off/ reversed	-	-
Less:- Provision utilised against bad debts	-	-
Closing provisions (Refer note 9)	1,122.24	1,122.24

Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time, or at a reasonable price. Processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

(Rs in Lakhs)

	As at 31st March 2020			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	4,829.14	9,473.28	-	14,302.42
Short term borrowings	10,375.79			10,375.79
Expected Interest payable	1,243.59	1,362.43	-	2,606.02
Total	16,448.52	10,835.71	-	27,284.23

	As at 31st March 2019			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	4,929.16	14,191.50	-	19,120.66
Short term borrowings	8,405.91	-	-	8,405.91
Expected Interest payable	1,708.23	2,626.95	-	4,335.18
Total	15,043.30	16,818.46	-	31,861.75

Maturity patterns of other Financial Liabilities and Trade payables

As at 31st March 2020

(Rs in Lakhs)

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	9,578.27	4,350.16	-	0.59	-	13,929.01
Payable related to Capital Creditors	36.98	-	-	-	-	36.98
Other Financial liabilities (Current and Non Current)	87.96	635.93	342.74	5.76	318.81	1,391.20
Total	9,703.19	4,986.08	342.73	6.34	318.81	15,357.19

As at 31st March 2019

(Rs in Lakhs)

	Overdue/ Payable on demand	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	4,763.10	5,162.04	1,472.91	820.78	-	12,218.84
Payable related to Capital Creditors	43.43	-	-	-	-	43.43
Other Financial liabilities (Current and Non Current)	287.80	1,012.16	-	-	284.22	1,584.18
Total	5,094.33	6,174.20	1,472.91	820.78	284.22	13,846.45

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 40 - Capital risk management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

Note: 41 - Specific Note

In the year 2012-13, Cottonificio Honegger S.p.A ('CH'), Italy, the erstwhile JV partner with Raymond Limited, had submitted request for voluntary winding up including composition of its creditors in the Court of Bergamo, Italy. Consequent to this, the Company as at 31st March 2013, had provided for its entire accounts receivable from CH of USD 1,255,058 and Euro 612,831, equivalent Indian Rupee aggregating Rs. 1,122.24 Lakhs. In the year 2013 - 14, the Company had put up its claim of receivable from CH of Rs. 1,122. 24 Lakhs before the Judicial Commissioner of the Composition (the Commissioner) appointed by the Court of Bergamo, Italy. In protraction of matter with Cottonificio Honegger S.p.A ('CH'), Italy, the Judicial Commissioner of the Composition ("the Commissioner") appointed by the Court of Bergamo, Italy, has declared the Company ("RLCL") as unsecured creditor for the amount outstanding from 'CH'. Further 'CH' had also sought permission from the Court of Bergamo, Italy, for initiating proceeding against 'the Company' in India.

The Company had received a notice dated 23rd November 2015 notifying that CH has filed a Petition against the Company before the Hon'ble Company Law Board ("CLB"), Mumbai Bench under Section 397 and 398 of Companies Act, 1956. The Company responded to the petition filed by CH. The CLB in its order dated 26th November, 2015 has recorded the statement made by the counsel for RLCL that CH's shareholding in RLCL shall not be reduced further and the fixed assets of RLCL also shall not be alienated till further order. Subsequently, the proceedings were transferred to the National Company Law Tribunal ("NCLT"), Mumbai bench and currently, the matter is pending before the said forum. The Company had filed a Miscellaneous Application on January 29, 2019 seeking part vacation of the order dated November 26, 2015. The NCLT, Mumbai Bench had allowed the mentioning application filed by the Company and had directed that the main company petition along with the application for vacating the stay be listed for hearing. The NCLT had directed for the matter to be heard on April 22, 2020. However, due to the restricted functioning of the NCLT on account of the ongoing Covid-19 pandemic, the matter was not taken up on April 22, 2020 and at present, no next date of hearing stands assigned by the NCLT.

Note: 42 Segment information

The Company's business activity falls within a single primary business segment of manufacture of cotton and Linen fabric and one reportable geographical segment which is "within India". Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment". Further the Company meets the quantitative threshold as mentioned in Ind AS 108 and hence separate information has been disclosed below:

The Company having combined revenue of more than 10% with the related parties amounts to Rs. 32,638.07 lakhs. Further there is no external customer having revenue of more than 10%.

Summary of Segment Revenue

(Rs. in Lakhs)

Particulars	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment Revenue	50,990.54	54,510.78	2,948.39	4,882.80	53,938.94	59393.577

**Raymond Luxury Cottons Limited
Notes to the Financial Statements**

Note: 43. Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March 2019	Routed through P & L			Routed through OCI			Carrying at amortised cost	Total Amount						
	Non Current	Current	Total	Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	Total		
Financial Assets														
Investment														
- Mutual Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets														
Loans		2.23	2.23											2.23
Other Financial Assets	51.14	968.62	1,019.76											1,019.76
Trade receivable	-	15,190.06	15,190.06											15,190.06
Cash and Cash equivalents	-	0.81	0.81											0.81
Bank Balances other than Cash and cash equivalents	-	884.11	884.11											884.11
	51.14	17,045.83	17,096.97											17,096.97
Financial Liabilities														
Borrowings	14,191.48	8,405.91	22,597.39											22,597.39
Other Financial Liabilities	284.22	6,264.98	6,549.20											6,549.20
Mark to Market on Derivative financial instruments*	-	7.57	7.57		7.57									7.57
Trade Payables	-	12,217.76	12,217.76											12,217.76
	14,475.70	26,896.22	41,371.92		7.57									41,364.35
														41,371.92
Financial Assets and Liabilities as at 31st March 2020														
Financial Assets														
Other Assets														
Loans	-	2.17	2.17											2.17
Other Financial Assets	54.13	976.05	1,030.18											1,030.18
Trade receivable	-	14,097.62	14,097.62											14,097.62
Cash and Cash equivalents	-	12.78	12.78											12.78
Bank Balances other than Cash and cash equivalents	-	942.82	942.82											942.82
	54.13	16,031.43	16,085.56											16,085.56
Financial Liabilities														
Borrowings	9,473.28	10,375.79	19,849.07											19,849.07
Other Financial Liabilities	318.82	5,938.51	6,257.32											6,257.32
Trade Payables	-	13,929.01	13,929.01											13,929.01
	9,792.09	30,243.31	40,035.40											40,035.40

* Fair value has been considered based on confirmation from bank.

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 43. Fair Value measurement

Fair Value of Financial Assets and Liabilities measured at amortised cost

Financial Assets and Liabilities	As at March, 31, 2020		As at March, 31, 2019	
	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets				
Loans	2.17	2.17	2.23	2.23
Other Financial Assets	1,030.18	1,030.18	1,019.76	1,019.76
Trade receivable	14,097.62	14,097.62	15,190.06	15,190.06
Cash and Cash equivalents	12.78	12.78	0.81	0.81
Bank Balances other than Cash and cash equivalents	942.82	942.82	884.11	884.11
	16,085.57	16,085.57	17,096.97	17,096.97
Financial Liabilities				
Borrowings	19,849.07	19,849.07	22,597.39	22,597.39
Other Financial Liabilities	6,257.32	6,257.32	6,549.20	6,549.20
Trade Payables	13,929.01	13,929.01	12,217.76	12,217.76
	40,035.40	40,035.40	41,364.35	41,364.35

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

Raymond Luxury Cottons Limited
Notes to the Financial Statements

Note: 44 - Note on COVID 19 Impact

In March 20, the WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant, equipments, and other intangible assets and in relation to other financial statements captions. In the case of Inventory, Management has performed the year-end inventory verification at each of its locations after the year end due to COVID 19 pandemic and there was no inventory movement after the year end 31st March 2020 . In one of the locations , the inventory verification is supported by a firm of Chartered Accountants to obtain comfort over the existence and condition of inventories as at March 31, 2020

The impact of covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of theses financials statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities by reopening its retail stores and warehouses on gradual basis in line with guideline issued by the Government authorities. The company is adhering to all COVID-19 guidelines for employees and customers.

Note: 45 - Earnings per Share

	Year ended 31st March 2020	Year ended 31st March 2019
Earnings per share		
Profit for the year (Rs in Lakhs)	1,412.37	1,461.12
Weighted average number of shares	16,86,80,000	16,86,80,000
Earnings per share (Rs. per equity share of Rs. 10 each)		
- Basic	0.84	0.87
- Diluted	0.84	0.87

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number: 103418

Mumbai, 24 June, 2020

For and on Behalf of Board of Directors

Sd/-

Harishkumar Chatterjee

Director

DIN: 03560685

Sd/-

Srinivasa Bharadwaja Vajha

Chief Financial Officer

Mumbai, 24 June, 2020

Sd/-

Sanjay Bahl

Director

DIN: 00332153

Sd/-

Tabish Siddiqui

Company Secretary

RING PLUS AQUA LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	: Shri Ravikant Uppal, Chairman (appointed w.e.f. 08.04.2019 and designated as a Chairman w.e.f 25.04.2019) Shri Gautam Hari Singhania Shri Bhuwan Kumar Chaturvedi Shri Jagmeet Singh Sabharwal (resigned w.e.f. 21.10.2019) Shri Parvinder Singh Pasricha (Completion of term as an Independent Director on 19.03.2020) Shri Vipin Agarwal Shri V. Balasubramanian Shri Parthiv Kilachand (appointed w.e.f. 20.03.2020)
CHIEF FINANCIAL OFFICER	: Shri Sitesh Maheshwari
COMPANY SECRETARY	: Shri Bhargav Vyas
STATUTORY AUDITORS	: Price Waterhouse Chartered Accountants LLP
INTERNAL AUDITORS	: Mahajan & Aibara Chartered Accountants LLP
SECRETARIAL AUDITOR	: Messrs DM & Associates, Company Secretaries LLP
REGISTERED OFFICE	: D-3, 4 Sinnar Taluka Audyogik Vasahat Maryadit Village Musalgoan, Taluka Sinnar, Nasik 422112. Maharashtra
REGISTRAR AND SHARE TRANSFER AGENT	: Link Intime India Private Limited C-101, 247 Park, LBS Marg, Vikhroli West Mumbai – 400 083
ISIN	: INE093H01012

RING PLUS AQUA LIMITED
(CIN: U99999MH1986PLC040885)
DIRECTORS' REPORT

To,

The Members of RING PLUS AQUA LIMITED

Your Directors present their Thirty Third Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

1. FINANCIAL SUMMARY & HIGHLIGHTS OF PERFORMANCE

The Gross Revenue of the Company for the year 2019-20 stood at Rs. 210.74 crores (Previous Year: Rs. 262.04 crores). During the year under review, your company made profit before tax of Rs. 25.37 crores (Previous Year: Profit Rs. 50.43 crores).

2. Material changes and commitment – if any, affecting financial position of the Company from the end of the Financial Year till the date of this Report

There has been no material change and commitment, affecting the financial performance of the Company which occurred between the end of the Financial Year of the Company to which the financial statements relate and the date of this Report, except for the impact arising out of COVID-19, which is detailed below in point no. 3 of this Report.

3. COVID-19 and its impact

Your Company is in the business of manufacturing and exporting Ring Gears, Flexplates, Water Pump Bearings, machined components, both for auto and non-auto sector. Your Company is a key supplier of components in its product category and these products are going to remain key and a top priority going forward as well. In addition, Company is exploring addition of new products and increase its offering.

Your Company has strong contingency plans in place to secure operations and supply chain so that production of its key products can continue however considering the logistics challenges and low demand at customers' end during early phases of lockdown, the production was impacted marginally. But now with the lifting of lockdowns across the globe and opening of markets worldwide, the company started ramping up its plants capacity utilisations to service the pending orders and new demand. Your Company has implemented all necessary precautions to safeguard the well-being of its employees and observing stipulated guidelines issued by government authorities from time to time.

Your Company has witnessed lower sales in initial period of lockdowns as sales got impacted directly from the pandemic, however with unlock phase being started, demand in company's operating segments will improve in tandem with economic and industrial activities pickup. Your Company enjoys long-term close customer relationships developed over period of time

which will help in getting back to normalcy at faster pace. Further, there are significant geographic and widespread customer base that will continue to drive growth in mid and long term.

The management has performed a detailed assessment of the situation and believes that no adjustments are required in the financial statements as it does not impact the current financial year; however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

4. DIVIDEND

In order to conserve the resources and to meet the growth plans, your Directors do not recommend any dividend for the financial year 2019-20.

5. RESERVES

Your Company has not transferred any amount to the reserves of the Company.

6. OPERATIONS

Your company has witnessed slowdown in demand during the current Financial Year. The lower demand for automobiles was a result of sluggish economic growth not only in India but globally. The US-China trade war, Brexit related uncertainties affected demand in US and EU markets. In the Indian markets, higher insurance costs, regularization of 25% overload on commercial vehicles, higher safety standards, the shift towards BS-VI emission standards increased the cost of ownership and dampened the demand. The drop in automotive and non-automotive demand across all segments due to these reasons impacted sales of your company as these are key segments in which your company operates. It further got impacted with the onset of global pandemic from COVID-19.

In the backdrop of contraction of demand, your company focused on operational excellence, relentless cost reduction measures, lean manufacturing practices and improvised supply chain management with tight control on working capital. These measures helped in mitigating the impact on bottom line and cash flows.

Your company has successfully completed addition of capacity of 2 million ring gear units at a new Greenfield state-of-art facility at Sinnar, Nasik. The facility became operational from May, 2019.

7. AUDITORS

Statutory Auditors

M/s Price Waterhouse Chartered Accountants LLP (ICAI Firm Registration Number 012754N/N500016) were appointed as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of 30th AGM till the conclusion of 35th AGM.

8. AUDITORS' REPORT

There is no audit qualification in the standalone or in the consolidated financial statements by the Statutory Auditors for the year under review.

9. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an adequate and effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures.

The Company has entrusted the internal and operational audit to Messrs Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The Internal Auditors independently evaluate the adequacy of the internal controls and audit the critical areas every year. The main thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken. Independence of the audit is ensured by direct reporting of Internal Auditors to the Audit Committee of the Board.

10. SHARE CAPITAL

The Authorised Share Capital of the Company is Rs. 30,00,00,000 and the paid up Equity Share capital of the Company is Rs. 7,75,66,710. The Company has not issued shares with differential voting rights nor sweat equity.

11. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

13. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri V. Balasubramanian, Executive Director (DIN – 05222476) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re- appointment.

During the year under review, on recommendation of Nomination and Remuneration Committee the Board of Directors vide Circular resolution passed on April 08, 2019 has appointed Shri Ravikant Uppal (0002590) as an Additional director of the Company.

Shri Gautam Hari Singhania, Chairman of the Board of Directors, continuing with the transformation journey at Raymond and demonstrating high standards in corporate governance, laid down his office as Chairman of the Board and Shri Ravikant Uppal was appointed as a next Chairman of the Board of Directors w.e.f April 25, 2019 with the consent of all the Board Members.

Further, on recommendation of the Nomination and Remuneration Committee, the Board of Directors vide its circular resolution passed on March 19, 2020 has appointed Shri Parthiv Kilachand (DIN : 0005516) as an Independent Director on the Board of Directors of the Company, with effect from March 20, 2020 to March 19, 2023 to hold office for a term of 3 (three) consecutive years and has re-appointed Shri Bhuwan Kumar Chaturvedi (DIN:00144487), as an Independent Director on the Board of the Company for a second term of 1 (one) year from March 20, 2020 to March 19, 2021.

Shri J.S. Sabharwal (DIN: 0027067) resigned as an Independent Director of the Company with effect from October 21, 2019 due to personal reasons and work constraints and Dr. P.S. Pasricha (DIN: 02947755) completed his first term as an Independent director of the Company on March 19, 2020 and expressed his wish not to seek re-appointment as an Independent Director for a second term due to work constrains. The Board places on record its appreciation for services rendered by them during their association with the Company.

All Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

The Ministry of Corporate Affairs ("MCA") vide Notification Number G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced the provision relating to inclusion of names of Independent Directors in the Data Bank maintained by Institute of Corporate Affairs (IICA). All Independent Directors of your Company are registered with IICA.

14. Board Meetings

During the year, 4 Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. The Board Meetings were held on April 25, 2019, July 30, 2019, October 21, 2019 and January 20, 2019.

Sr. No.	Name of Director	DATE OF BOARD MEETING			
		25.04.2019	30.07.2019	21.10.2019	20.01.2020
1	Shri Gautam Hari Singhanian	✓	✓	✓	-
2	Shri. Ravikant Uppal	✓	✓	✓	✓
2	Shri B. K. Chaturvedi	✓	✓	✓	✓
3	Dr. P. S. Pasricha*	✓	-	✓	✓
4	Shri J. S. Sabharwal**	-	✓	-	N.A.
5	Shri Vipin Agarwal	✓	✓	✓	✓
6	Shri V. Balasubramanian	✓	✓	✓	✓
7	Shri Parthiv Kilachand ***	N.A.	N.A.	N.A.	N.A.

* Dr. P.S. Pasricha completed his term as an Independent Director on March 19, 2020

** Shri. J. S. Sabharwal resigned as an Independent Director w.e.f. October 21, 2019

*** Shri Parthiv Kilachand was appointed as an Independent Director w.e.f. March 20, 2020.

15. Key Managerial Personnel (KMP)

As on 31st March, 2020 your Company has the following KMPs:

Sr. No.	Name of the Person	Designation
1	Shri V. Balasubramanian	Whole-time Director (Executive Director)
2	Shri Sitesh Maheshwari	Chief Financial Officer
3	Shri Bhargav Vyas	Company Secretary

16. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Non Independent Directors was carried out by the Independent Directors at their meeting held on March 05, 2020. The Directors express their satisfaction with the evaluation process.

17. Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

18. Reporting of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

19. COMMITTEES OF THE BOARD

With a view to have a more focused attention on the business and for better governance and accountability, the Board constituted the following committees:

Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the composition of the Audit Committee is as follows.

The Composition of the Committee as under:

1. Shri B. K. Chaturvedi : Independent Director, Chairman
2. Shri J.S. Sabharwal* : Independent Director, Member
3. Shri Vipin Agarwal : Non-executive Director, Member
4. Shri Parthiv Kilachand# : Independent Director, Member

*Shri J.S. Sabharwal resigned with effect from October 21, 2019.

#Shri Parthiv Kilachand became a member with effect from March 20, 2020.

The terms of reference of the Audit Committee are determined by the Board and their relevance reviewed from time to time.

During the year, four Meetings of the Audit Committee were held viz., April 25, 2019, July 30, 2019, October 21, 2019 and January 20, 2020.

SN	Name of Director	DATE OF MEETING			
		25.04.2019	30.07.2019	21.10.2019	20.01.2020
1.	Shri B.K. Chaturvedi	✓	✓	✓	✓
2.	Shri J.S. Sabharwal	-	-	-	N.A.
3.	Shri Vipin Agarwal	✓	✓	✓	✓
4.	Shri Parthiv Kilachand	N.A.	N.A.	N.A.	N.A.

Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors has constituted the Nomination and Remuneration Committee. The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The Board has clearly defined terms of reference for the Nomination and Remuneration Committee, which are as follows:

- to help in determining the appropriate size, diversity and composition of the Board;

- to recommend to the Board appointment/re-appointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time;
- delegation of any of its powers to any Member of the Committee or the Company Secretary.

The Composition of the Committee is as under:

1. Shri B. K. Chaturvedi : Independent Director, Chairman
2. Dr. P. S. Pasricha* : Independent Director, Member
3. Shri Vipin Agarwal : Non-executive Director, Member
4. Shri Parthiv Kilachand# : Independent Director, Member

* Dr. P.S. Pasricha completed his term as an Independent Director on March 19, 2020.

Shri Parthiv Kilachand was appointed as a member of committee w.e.f. March 20, 2020

During the year, four Meetings of Nomination and Remuneration committee were held on April 05, 2019, April 25, 2019 and October 21, 2019.

Sr. No.	Name of Director	Date of Meeting		
		05.04.2019	25.04.2019	21.10.2019
1	Shri B. K. Chaturvedi	✓	✓	✓
2	Dr. P.S. Pasricha*	✓	✓	✓
3	Shri Vipin Agarwal	✓	✓	✓
4	Shri Parthiv Kilachand **	N.A.	N.A.	N.A.

Committee of Directors

For administrative convenience, a Committee of the Board of Directors of the Company was constituted by the Board of Directors of the Company for handling day to day affairs of the Company.

The current Composition of the Committee is as under:

1. Shri B. K. Chaturvedi : Independent Director, Chairman
2. Shri J. S. Sabharwal* : Independent Director, Member
3. Shri Vipin Agarwal : Non-executive Director, Member
4. Shri V. Balasubramanian : Executive Director, Member

* Shri. J. S. Sabharwal resigned as an Independent Director w.e.f October 21, 2019.

During the year, eight committee meetings were held. The details of the Meetings are as follows:

Sr. No.	Date Of Meeting	Names of Directors			
		Shri B. K. Chaturvedi	Shri J. S. Sabharwal	Shri Vipin Agarwal	Shri V. Balasubramanian
1	26.04.2019	✓	-	✓	✓
2	17.06.2019	✓	-	✓	✓
3	19.08.2019	✓	-	✓	✓
4	11.09.2019	✓	-	✓	✓
5	11.11.2019	✓	N.A.	✓	✓
6	26.11.2019	✓	N.A.	✓	✓
7	30.12.2019	✓	N.A.	✓	✓
8	20.01.2020	✓	N.A.	✓	✓

Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company constituted the Corporate Social Responsibility (CSR) Committee and spent an amount of Rs. 64 lacs in pursuance of its CSR. A report on CSR activities and the contents of Corporate Social Responsibility policy annexed as "Annexure A"

The policy is displayed on the Company's website (www.ringplusaqua.com).

The Composition of the Committee is as under:

1. Shri B. K. Chaturvedi : Independent Director, Chairman
2. Shri Vipin Agarwal : Non-Executive Director, Member
3. Shri V. Balasubramanian : Executive Director, Member
4. Shri J.S. Sabharwal* : Independent Director, Member

* Shri. J. S. Sabharwal resigned as an Independent Director w.e.f. October 21, 2019

During the year, one Meeting of Corporate Social Responsibility Committee was held on March 05, 2020:

Sr. No.	Names of Directors	Date of Meeting 05/03/2020
1	Shri B. K. Chaturvedi	✓
2	Shri Vipin Agarwal	✓
3	Shri V. Balasubramanian	✓
4	Shri J.S. Sabharwal	N.A.

20. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to Section 177(9) of the Companies Act, 2013, your Company has formulated the Vigil Mechanism/Whistle Blower policy to report genuine concerns to be disclosed.

21. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the year under review were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

22. RISK MANAGEMENT

Your Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risks, compliance risks and people's risk. These risks are assessed and steps as appropriate are taken to mitigate these risks.

23. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013;

- a. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the annual accounts on a going concern basis; and
- e. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that the systems were in place and were adequate and operating effectively.

24. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as prescribed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, on conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given in "Annexure B".

25. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company has appointed Messrs DM & Associates, Company Secretaries LLP (ICSI Unique Code L2017MH003500) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed as “**Annexure C**” and forms an integral part of this Report.

There is no secretarial audit qualification for the year under review

26. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form No MGT-9 is annexed herewith as “**Annexure D**”.

27. PARTICULARS OF EMPLOYEES

Since your Company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

28. EMPLOYEE STOCK OPTION PLAN

The company has instituted Ring Plus Aqua Limited - Employee Stock Option Scheme 2019 (RPAL ESOP 2019), pursuant to the approval of the shareholders of the company at their Extra Ordinary General Meeting held on March 1, 2019. The RPAL ESOP 2019 is designed to provide incentives to employees for long term value creation. Participation in the aforesaid plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Once vested, the options remain exercisable for a period of one year. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share of face value Rs. 10 per share. Under RPAL ESOP 2019, Nomination and Remuneration Committee, on March 4, 2019, had approved to offer a grant of 1,26,210 Options and the company has granted 111,947 stock options for fair value of option determined on April 26, 2019 i.e. the date of grant.

Accordingly, effect of Share Based Payments on the Company's Statement of Profit or Loss forms part of the notes to the Financial Statements.

Disclosure in terms of Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 of the Companies Act, 2013 is annexed herewith as “**Annexure E**”. The Company's management will ensure that all applicable requirements of the Companies Act, 2013 and Rules made thereunder as well as the Regulations notified by the Securities and Exchange Board of India with respect to the RPAL ESOP2019 are adhered and complied with.

29. DISCLOSURE UNDER SEXUAL HARASSMENT ACT

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, redressal for the benefit of its employees. There were no complaints filed against any of the employees of the Company under this Act.

30. ACKNOWLEDGEMENT

An acknowledgement to all with whose help, co-operation and hard work the Company's operations are running.

For and on behalf of the Board
For **RING PLUS AQUA LIMITED**

Sd/-
Vipin Agarwal
Director
DIN: 02963480

Sd/-
V. Balasubramanian
Executive Director
DIN: 05222476

Place: Mumbai

Date: June 25, 2020

Annexure A

ANNUAL REPORT DETAILS OF CSR ACTIVITIES

Sr. No.	Particulars	Remarks
1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.	<p>The CSR Policy was approved by the Board of Directors at its Meeting held on October 27, 2014 and has been uploaded on the Company's webpage. A gist of the programs that the Company can undertake under the CSR policy is mentioned below.</p> <p>The link of the website of the Company (www.ringplusaqua.com)</p>
2.	The composition of the CSR Committee.	<ol style="list-style-type: none"> 1. Shri B. K. Chaturvedi, Chairman 2. Shri J.S. Sabharwal, Member* 3. Shri Balasubramanian V, Member 4. Shri Vipin Agarwal, Member <p>*Shri J.S. Sabharwal resigned w.e.f October 21, 2019.</p>
3.	Average net profit of the Company for last three financial years.	₹ 3192.34 Lac
4.	Prescribed CSR expenditure (2% of the amount as in item 3 above).	₹ 64.00 Lac
5.	<p>Details of CSR spent during the financial year:</p> <ol style="list-style-type: none"> i. total amount to be spent for the financial year: ii. amount unspent, if any iii. manner in which the amount spent during the financial year: 	<p>₹ 64.00 Lac</p> <p>-</p> <p>In accordance with the Company's CSR policy and in compliance with the Companies (Corporate Social Responsibility Policy) Rules 2014, your Company has identified following project;</p> <ul style="list-style-type: none"> • Amar Seva Sangam for modifying the Rehabilitation Residential Home for the Children with Special Needs; • Shri Sant Achyut Maharaj Heart Hospital for providing cardiac care to rural poor and educates them on congenital heart disease. <p>The details are as under:</p>

1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or Activity Identified.	Sector in Which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Modifying the Rehabilitation Residential Home for the Children with Special Needs	Livelihood enhancement project for differently abled person	Tirunelveli, Tamil Nadu	₹20.00Lac	₹ 20.00 Lac	₹ 20.00 Lac	Amar Seva Sangam, public charitable trust
2	To Financially support SGMSS for procurement of one Heart Lung Machine, one 2D Echo Machine and one Ventilator for its Sant.Achyut Maharaj Heart Hospital, Amravati, for a charitable cause.	Promoting Heathcare including preventive health care	Amravati, Maharashtra	₹ 44.00 Lac	₹ 44.00 Lac	₹ 44.00 Lac	Sane Guruji Manav Sewa Sangh, Amravati
TOTAL					₹ 64.00 Lac	₹ 64.00 Lac	

6. The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For Ring Plus Aqua Limited

Sd/-

Sd/-

Place : Mumbai
Date : June 25, 2020

Shri B.K. Chaturvedi
Chairman of Social Responsibility
Committee
DIN: 00144487

V. Balasubramanian
Executive Director
DIN: 05222476

CONTENTS OF CORPORATE SOCIAL RESPONSIBILITY POLICY
(Approved by the Board of Directors on October 27, 2014)

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The Company's commitment to CSR projects and programmes will be by investing resources into any of the following areas.

- Improving the quality of life in rural areas;
- Eradicating hunger, poverty and malnutrition;
- Promoting healthcare including preventive healthcare;
- Employment enhancing vocational skills;
- Promotion of education including investment in technology in schools;
- Ensuring environmental sustainability including measures for reducing inequalities faced by socially and economically backward groups;
- Promoting sports including rural and Olympic sports;
- Contribution to funds for promoting technology;
- Investing in various rural development projects;
- Contributing to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief; and
- Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time-to-time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

(A) Conservation of energy

(i) The steps taken and its impact on conservation of energy;

- Installed Automatic Power factor controller (APFC) in Gear and Bearing division for maintaining power factor close to unity reducing demand charges and hence the consumption.
- Replacement of mono-block pumps with Energy Efficient VFD pumps at Induction Hardening in Gear Division - I.
- Established centralized cooling system on butt welding machines in Gear Division – I.
- Merger of cooling towers of butt welding machines in Gear Division – II.
- Implemented centralized cooling system for Ultrasonic and Nova machine in Bearing Division.
- Improvement in utilization of CMBF in Bearing Division.
- Optimized the consumption of compressed air in Bearing Division.

We have saved **Rs. 1.54 Cr** from the above initiatives during this FY19-20.

(ii) The steps taken by the company for utilizing alternate sources of energy;

- We have planned to implement Solar Power plant with Capacity of 500KW at our Gear Division – II by Dec'20. Potential savings will be Rs. 20 Lac./annum.

(iii) The capital investment on energy conservation equipment's:

- The company has not invested any capital amount on energy conservation equipment.

(B) Technology absorption

(i) The efforts made towards technology absorption;

1. Set up a world class Greenfield manufacturing facility (Gear Division-II) for Ring gears within short period of time.
2. Introduced state of art "Trimming machines" (8 Nos.) for butt weld flash removal in both Gear Divisions, replacing old and manual grinding operation to reduce fatigue and improve environment.
3. Established a state of "Induction normalizing" process in Gear Division – II,

providing clean environment with reduction in Carbon foot print.

4. Installed a machine with “combined stretching and flattening operation”, with improved quality output providing opportunity of Raw Material Yield improvement with annualized saving of INR 40.0 Lacs at full utilization.
 5. Installed Induction hardening machine with “MOSFET” technology with enhanced process control for consistent quality output.
 6. Installed EOT crane for Raw Material handling, which improved ergonomics & reduced operator fatigue.
 7. Hob coating changed from future nana to AICroNa to improve hob life and productivity with savings of Rs. 25.34 Lac.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
1. We have developed integral shaft bearings to replace conventional double row bearing for Fan Support Bracket resulting in better performance, cost reduction for OEM.
 2. We have developed multi piece flex-plate for BMW application for TU-2 Engines.
 3. Significant efforts taken for diversification of the product range and following products are identified which are in evaluation and development stage
ABS Tone Ring, Mass Ring, Flywheel, Shield Ring etc.

- (iii) The expenditure incurred on Research and Development;

There were no expenditure incurred on research and development

(C) Foreign exchange earnings and Outgo

During the year foreign exchange earnings was Rs. 115.75 crores (Previous Year : Rs. 135.24 crores). The foreign exchange outgo during the year was Rs 1.40crores (Previous Year: Rs. 4.96 crores).

Form No. MR-3

Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the Financial Year Ended March 31, 2020

To,
The Members,
RING PLUS AQUA LIMITED
D-3,4, AUDYOGIK VASAHAT MARYADIT
VILLAGE MUSALGOAN,
TALUKA SINNAR, NASIK - 422112

Dear Members,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **RING PLUS AQUA LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder: **NA**;
3. The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
4. The provisions of Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowings: **NA**;
5. Provisions of Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the Audit Period.

We have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We further state that, having regard to the Compliance system prevailing in the Company and based on test check basis and based on the representations made by the Company, the Company has complied with the following laws Applicable specifically to the Company:

- i. Factories Act, 1948;
- ii. Industries (Development & Regulation) Act, 1951
- iii. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
- iv. Acts prescribed under prevention and control of pollution
- v. Acts prescribed under Environmental protection;
- vi. Acts as prescribed under Direct Tax and Indirect Tax;
- vii. Land Revenue laws of respective States
- viii. Labour Welfare Act of respective States;
- ix. Trade Marks Act 1999 & Indian Copy Right Act 1957;
- x. The Legal Metrology Act, 2009;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting

Majority decision is carried through while there were no dissenting members' views which are to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500**

Sd/-

**Dinesh Kumar Deora
Partner
FCS NO 5683
CP NO 4119
UDIN: F005683B000352623**

Place: Mumbai
Date: 18th June, 2020

Note: This report is to be read with our letter of even date that is annexed as Annexure - I and forms an integral part of this report.

ANNEXURE - I

To
The Members,
RING PLUS AQUA LIMITED
D-3,4, AUDYOGIK VASAHAT MARYADIT
VILLAGE MUSALGOAN,
TALUKA SINNAR, NASIK - 422112

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For DM & Associates Company Secretaries LLP
Company Secretaries
ICSI Unique Code L2017MH003500

Sd/-

Dinesh Kumar Deora
Partner
FCS NO 5683
CP NO 4119
UDIN: F005683B000352623

Place: Mumbai
Date: 18th June, 2020

ANNEXURE D

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U99999MH1986PLC040885
2.	Registration Date	11/09/1986
3.	Name of the Company	Ring Plus Aqua Limited
4.	Category/Sub-category of the	Public Limited Company / Indian Non-Government Company
5.	Address of the Registered office & contact details	D-3/4, Sinnar Taluka Audyogik Vasahat Maryadit Village Musalgoan, Taluka Sinnar, Dist. Nasik – 422112, Maharashtra Contact No. 02551 – 240087
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083 Tel : 022-49186000 Fax : 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated):

Sr. No.	Name and Description of main products / services	NIC Code of the product/service	% to total turnover of the company
1	Ring Gears	28140	75%
2	Flexplates	28140	10%
3	Shaft Bearings	28140	15%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable Section
1.	Scissors Engineering Products Limited with its Nominees New Hind House, Narottam Morarji Marg, Ballard Estate, Fort, Mumbai-400001, Maharashtra	U29130MH2005PLC154732	Holding Company	89.07%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	6908482	120	6908602	89.07%	6908482	120	6908602	89.07%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	6908482	120	6908602	89.07%	6908482	120	6908602	89.07%	-
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify [Non Resident Indians (Repat)])	-	-	-	-	-	-	-	-	-
j) Others (office bearers)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	486560	82456	569016	7.34	608314	4200	612514	7.90	0.56
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh	53300	212334	265634	3.42	60158	170764	230922	2.98	(0.45)
ii) Individual shareholders holding	-	-	-	-	-	-	-	-	-

nominal share capital in excess of Rs. 1 Lakh									
c) Others (specify)	-	-	-	-					
Hindu Undivided Family (HUF)	-	-	-	-					
Non Resident Indians(Repat)	-	8786	8786	0.11	-	-	-	-	(0.11)
Others:	-	-	-	-	-	-	-	-	-
Office Bearers	10	0	10	0.000	10	0	10	0.000	0.000
Investors Education and Protection Fund	4623	0	4623	0.06	4623	0	4623	0.06	-
Sub-total (B)(2):-	544493	303576	848069	10.93%	673105	174964	848069	10.93%	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	544493	303576	848069	10.93%	673105	174964	848069	10.93%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7452975	303696	7756671	100.00	7581587	175084	7756671	100.00	

ii. Shareholding of Promoter:

SN	Shareholder's Name	Shareholding at the beginning of the year [As on 1-April-2019]			Shareholding at the end of the year [As on 31-March-2020]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares pledged / encumbered to total shares	
1	Scissors Engineering Products Ltd	6908602	89.07%	0.00%	6908602	89.07%	0.00%	-

iii. Change in Promoters' Shareholding (please specify, if there is no change)

S N	Particulars	Shareholding at the beginning of the year [As on 1-April-2019]		Cumulative Shareholding during the year [As on 31-March-2020]	
		No. of shares	% of total shares of the	No. of shares	% of total shares of the company
	At the beginning of the year	--	--	--	--

	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus / sweat equity etc.):	--	--	--	--
	At the end of the year	--	--	--	--

iv. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2019)	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1.	J.K. Investors (Bombay) Limited	487379	6.28					
				19 Jul 2019	4393	Market Buy	491772	6.34
				02 Aug 2019	4393	Market Buy	496165	6.40
	At the end of the year (31.03.2020)						496165	6.40
2.	Amoha Traders Pvt Limited	1734	0.02					
				10 Jan 2020	44475	Market Buy	46209	0.60
	At the end of the year (31.03.2020)						46209	0.60
3.	3A Financial Services Limited	347	0.0045					
				19 Apr 2019	23	Market Buy	370	0.00
				26 Jul 2019	19387	Market Buy	19757	0.25
				02 Aug 2019	8872	Market Buy	28629	0.37
				16 Aug 2019	750	Market Buy	29379	0.38
				20 Sep 2019	300	Market Buy	29679	0.38
				27 Sep 2019	500	Market Buy	30179	0.39
				11 Oct 2019	100	Market Buy	30279	0.39
				18 Oct 2019	750	Market Buy	31029	0.4
				01 Nov 2019	1000	Market Buy	32029	0.41
				08 Nov 2019	600	Market Buy	32629	0.42
				29 Nov 2019	900	Market Buy	33529	0.43
				17 Jan 2020	925	Market Buy	34454	0.44
	07 Feb 2020	200	Market Buy	34654	0.45			
28 Feb 2020	450	Market Buy	35104	0.45				
20 Mar 2020	45	Market Sell	35059	0.45				
At the end of the year (31.03.2020)						35059	0.45	

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2019)	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
4.	Adelphi Assests and Capital Manangement Pvt Ltd	20000	0.26		No Change		20000	0.26
5.	Suren Khirwadkar	8092	0.10		No Change		8092	0.10
6.	Canos Trading Pvt Ltd	7413	0.10		No Change		7413	0.10
7.	Vijay Venkatram	5000	0.06		No Change		5000	0.06
8.	Vimla Khushranglal Jain	4000	0.05		No Change		4000	0.05
9.	Darshana A. Shah	3800	0.04		No Change		3800	0.04
10.	Chandrikaben Harikisondas Dhedhi	3720	0.04		No Change		3720	0.04

v. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 1-April-2019]		Cumulative Shareholding during the year [As on 31-March-2020]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

INDEBTEDNESS (Indebtedness of the Company including interest outstanding / accrued but not due for payment.)
(in Rs. Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1059.00	135.86	-	1194.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1059.00	135.86	-	1194.86
Change in Indebtedness during the financial year				
* Addition	142.86	-	-	142.86
* Reduction	-	59.22	-	59.22
Net Change	142.86	(59.22)	-	83.64
Indebtedness at the end of the financial year	1201.86	76.64		1278.50
i) Principal Amount	1201.86	76.64	-	1278.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1201.86	76.64	-	1278.50

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and /or Manager:

Sr. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs. In Lacs)
		Shri V. Balasubramanian (Executive Director) (Rs. In Lacs)*	
1	Gross salary	197.75	197.75
	(a) Salary as per provisions contained in section	197.75	197.75
	(b) Value of perquisites u/s 17(2) Income-tax	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-

2	Stock Option (Number of Option)	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
5	Others, please specify	-	-
	Total (A)	197.75	197.75
	Ceiling as per the Act	Rs. 125.42 lakh (being 5% of Net Profit of the company calculated as per section 198 of Companies Act, 2013)	

*Remuneration is within limits recommended by NRC and approved by Board for the period April 23, 2018 to April 22, 2021 and approved by the Members of the Company vide Special Resolution .

B. Remuneration to other directors

(in lakhs)

S N	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	Shri. B.K. Chaturvedi	Shri. J.S. Sabharwal*	Dr. P.S. Pasricha**	
	Fee for attending board committee meetings	6.50	-	3.50	10.00
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	6.50	-	3.50	10.00
2	Other Non-Executive Directors	Shri. Gautam Hari Singhania	Shri. Vipin Agarwal	Shri Ravikant Uppal***	
	Fee for attending board committee meetings	1.50	-	2.00	3.50
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	1.50	-	2.00	3.50
	Total Managerial Remuneration Total (B)=(1+2)				13.50
	Ceiling as per the Act	Rs. 25.08 lakh (being 1% of Net Profit of the company calculated as per section 198 of Companies Act, 2013)			

*Shri J.S. Sabharwal resigned on October 21, 2019

** Dr. P.S. Pasricha completed his term as an Independent Director on March 19, 2020

*** Shri Ravikant Uppal appointed as a Director on April 08, 2019

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S N	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total (Rs. In Lacs)
		-	Shri Bhargav Vyas	Shri Sitesh Maheshwari	
1	Gross salary	-	-	43.25	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	43.25	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option (Number of Options)	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	43.25	

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**Disclosure in terms of Rule 12 of Companies (Share Capital and Debentures)
Rules, 2014 of the Companies Act, 2013**

Sr. No.	Particulars	RPAL ESOP2019
1.	Options Granted during April 1, 2019 to March 31, 2020	111,947
2.	Options vested during April 1, 2019 to March 31, 2020	Nil
3.	Options exercised during April 1, 2019 to March 31, 2020	Nil
4.	Total number of shares arising as a result of exercise of options	Nil
5.	Options lapsed during April 1, 2019 to March 31, 2020	Nil
6.	The exercise price	Rs.10/-
7.	Variation of terms of options	None
8.	Money realised by exercise of Option	Nil
9.	Total number of options in force as on March 31, 2020	111,947
10.	Employee wise details of options granted to:	
	i. Key Managerial Personnel	
	Shri V. Balasubramanian (Whole-time Director Designated as a Executive Director)	51,634
	Shri Sitesh Maheshwari (Chief Financial Officer)	11,835
	ii. Any other employee who receives a grant in any one year of option amounting to five percent or more options granted during that year.	
	a) Shri Sachin Kotwal	19,915
	b) Shri Kamalakar B Tak	13,217
	c) Shri Avil Tyagi	6,111
	iii. Identified employees who were granted options during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Nil

Independent auditor's report

To the Members of Ring Plus Aqua Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Ring Plus Aqua Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss ((including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 48 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of the matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

INDEPENDENT AUDITOR'S REPORT

To the Members of Ring Plus Aqua Limited
Report on audit of the Financial Statements
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inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery,

INDEPENDENT AUDITOR'S REPORT

To the Members of Ring Plus Aqua Limited
Report on audit of the Financial Statements
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intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

12. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

INDEPENDENT AUDITOR'S REPORT

To the Members of Ring Plus Aqua Limited
Report on audit of the Financial Statements
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- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2020 on its financial position in its financial statements – Refer Note 39 to the financial statements.
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
- 14. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number : 112433
UDIN: 20112433AAAAGO5344

Place: Mumbai
Date: June 25,2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Ring Plus Aqua Limited on the financial statements for the year ended March 31, 2020.

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Ring Plus Aqua Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of Ring Plus Aqua Limited on the financial statements for the year ended March 31, 2020.

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financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGO5344

Mumbai
June 25, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Ring Plus Aqua Limited on the financial statements for the year ended March 31, 2020.

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- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of immovable properties, as disclosed in Note 2(b) on Property Plant and Equipments to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reason intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made by it. The Company has not provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 39 to the financial statements regarding management's assessment on certain matters relating to provident fund. Further, for the period March 1, 2020 to March 31, 2020, the company has paid Goods and Service Tax and filed GSTR1 and Form 3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Circular No. 136/06/2020-GST dated 03/04/2020 on fulfilment of conditions specified therein.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, duty of customs, duty of excise, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax and sales tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Ring Plus Aqua Limited on the financial statements for the year ended March 31, 2020.

Page 2 of 3

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	14.26	Assessment Year 2011-12	Joint Commissioner of Income Tax
The Income Tax Act, 1961	Income Tax	5.19	Assessment Year 2012-13	Commissioner of Income Tax (Appeals)
The Central Sales Tax Act, 1956	Sales Tax	2.72	Financial Year 1999-00	Assistant Commissioner of Sales Tax, Appeals
The Central Sales Tax Act, 1956	Sales Tax	37.17	Financial Year 2014-15	Joint Commissioner of Sales Tax (Appeals), Pune
The Central Sales Tax Act, 1956	Sales Tax	33.33	Financial Year 2014-15	Joint Commissioner of Sales Tax (Appeals), Nashik

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company has not issued any debentures and hence the question of default does not arise.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 14 of the main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of Ring Plus Aqua Limited on the financial statements for the year ended March 31, 2020.

Page 3 of 3

- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number : 112433
UDIN: 20112433AAAAGO5344

Place: Mumbai
Date: June 25, 2020

RING PLUS AQUA LIMITED

Balance Sheet as at March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Particulars		Note	March 31, 2020	March 31, 2019
I	ASSETS			
1	Non-current Assets			
	(a) Property, Plant and Equipment	3(a)	8,884.94	5,591.45
	(b) Right of use asset	3(b)	86.52	-
	(c) Capital work - in - progress		5.51	2,808.12
	(d) Other Intangible assets	4	7.59	13.89
	(e) <u>Financial Assets</u> :			
	(i) Other investments	5	8.22	5.72
	(ii) Loans	6	23.05	21.95
	(f) Non-Current Tax Assets (Net)		363.44	301.49
	(g) Other non - current assets	8	257.65	435.12
	Total Non-Current Assets		9,636.92	9,177.74
2	Current assets			
	(a) Inventories	9	3,305.40	4,587.62
	(b) <u>Financial Assets</u> :			
	(i) Current investments	10	1,597.43	717.90
	(ii) Trade receivables	11	3,097.74	3,588.36
	(iii) Cash and cash equivalents	12	402.88	31.30
	(vi) Loans	13	1,500.00	-
	(v) Other current financial assets	14	60.05	50.32
	(c) Other current assets	15	590.21	1,409.97
	Total Current Assets		10,553.71	10,385.47
	TOTAL ASSETS		20,190.63	19,563.21
II	EQUITY AND LIABILITIES			
1	Equity			
	a) Equity share capital	16	775.67	775.67
	b) Other Equity	17	12,456.37	10,590.41
	Total Equity		13,232.04	11,366.08
2	Non-current liabilities			
	(a) Financial Liabilities			
	- Borrowings	18	35.53	76.65
	(b) Deferred tax liabilities (Net)	7	504.39	257.80
	Total Non Current Liabilities		539.92	334.45
3	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	19	1,201.86	1,059.00
	(ii) Trade Payables	20	-	-
	(I) Total outstandings of micro and small enterprises		-	-
	(II) Total outstandings other than (ii)(I)		3,747.66	5,510.83
	(iii) Other Financial Liabilities	21	550.35	337.97
	(b) Other current liabilities	22	537.24	626.03
	(c) Provisions	23	381.56	328.85
	Total Current Liabilities		6,418.67	7,862.68
	Total Liabilities		6,958.59	8,197.13
	TOTAL EQUITY AND LIABILITIES		20,190.63	19,563.21

The accompanying notes are an integral part of these financial statements

1 to 49

As per our attached Report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

For and on behalf of Board of Directors

Sd/-

Arunkumar Ramdas

Partner

Membership No. 112433

Sd/-

V. Balasubramanian

Executive Director

DIN : 05222476

Sd/-

Vipin Agarwal

Director

DIN : 02963480

Place : Mumbai

Date : June 25, 2020

Sd/-

Sitesh Maheshwari

Chief Financial Officer

Sd/-

Bhargav Vyas

Company Secretary

RING PLUS AQUA LIMITED
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Particulars		Note	For the Year ended March 31, 2020	For the Year ended March 31, 2019
I	Income			
	Revenue from Operations	24	20,822.85	25,838.47
	Other Income	25	251.35	365.77
	Total Income		21,074.20	26,204.24
II	Expenses			
	Cost of raw materials consumed	26	6,892.27	9,909.59
	Changes in inventories of finished goods and work-in progress	27	646.51	(785.34)
	Employee benefits expense	28	3,022.47	2,450.54
	Finance costs	29	57.35	58.46
	Depreciation and amortization expense	30	1,001.15	769.79
	<u>Other Expenses</u> :			
	(a) Manufacturing and Operating Costs	31	5,308.74	6,805.87
	(b) Other expenses	32	1,608.22	1,951.89
	Total expenses		18,536.71	21,160.80
III	Profit before tax		2,537.49	5,043.44
IV	Tax expense			
	Current tax	7	555.87	1,018.14
	Deferred tax		174.80	411.41
	Tax in respect of earlier years		8.57	(3.09)
	Total Tax Expense		739.24	1,426.47
V	Profit for the year (III - IV)		1,798.25	3,616.98
VI	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans	43	10.88	(13.94)
	Tax Impact on above	7	3.17	(4.82)
	Other Comprehensive Income		7.71	(9.12)
VII	Total Comprehensive Income for the year (V + VI)		1,805.96	3,607.86
VIII	Earnings per equity share of Rs. 10 each :			
	Basic and Diluted (in Rs.)	37	23.18	46.63
The accompanying notes are an integral part of these financial statements		1 to 49		

As per our attached Report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016

Sd/-
Arunkumar Ramdas
Partner
Membership No. 112433

Place : Mumbai
Date : June 25, 2020

For and on behalf of Board of Directors

Sd/-
V. Balasubramanian
Executive Director
DIN : 05222476

Sd/-
Sitesh Maheshwari
Chief Financial Officer

Sd/-
Vipin Agarwal
Director
DIN : 02963480

Sd/-
Bhargav Vyas
Company Secretary

RING PLUS AQUA LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

A. EQUITY SHARE CAPITAL

Particulars	Note No.	Amount
As at March 31, 2018		775.67
As at March 31, 2019	16	775.67
As at March 31, 2020		775.67

B. OTHER EQUITY

Particulars	Note No.	Reserves and Surplus					Total
		Capital Reserve (On Amalgamation)	Securities Premium	Share Options outstanding Account	Retained Earnings	General Reserves	
As at March 31, 2018	17	610.35	993.60	-	5,129.39	280.72	7,014.06
Change in accounting policy (Refer Note 33(ii))					(31.51)		(31.51)
Profit for the year		-	-	-	3,616.98	-	3,616.98
Other Comprehensive Income for the year (Net of Tax)		-	-	-	(9.12)	-	(9.12)
As at March 31, 2019	17	610.35	993.60	-	8,705.74	280.72	10,590.41
Profit for the year		-	-	-	1,798.25	-	1,798.25
Other Comprehensive Income for the year (Net of Tax)					7.71		7.71
Employee Stock Option Plan Expenses	17	-	-	60.00	-	-	60.00
As at March 31, 2020		610.35	993.60	60.00	10,511.70	280.72	12,456.37
The accompanying notes are an integral part of these financial statements	1 to 49						

As per our attached Report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

For and on behalf of Board of Directors

Sd/-

Arunkumar Ramdas

Partner

Membership No. 112433

Sd/-

V. Balasubramanian

Executive Director

DIN : 05222476

Sd/-

Vipin Agarwal

Director

DIN : 02963480

Place : Mumbai

Date : June 25, 2020

Sd/-

Sitesh Maheshwari

Chief Financial Officer

Sd/-

Bhargav Vyas

Company Secretary

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES :

I. Background and Operations

Ring Plus Aqua Limited ('RPAL' or 'the Company'), CIN : U99999MH1986PLC040885, headquartered in Mumbai, Maharashtra, India, carries on business of manufacturing and exporting Ring Gears, Flexplates, Water Pump Bearings, machined components both for auto and non-auto sector. Scissors Engineering Products Limited is holding company of RPAL holding 89.07% capital of the Company.

II. Basis of preparation of financial statements

The accounting policies are applied consistently to all the periods presented in the financial statements.

III. Significant accounting policies

(a) Basis of preparation of Financial Statements

(i) Compliance with Ind AS

These financial statements comply in all material aspects with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 (the Act) read with of the [Companies (Indian Accounting standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) that is measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;
- 3) share based payments

(iii) New and Amended standards adopted by the Company

(iii) New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

-Ind AS 116, Leases

-Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits

-Amendment to Ind AS 12, Income Taxes

The company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 33. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II), unless otherwise stated.

RING PLUS AQUA LIMITED**Notes to the Financial Statements as at and for the year ended March 31, 2020****(All amounts are in Rs. lakhs, unless stated otherwise)****(b) Use of estimates and judgments**

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method, over the estimated useful lives of assets. (Leasehold land is amortised over of period lease). Leasehold improvements are amortised over the period of lease or estimated useful lives which ever is lower.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery which based on an independent technical evaluation has been estimated as 24 years from the date of acquisition (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(d) Intangible assets**Computer software**

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Amortisation method

The Company amortizes computer software with a useful life using the straight-line method over the period of 3 years from the date of acquisition.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Leases**Till 31st March, 2019****As a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

With effect from 1st April, 2019

As a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. On adoption of Ind AS 116, the Company has reclassified leasehold land presented under Property, Plant and Equipment to Right-of-use asset and lease payments have been classified as financing cash flows.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(g) Trade receivables

Trade receivables are recognised at the value of sales less provision for impairment.

(h) Inventories

Inventories of Raw Materials, Goods in transit, Work-in-Progress, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on the past experience of the Company.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

(i) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- * **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) Income recognition

- Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

- Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(j) Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to revenue.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

(m) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed, where an inflow of economic benefits is probable. A contingent asset is not recognised unless the recovery is virtually certain.

(n) Revenue recognition

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and specific criteria have been met for each of the company's activities as described below.

Sale of goods -

Sales are recognised when the control of the goods has transferred when the goods are delivered to customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transfer to customer and the Company has objective evidence that all criteria for the acceptance have been satisfied.

Sales Return -

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Other operating revenue - Export incentives -

Export Incentives under the, "Duty Draw back Scheme", "Merchandise Export from India Scheme" etc. is accounted in the year of export.

(o) Employee benefits

(i) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(ii) Post-employment obligations

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss Account as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for restructuring that is within the scope of Ind AS37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(p) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(q) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(r) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

(s) Share Based Payments

Expenses relating to Share Based payments such as Equity Share Option Plan (ESOP) are recognised based on Black Schole method and are shown as Shares Option Outstanding Account in Equity and in Employee Benefit Cost under Statement of Profit and Loss in accordance with provisions of IND AS 102. The expenses relating to Share based payments will be subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss and the Shares Option Outstanding Account on yearly basis. The Share Based payments reserve will be transferred to Equity Shares on the allotment of the ESOP and balance may be transferred to General Reserve or Securities Premium accordingly.

2 Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer Note 43).
- Estimation of current tax expenses and Payable and Recognition of deferred tax assets for carried forward tax losses (Refer Note 7).

RING PLUS AQUA LIMITED
Notes to the Financial Statements as at and for the year ended March 31, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

3(a) Property, Plant and Equipment

Particulars	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount :								
As at March 31, 2018	75.72	711.90	5,515.60	55.24	562.70	60.81	60.92	7,042.89
Additions	15.36	104.58	772.49	1.73	-	68.62	13.40	976.18
Disposals	-	-	18.64	-	4.42	-	-	23.06
As at March 31, 2019	91.08	816.48	6,269.45	56.97	558.28	129.43	74.32	7,996.01
Reclassification as 'Rights of use Assets'	(91.08)	-	-	-	-	-	-	(91.08)
Additions	-	1,275.17	2,389.66	12.76	508.36	131.62	49.19	4,366.76
Disposals	-	-	0.09	0.09	-	0.90	-	3.15
As at March 31, 2020	-	2,091.65	8,659.02	69.64	1,066.64	260.15	121.44	12,268.54
Accumulated Depreciation :								
As at March 31, 2018	2.68	67.16	1,345.12	24.68	165.39	33.61	27.74	1,666.38
Depreciation charge for the year	0.91	26.92	571.47	8.88	110.41	13.58	17.86	750.03
Disposals	-	-	9.51	-	2.34	-	-	11.85
As at March 31, 2019	3.59	94.08	1,907.08	33.56	273.46	47.19	45.60	2,404.56
Reclassification as 'Rights of use Assets'	(3.59)	-	-	-	-	-	-	(3.59)
Depreciation charge for the year	-	64.48	749.72	7.12	107.79	33.15	21.38	983.64
Disposals	-	-	-	-	-	0.16	0.85	1.01
As at March 31, 2020	-	158.56	2,656.80	40.68	381.25	80.18	66.13	3,383.60
Net Carrying Amount :								
As at March 31, 2019	87.49	722.40	4,362.37	23.41	284.82	82.24	28.72	5,591.45
As at March 31, 2020	-	1,933.09	6,002.22	28.96	685.39	179.97	55.31	8,884.94

Notes:

- A. For information on Property, Plant and Equipment offered as security by the Company, Refer note 38.
B. Refer note 40 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipment .

3(b) Leases

- (i) This notes provides information for lease where the Company is a lessee. The Company has leasehold factory land and leases office premises. Rental contract for office are typically made for fixed period of 12 months. There are no leases where Company is lessor.

Amount recognised in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at March 31, 2020	April 1, 2019 *
Lease hold Land	86.52	87.49
Total	86.52	87.49

* On adoption of Ind AS 116, the Company has reclassified leasehold land classified under Property, Plant and Equipment to Right-of-use asset. For adjustments recognised on adoption of Ind AS 116 on 1st April 2019, Refer to note 33.

Additions to right-of-use assets during the financial year were Rs. Nil.

(ii) **Amount recognised in the statement of profit and loss.**

The statement of profit and loss shows the following amount relating to lease :

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Leasehold Land	30	0.97	-
Total		0.97	-

Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Expense relating to short-term leases (included in other expenses)	32	15.56	-
Total		15.56	-

(iii) **Extension and termination options:**

Extension and termination options are included in property lease. These are used to maximise operational flexibility in terms of managing the assets used in the company operations. The extension and termination options held are exercisable with mutual agreement between the company and respective lessor.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

4 Intangible assets

Particulars	Computer Software
Gross Carrying Amount	
As at March 31, 2018	79.88
Additions	-
As at March 31, 2019	79.88
Additions	10.24
As at March 31, 2020	90.12
Accumulated Amortisation	
As at March 31, 2018	46.23
Amortisation charge for the year	19.76
As at March 31, 2019	65.99
Amortisation charge for the year	16.54
As at March 31, 2020	82.53
Net Carrying Amount	
As at March 31, 2019	13.89
As at March 31, 2020	7.59

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

5 Other Investments

Particulars	March 31, 2020		March 31, 2019	
	No. of Units	Amount	No. of Units	Amount
Equity instruments - Unquoted				
Fair value through profit or loss				
SICOM Limited (Equity Shares of Rs.10 each)	10,000	7.52	10,000	5.02
Saraswat Co-operative Bank Limited (Equity Shares of Rs.10 each)	7,000	0.70	7,000	0.70
Trinity Auto Component Limited (Equity Shares of Rs.10 each)	421,000	42.10	421,000	42.10
		50.32		47.82
Less : Provision for diminution in the value of investments		(42.10)		(42.10)
Total		8.22		5.72
Aggregate amount of unquoted investments		50.32		47.82
Aggregate amount of impairment in value of investments		(42.10)		(42.10)

6 Loans :

Particulars	March 31, 2020	March 31, 2019
Security Deposits		
Unsecured- Considered Good	23.05	21.95
Total	23.05	21.95

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

7 Income Taxes

Tax expense recognized in the Statement of Profit and Loss

Particulars	March 31, 2020	March 31, 2019
Current tax	555.87	1,018.14
Deferred tax	174.80	411.41
<u>Tax in respect of Earlier years</u>		
- Current Tax	(60.05)	(212.31)
- Deferred Tax	68.62	209.23
Total income tax expense	739.24	1,426.47

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

Reconciliation of effective tax rate	March 31, 2020	March 31, 2019
Profit before tax	2,537.49	5,043.44
Tax Expense Recognised in Statement of Profit and Loss	739.24	1,426.47
Enacted income tax rate in India	29.120%	29.120%
Computed Expected Tax Expense	738.92	1,468.65
<u>Add:</u>		
Re-assessment of unrecognised deferred tax asset on tax losses	(25.21)	(31.15)
Tax in respect of Earlier years	8.57	(3.08)
Other Items	16.96	(7.95)
Total income tax expense	739.24	1,426.47

Consequent to reconciliation items shown above, the effective tax rate is 29.13% (2018-19: 28.28%)

Movement in Deferred tax (assets)/liabilities :

Particulars	April 1, 2019	MAT credit utilised during the year	(Credit)/charge in Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	March 31, 2020
<u>Deferred tax asset on account of:</u>					
Provision for Employment Benefits	(93.61)	-	(15.35)	3.17	(105.79)
Provision for Doubtful Debts & Others Receivables	(133.30)	-	2.49	-	(130.81)
Others	(0.31)	-	0.31	-	-
<u>Deferred tax liability on account of:</u>					
Depreciation on Property, Plant & Equipment and Intangible Assets	553.64	-	187.35	-	740.99
Deferred Tax Liability/(Asset) excluding MAT Credit Entitlement	326.42		174.80	3.17	504.39
MAT Credit Entitlements	(68.62)	68.62	-	-	-
Deferred Tax Liability/(Asset) including MAT Credit Entitlement	257.80		174.80	3.17	504.39

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Movement in Deferred tax (assets)/liabilities :

Particulars	April 1, 2018	MAT credit utilised during the year	(Credit)/charge in Statement of Profit and Loss	(Credit)/charge in Other Comprehensive Income	March 31, 2019
Deferred tax asset on account of :					
Provision for Employment Benefits	(68.60)	-	(20.19)	(4.82)	(93.61)
Provision for Doubtful Debts & Others Receivables	(230.53)	-	97.23	-	(133.30)
Changes in Accounting Policy	(12.97)	-	12.97	-	-
Others	(4.41)	-	4.10	-	(0.31)
Deferred tax liability on account of:					
Depreciation on Property, Plant & Equipment and Intangible Assets	562.66	-	(9.02)	-	553.64
Deferred Tax Liability/(Asset) excluding MAT Credit Entitlement	246.15	-	85.09	(4.82)	326.42
MAT Credit Entitlements	(604.17)	535.55	-	-	(68.62)
Deferred Tax Liability/(Asset) including MAT Credit Entitlement	(358.02)	535.55	85.09	(4.82)	257.80

Unrecognised carry forward tax losses:

The Company has accumulated capital loss of Rs. 1,403.14 lakhs (Previous year Rs. 1,489.73 Lakhs) under the Income Tax Act. In view of, uncertainty over the Company's ability to utilise such losses in the foreseeable future, the Company has not recognised deferred tax asset against such losses.

8 Other non - current assets

Particulars	March 31, 2020	March 31, 2019
Capital advances	161.91	337.98
VAT Receivable :		
- Considered Good	95.74	97.14
- Considered Doubtful	52.51	67.55
Less: Loss allowance	(52.51)	(67.55)
Total	257.65	435.12

9 Inventories

(Cost or Net Realisable value, whichever is lower)

Particulars	March 31, 2020	March 31, 2019
Raw Materials	809.70	1,237.91
Raw Materials - In Transit	-	31.85
Work-in-progress	336.75	479.29
Finished goods	1,945.19	2,449.16
Stores and Spares	213.76	371.78
Stores and Spares - In Transit	-	17.63
Total	3,305.40	4,587.62

Notes :

a) Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to Rs. 45.54 lakhs for the year ended 31st March, 2020 (write back Rs. 64.21 lakhs for the year ended 31st March, 2019). These write-downs/write back were recognised as expenses /income and included in 'Raw material consumed', 'changes in value of inventories of finished goods, stock- in -trade and work -in- progress' and 'consumption of stores and spares' in the statement of Profit and Loss.

b) For information of Inventories offered as security, Refer Note 38.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

10 Current Investments

Particulars	March 31, 2020	March 31, 2019
Investment in Mutual Fund :		
Unquoted at Fair value through Profit and Loss		
UTI-Money Market Fund - Institutional Plan - Direct Growth Plan (Units 61,574.361 (Previous Year 38,725.593)	1,396.36	717.90
UTI-Overnight Fund - Direct Growth Plan(Units 7,354.297 (Previous Year Nil)	201.07	-
Total	1,597.43	717.90

11 Trade receivables

Particulars	March 31, 2020	March 31, 2019
Unsecured, unless stated otherwise		
Other parties	3,376.50	3,867.12
Less: Loss Allowance	(278.76)	(278.76)
Total	3,097.74	3,588.36

Break-up of Security details :

Particulars	March 31, 2020	March 31, 2019
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	3,376.50	3,867.12
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	3,376.50	3,867.12
Less: Loss Allowance	(278.76)	(278.76)
Total trade receivables	3,097.74	3,588.36

(a) For information about Credit Risk and Market Risk, Refer Note 34.

(b) For information of Trade receivables offered as security, Refer Note 38.

12 Cash and cash equivalents

Particulars	March 31, 2020	March 31, 2019
Cash on hand	2.50	2.58
Cheques on hand and remittance in transit	-	19.47
Balances with Banks - In current accounts	9.08	9.25
Balances with Banks - Debit balance In Cash Credit accounts	391.30	-
Total	402.88	31.30

13 Loans

Particulars	March 31, 2020	March 31, 2019
Unsecured, unless stated otherwise		
Loans to related parties (Refer Note 42)	1,500.00	-
Total	1,500.00	-

14 Other current financial assets

Particulars	March 31, 2020	March 31, 2019
Interest Receivables from Related Parties (Refer Note 42)	59.73	-
Derivative financial Instruments (Refer Note 34)	0.32	50.32
Total	60.05	50.32

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

15 Other current assets

Particulars	March 31, 2020	March 31, 2019
<u>Export benefit receivables</u>		
- Considered Good	383.30	315.59
Deposit with Government Authorities	5.70	1.90
<u>GST, VAT etc. receivables</u>		
- Considered Good	104.40	795.72
- Considered doubtful	75.88	67.43
Less : Loss Allowance	(75.88)	(67.43)
Advances to Suppliers	33.06	234.01
Prepaid expenses	58.13	56.18
Advances recoverable in cash or kind	5.62	1.22
Receivables from Related Parties (Refer Note 42)	-	5.35
Total	590.21	1,409.97

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

16 Equity Share capital

a) Particulars	March 31, 2020	March 31, 2019
Authorised		
3,00,00,000 (Previous year: 3,00,00,000) Equity Shares of Rs. 10/- each	3,000.00	3,000.00
Issued, subscribed and fully paid up		
77,56,671 (Previous year: 77,56,671) Equity Shares of Rs. 10/- each	775.67	775.67
	775.67	775.67

b) Rights of Equity Shareholders

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Reconciliation of number of shares

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	Rs. lakhs	Number of shares	Rs. lakhs
Equity Shares :				
Balance as at the beginning of the year	7,756,671	775.67	7,756,671	775.67
Balance as at the end of the year	7,756,671	775.67	7,756,671	775.67

d) Shares held by Holding Company

Particulars	March 31, 2020	March 31, 2019
69,08,602 (Previous year 69,08,602) Equity shares of Rs.10/- each held by Scissors Engineering Products Ltd.	690.86	690.86

e) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	March 31, 2020	March 31, 2019
69,08,602 shares (Previous year 69,08,602 shares) held by Holding Company (Scissors Engineering Products Limited)	89.07%	89.07%
% of holding		
4,96,165 shares (Previous year 4,87,379) held by J K Investors (Bombay) Limited	6.40%	6.28%
% of holding		

f) During preceding five years, no share was issued by the Company for consideration being other than cash.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

17 Other Equity

Particulars	Capital Reserve on Amalgamation	Securities Premium	Share Options outstanding Account	Retained Earnings	General Reserves	Total
As at March 31, 2018	610.35	993.60	-	5,129.39	280.72	7,014.06
Change in accounting policy (Refer Note 33(b))	-	-	-	(31.51)	-	(31.51)
Profit for the year	-	-	-	3,616.98	-	3,616.98
Other Comprehensive Income for the year (Net of Tax)	-	-	-	(9.12)	-	(9.12)
As at March 31, 2019	610.35	993.60	-	8,705.74	280.72	10,590.41
Profit for the year	-	-	-	1,798.25	-	1,798.25
Other Comprehensive Income for the year (Net of Tax)	-	-	-	7.71	-	7.71
Employee Stock Option Plan Expenses	-	-	60.00	-	-	60.00
As at March 31, 2020	610.35	993.60	60.00	10,511.70	280.72	12,456.37

Nature and Purpose of Reserves :

a) Securities Premium :

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

b) Share Options Outstanding Account

The Share Options outstanding Account is used to recognise the grant date fair value of options issued to employees under 'Ring Plus Aqua Limited - Employee stock option plan 2019' (Refer Note 47).

c) Capital Reserve

Capital Reserve was created on account of merger of Trinity India Ltd with the Company pursuant to the Scheme of Amalgamation in the financial year 2012-13

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

18 Non-Current Borrowings

Particulars	March 31, 2020	March 31, 2019
Unsecured		
Interest free Deferred Sales tax payment liabilities	35.53	76.65
Total	35.53	76.65

Notes :

- 1) For information about Liquidity risk and Market risk Refer Note 34.
- 2) Installment of loans falling due within twelve months aggregating Rs. 41.11 lakhs (Rs. 59.21 Lakhs as at March 2019) have been grouped under Current Maturities of Long Term Debt, Refer Note 21.
- 3) For information about Net Debt reconciliation Refer Note 44.

19 Current Borrowings

Particulars	March 31, 2020	March 31, 2019
Secured		
- Cash Credit	201.27	59.00
- Indian Rupee Packing credit	1,000.59	1,000.00
Total	1,201.86	1,059.00

(a) The carrying amount of financial and non-financial assets held as security for secured borrowings are disclosed in Note 38.

(b) For information about Net Debt reconciliation Refer Note 44.

20 Trade payables

Particulars	March 31, 2020	March 31, 2019
Trade payables : Micro and Small Enterprises	-	-
Trade payables : Others	3,747.66	5,510.83
Total	3,747.66	5,510.83

(a) For information about MSME disclosure Refer Note 36.

(b) For information about Liquidity Risk and Market Risk Refer Note 34.

21 Other Current financial liabilities

Particulars	March 31, 2020	March 31, 2019
Current maturities of long-term debt (Refer Note 18)	41.11	59.21
Derivative financial instruments (Refer Note 34)	72.78	1.99
Other Deposits	15.01	19.20
Salary and Wages payable	340.96	232.65
Creditors for Capital Goods	80.49	24.92
Total	550.35	337.97

22 Other Current liabilities

Particulars	March 31, 2020	March 31, 2019
Contract Liabilities (Refer Note 33)	243.32	383.43
Statutory Dues	51.21	56.33
Other Payables	242.71	186.27
Total	537.24	626.03

23 Provisions

Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits (Refer Note 43)		
a) Provision for Gratuity	272.35	226.98
b) Provision for Compensated Absences	109.21	101.87
Total	381.56	328.85

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

24 Revenue from Operations

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Revenue from contracts with customer (Sale of Products)		
- Manufactured Goods - Domestic	6,844.96	8,194.82
- Manufactured Goods - Export	12,567.97	15,663.71
Total (A)	19,412.93	23,858.53
Other operating revenue		
(i) Export Incentives	503.67	643.75
(ii) Process waste sale	883.95	1,323.01
(iii) Others	22.30	13.18
Total (B)	1,409.92	1,979.94
Total (A+B)	20,822.85	25,838.47

25 Other income

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Dividend income - Trade Investment	0.04	0.02
<u>Interest income</u>		
- Related party (Refer note 42)	66.37	-
-Others	2.71	-
<u>Net Gain/(Loss) on :</u>		
(i) Variation in Foreign Exchange Rates	(91.26)	139.40
(ii) Sale/Discard of Property, Plant and Equipment	1.42	4.32
(iii) Sale of Investments through profit and loss	42.48	106.98
(iv) Fair Valuation of Investments through profit and loss	38.54	31.58
Provision no longer required	15.58	1.95
Compensation from Job worker	140.04	69.95
Miscellaneous Income	35.43	11.57
Total	251.35	365.77

26 Cost of raw materials consumed

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Opening Stock	1,237.91	799.95
Purchases	6,464.06	10,347.55
	7,701.97	11,147.50
Less : Closing Stock	(809.70)	(1,237.91)
Total	6,892.27	9,909.59

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

27 Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Opening inventories		
Finished goods	2,449.16	1,642.12
Work-in-progress	479.29	354.20
Change in accounting policy (Refer Note 33)	-	146.79
	2,928.45	2,143.11
Closing inventories		
Finished goods	1,945.19	2,449.16
Work-in-progress	336.75	479.29
	2,281.94	2,928.45
Total	646.51	(785.34)

28 Employee benefits expense

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Salaries, wages, bonus etc.	2,633.33	2,101.93
Contribution to Gratuity Fund (Refer note 43)	56.24	47.92
Contribution to provident funds and other funds (Refer Note 43)	142.97	136.35
Employee Stock Option Plan Expenses (Refer Note 47)	60.00	-
Workmen and Staff welfare expenses	129.93	164.34
Total	3,022.47	2,450.54

29 Finance costs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Interest expense on Term Loans	-	1.15
Interest expense on short term borrowings	57.35	57.31
Total	57.35	58.46

RING PLUS AQUA LIMITED
Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

30 Depreciation and amortization expense

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Depreciation on Property, Plant and Equipment	983.64	750.03
Depreciation of right of use assets (Refer Note 3(b))	0.97	-
Amortization on Intangible assets	16.54	19.76
Total	1,001.15	769.79

31 Manufacturing and Operating Costs

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Consumption of stores and spare parts	1,773.78	2,216.47
Power and fuel	1,256.66	1,437.43
Job work charges	1,027.34	1,465.44
Labour Contractor Charges	958.24	1,211.98
Repairs to machinery	92.79	186.28
Repairs to building	37.78	148.22
Other Manufacturing and Operating expenses	162.15	140.05
Total	5,308.74	6,805.87

32 Other expenses

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Rent	15.56	-
Insurance	81.56	75.12
Rates and Taxes	3.79	3.57
Commission to selling agents	9.26	-
Freight, Octroi etc.	792.06	1,125.89
Legal and Professional Expenses*	117.38	194.74
Travelling & Conveyance	113.99	141.19
Bad Debts written off	-	319.51
Less : Provision thereagainst	-	(319.51)
Provision for Doubtful Receivables	8.46	-
Deposits/Advances Written off	-	10.14
Less : Provision thereagainst	-	(14.38)
Information Technology Outsourcing Cost	33.19	29.38
Security Expenses	92.85	70.78
Director's sitting Fees	13.50	13.00
Expenditure towards Corporate Social Responsibility (Refer Note 45)	64.00	24.00
Miscellaneous Expenses	262.62	278.46
Total	1,608.22	1,951.89

* Includes Auditors' remuneration and expenses (net of credit for taxes) :

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
- Audit Fees	10.75	10.75
- Limited Review Fees	2.25	2.25
- Certification Fees	0.60	1.11
- Reimbursement of out of pocket expenses	0.52	0.34
Total	14.12	14.45

RING PLUS AQUA LIMITED**Notes to the Financial Statements as at and for the year ended March 31, 2020****(All amounts are in Rs. lakhs, unless stated otherwise)****33 (a) Changes in Accounting Policies****Ind AS 116 - Leases**

As indicated in note 1(iii)(a)(iii) above, the company has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for year ended 31 March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 April 2019. The new accounting policies are disclosed in note (iii)(e).

On adoption of Ind AS 116, the Company has reclassified leasehold land presented under Property, Plant and Equipment to Right-of-use asset.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

-accounting for operating leases with a remaining lease term of less than 12 months as at 1 April, 2019 as short-term leases

(iv) Adjustments recognised in the balance sheet on 1 April 2019

The change in accounting policy affected the following items in the balance sheet on 1 April, 2019

- Property, plant and equipment -decrease by INR 85.52

- right-of-use assets -increase by INR 85.52 lakhs

The net impact on retained earnings on 1 April 2019 was decrease by INR Nil.

b) Ind AS 115 - Revenue from Contracts with Customer

The Company had applied Ind AS 115 for the first time by using the modified retrospective method with the date of initial application of April 1, 2018. Under this method, the Company had recognised the cumulative effect of the initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 1, 2018.

The impact on the balances as at April 1, 2018 is as follows:

Item	April 01, 2018	Adjustment of Ind AS-115	Adjusted April 01, 2018
Retained Earnings	5,129.39	(31.51)	5,097.87
Inventory	3,244.22	146.79	3,391.01
Trade Receivables	3,262.20	(194.24)	3,067.96
Trade Payables	4,128.94	11.71	4,140.66
Export Incentives	269.62	(8.74)	260.88
Deferred Tax Asset	345.05	12.97	358.02

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

34 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

i. Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	March 31, 2020	March 31, 2019
Borrowings bearing variable rate of interest	1,201.86	1,059.00

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

Particulars	March 31, 2020	March 31, 2019
50 bp increase in interest rate - decrease in profits	(5.65)	(5.43)
50 bp decrease in interest rate - Increase in profits	5.65	5.43

ii. Market Risk- Foreign currency risk.

A significant portion of the sale is transacted in several currencies and consequently the Company is exposed to foreign exchange risk. The Foreign currency exchange rate exposure is balanced by forward contracts.

Derivative instruments hedged and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

(Foreign currency In lakhs)

Particulars	Currency	March 31, 2020	March 31, 2019
Forward contracts to sell USD	USD	28.70	15.63
Forward contracts to sell EURO	EURO	28.91	5.89

All the derivative instruments have been acquired for hedging purposes.

(b) Particulars of unhedged foreign currency exposures as at the reporting date

As at 31st March 2020

(Foreign currency In lakhs)

Particulars	CHF	USD	EURO	GBP	REAIS	RINGGIT
Trade Receivable	-	7.22	9.45	0.33	-	-
Covered by forward contracts	-	7.22	9.45	-	-	-
Unhedged Exposures	-	-	-	0.33	-	-
Trade Payable	*	0.04	-	-	-	-
Covered by forward contracts	-	-	-	-	-	-
Unhedged Exposures	*	0.04	-	-	-	-
Cash and Bank balances	-	*	*	*	*	*

As at 31st March 2019

Particulars	CHF	USD	EURO	GBP	REAIS	RINGGIT
Trade Receivable	-	10.90	11.11	0.31	-	-
Covered by forward contracts	-	10.90	5.89	-	-	-
Unhedged Exposures	-	-	5.22	0.31	-	-
Trade Payable	*	0.03	0.06	-	-	-
Covered by forward contracts	-	-	-	-	-	-
Unhedged Exposures	*	0.03	0.06	-	-	-
Cash and Bank balances	-	*	*	*	*	*

*Amount is below the rounding off norms adopted by the Company.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Foreign Currency Risk Sensitivity

A change of 1% in Unhedged Foreign currency would have following Impact on profit before tax

Particulars	2019-2020		2018-2019	
	1% Increase	1% decrease	1% Increase	1% decrease
EURO	-	-	0.05	(0.05)
USD	(0.03)	0.03	(0.02)	0.02
CHF	*	*	*	*
GBP	0.31	(0.31)	-	-
Increase / (decrease) in profit or loss	0.28	(0.28)	0.03	(0.03)

*Amount is below the rounding off norms adopted by the Company.

iii. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements .

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data loss on collection of receivable is not material except for credit losses in forging business which has been discontinued, hence no additional provision considered.

Ageing of Account receivables

Particulars	March 31, 2020	March 31, 2019
Not due	2,580.92	3,306.07
0-3 months	512.31	282.29
3-6 months	4.51	-
beyond 12 months	278.76	278.76
Total	3,376.50	3,867.12

Movement in provisions of doubtful debts

Particulars	March 31, 2020	March 31, 2019
Opening provision	278.76	598.27
Less:- Provision write off/ reversed for money received	-	-
Less:- Provision utilised against bad debts	-	(319.51)
Closing provisions	278.76	278.76

Movement in provisions of doubtful receivables

Particulars	March 31, 2020	March 31, 2019
Opening provision	67.43	67.43
Add:- Additional provision made	8.45	-
Less:- Provision write off/ reversed for money received	-	-
Less:- Provision utilised against bad debts	-	-
Closing provisions	75.88	67.43

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

iv. Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Financing arrangements

The company had access to following undrawn Borrowing facilities at end of reporting period:

Particulars	March 31, 2020	March 31, 2019
Variable Borrowing - Cash Credit expires within 1 year	1,168.14	1,311.00

Maturity patterns of borrowings

Particulars	As at March 31, 2020			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowing (Including current maturity of long term debt)	41.11	35.53	-	76.64
Short term borrowings	1,201.86	-	-	1,201.86
Expected Interest payable	56.52	-	-	56.52
Total	1,299.49	35.53	-	1,335.02

Particulars	As at March 31, 2019			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	59.21	76.65	-	135.86
Short term borrowings	1,059.00	-	-	1,059.00
Expected Interest payable	54.31	-	-	54.31
Total	1,172.52	76.65	-	1,249.17

Maturity patterns of Other Financial Liabilities

As at March 31, 2020	Not Due	0-3 months	3-6 months	6-12 months	beyond 12 months	Total
Trade Payables	1,562.49	2,185.17	-	-	-	3,747.66
Payables related to Capital goods	0.90	11.90	67.69	-	-	80.49
Other Financial liability (Current)	-	428.75	-	-	-	428.75
Total	1,563.39	2,625.82	67.69	-	-	4,256.90

As at March 31, 2019	Not Due	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payables	2,058.85	3,451.98	-	-	-	5,510.83
Payables related to Capital goods	22.08	2.84	-	-	-	24.92
Other Financial liability (Current)	-	251.85	-	-	-	251.85
Total	2,080.93	3,706.67	-	-	-	5,787.60

RING PLUS AQUA LIMITED**Notes to the Financial Statements as at and for the year ended March 31, 2020****(All amounts are in Rs. lakhs, unless stated otherwise)****35 Capital risk management**

The primary objectives of the capital management is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

Company manages its capital structure and makes its adjustments in the light of changes in economic environments.

The Company monitors capital on the basis of the following gearing ratio which is total debt net of cash and cash equivalents divided by total equity

The management monitors the return on capital.

The gearing ratios were as follows:

Particulars	March 31, 2020	March 31, 2019
Net Debt*	(721.81)	445.66
Equity	13,232.04	11,366.08
Gearing Ratio	(5.45)	3.92

* Net Debt is derived by netting Total Borrowings by Current Investments and Cash & Cash Equivalents. Negative amounts represent excess of Cash and cash equivalent over Borrowings.

36 The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 are as follows.

	March 31, 2020	March 31, 2019
	Current	Current
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006);	-	-
(d) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
(e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

37 Earnings per share

Particulars	March 31, 2020	March 31, 2019
Earnings Per Share has been computed as under :		
Profit for the year for computing Earnings Per Share	1,798.25	3,616.98
Weighted average number of equity shares outstanding – For Basic EPS (Face Value – Rs.10 per share)	7,756,671	7,756,671
Basic and Diluted Earnings Per Share	23.18	46.63

38 Assets offered as security

The carrying amounts of assets offered as security for current and non-current borrowings are:

Particulars	March 31, 2020	March 31, 2019
Current Assets		
Trade receivables	3,097.74	3,588.36
Inventories	3,305.40	4,587.62
Total	6,403.14	8,175.98
Non Current Assets		
Furniture, fittings and equipment	28.96	23.41
Plant and Machinery	6,002.22	4,362.37
Others	920.67	395.79
Total	6,951.85	4,781.57
Total assets offered as security	13,354.99	12,957.55

39 Contingent liabilities and commitments (to the extent not provided for)

Particulars	March 31, 2020	March 31, 2019
Contingent Liabilities		
Sales Tax (excluding Interest)	39.89	49.64
Disputed Income Tax (excluding Interest)	14.26	14.26
Total	54.15	63.90

Other Matters - Provident Fund :

The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

40 Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	March 31, 2020	March 31, 2019
Property, plant and equipment	358.99	1,158.86
Less: Capital advances	161.91	337.98
Net Capital commitments	197.08	820.88

RING PLUS AQUA LIMITED
Notes to the Financial Statements as at and for the year ended March 31, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

41 Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The fair values for loans, security deposits etc. were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at March 31, 2020

Particulars	Non Current			Current			Total			Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total										
Financial Assets																	
Investment	8.22	1,597.43	1,605.65		1,604.95		1,604.95					1,604.95		0.70		-	1,605.65
Other Financial Assets	23.05	1,560.05	1,583.10	-	0.32	-	0.32					0.32		1,582.78		-	1,583.10
Trade receivable	-	3,097.74	3,097.74	-	-	-	-					-		3,097.74		-	3,097.74
Cash and Cash equivalents	-	402.88	402.88	-	-	-	-					-		402.88		-	402.88
	31.27	6,658.10	6,689.37	-	1,605.27	-	1,605.27					1,605.27		5,084.10		-	6,689.37
Financial Liabilities																	
Borrowings	35.53	1,201.86	1,237.39	-	-	-	-					-		1,237.39		-	1,237.39
Other Financial Liabilities	-	550.35	550.35	-	72.78	-	72.78					72.78		477.57		-	550.35
Trade Payables	-	3,747.66	3,747.66	-	-	-	-					-		3,747.66		-	3,747.66
	35.53	5,499.87	5,535.40	-	72.78	-	72.78					72.78		5,462.62		-	5,535.40

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Financial Assets and Liabilities as at March 31, 2019

Particulars	Non Current			Current			Total			Routed through P & L				Routed through OCI	Carrying at amortised cost	At Cost	Total
	Non Current	Current	Total	Level 1	Level 2	Level 3	Total										
Financial Assets																	
Investment	5.72	717.90	723.62	-	722.92	-	722.92	-	722.92	-	-	-	-	0.70	-	-	723.62
Other Financial Assets	21.95	50.32	72.27	-	50.32	-	50.32	-	50.32	-	-	-	-	21.95	-	-	72.27
Trade receivable	-	3,588.36	3,588.36	-	-	-	-	-	-	-	-	-	-	3,588.36	-	-	3,588.36
Cash and Cash equivalents	-	31.30	31.30	-	-	-	-	-	-	-	-	-	-	31.30	-	-	31.30
	27.67	4,387.88	4,415.55	-	773.24	-	773.24	-	773.24	-	-	773.24	-	3,642.32	-	-	4,415.55
Financial Liabilities																	
Borrowings	76.65	1,059.00	1,135.64	-	-	-	-	-	-	-	-	-	-	1,135.64	-	-	1,135.64
Other Financial Liabilities	-	337.97	337.97	-	1.99	-	1.99	-	1.99	-	-	1.99	-	335.98	-	-	337.97
Trade Payables	-	5,510.83	5,510.83	-	-	-	-	-	-	-	-	-	-	5,510.83	-	-	5,510.83
	76.65	6,907.80	6,984.45	-	1.99	-	1.99	-	1.99	-	-	1.99	-	6,984.45	-	-	6,984.45

Fair Value of financial assets and liabilities measured at amortised cost.

The carrying amount of trade receivable, trade payable, cash and cash equivalents, other bank balance and short term borrowings are considered to be the same as their fair values, due to their short-term nature.

In respect of other financial assets/liabilities the difference between the carrying amount and fair value are not expected to be material.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

42 Related Parties Disclosures as per Ind AS 24 :

A. Relationships :

i Related parties where control exists, irrespective of whether transaction has occurred or not:

(a) Ultimate holding Company

- Raymond Limited

(b) Holding Company (Refer Note 16)

- Scissors Engineering Products Limited

ii Other related parties with whom transactions have taken place during the period:

(a) Fellow Subsidiary Companies

- JK Files (India) Limited
- JK Talabot Limited
- Silver Spark Apparel Limited
- Dress Master Apparel Private Limited

(b) Key Management Personnel:

- Mr. Gautam Hari Singhania – Non-Executive Director
- Mr. Ravikant Uppal - Non-Executive Director (Appointed on April 08, 2019)
- Mr. Vipin Agarwal – Non-Executive Director
- Mr. Bhuwan Kumar Chaturvedi – Director
- Mr. Jagmeet Singh Sabharwal – Director (upto October 20, 2019)
- Mr. Parthiv Kilachand - Director (Appointed on March 20, 2020)
- Mr. Parvinder Singh Pasricha – Director (upto March 19, 2020)
- Mr. V. Balasubramanian – Executive Director

(c) Trust

- Ring Plus Aqua Limited - Employee Gratuity Scheme

RING PLUS AQUA LIMITED
Notes to the Financial Statements as at and for the year ended March 31, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)
B. Entities where control /significant influence by KMP's and their relatives exists and with whom transaction have taken place.

Nature of transactions	J.K. Files (India) Limited	Raymond Limited	Dress Master Apparel Private Limited	Silver Spark Apparel Limited	Key Management personnel
Purchases					
Goods and Material	7.02 (3.21)	1.16 (0.94)	- (-)	- (-)	- (-)
Expenses					
Common Shared Services	- (100.80)	100.82 (-)	- (-)	- (-)	- (-)
Director Sitting Fees	-	-	- (-)	- (-)	3.50 (2.00)
Reimbursement of Expenses	4.62 (14.90)	65.04 (32.99)	- (-)	- (-)	- (-)
Finance					
Sale of Investment in subsidiary	- (-)	- (-)	- (-)	- (50.89)	- (-)
Unsecured Loan given	- (-)	- (150.00)	1,500.00 (-)	- (-)	- (-)
Interest Received/Receivable	- (-)	- (1.15)	66.37 (-)	- (-)	- (-)
Outstanding					
Trade Payable	0.08 (15.05)	- (-)	- (-)	- (-)	- (-)
Other Payable	- (-)	20.69 (-)	- (-)	- (-)	- (-)
Other Receivables	- (-)	- (5.35)	- (-)	- (-)	- (-)
Interest Receivable	- (-)	- (-)	59.73 (-)	- (-)	- (-)
Unsecured Loan receivable	- (-)	- (-)	1,500.00 (-)	- (-)	- (-)

(Previous year figures are in brackets)
C. Transactions carried out with Key Managerial Person, in the ordinary course of business :

Particulars	March 31, 2020	March 31, 2019
Short-term employee benefit	201.48	162.44
Post-employment benefit	6.27	5.93
Long-term employee benefit	-	-
Share based payment	-	-
Termination benefit	-	-
Total	207.75	168.37

Note : The amount in respect of gratuity and compensated absences is not disclosed as the same is not determinable for the key managerial person separately.

43 Post retirement benefit plans

I. DEFINED CONTRIBUTION PLAN:

The Company has defined contribution plan. Contributions are made to provident fund and ESIC for employees as per regulations. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year are :

Particulars	March 31, 2020	March 31, 2019
Contribution to Provident Fund	136.51	112.54
Contribution to E.S.I.C.	6.46	23.81
Total Contribution to provident funds and other funds	142.97	136.35

II. DEFINED BENEFIT PLANS (GRATUITY) :

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service, subject to a payment ceiling of Rs. 20 lakhs (Previous year Rs. 20 lakhs). The gratuity plan is a funded plan and the Company makes contributions to recognised funds in India.

A. Balance Sheet

Particulars	March 31, 2020	March 31, 2019
Present value of plan liabilities	784.64	745.36
Fair value of plan assets	512.29	518.38
Plan liability net of plan assets	272.35	226.98

B. Movements in plan assets and plan liabilities

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
As at 1st April 2019	518.38	745.36	226.98
Current service cost	-	39.14	39.14
Return on plan assets excluding Interest Income	(25.54)	-	25.54
Interest cost	-	56.20	56.20
Interest income	39.09	-	(39.09)
Actuarial (gain)/loss arising from changes in financial assumptions	-	(57.29)	(57.29)
Actuarial (gain)/loss arising from experience adjustments	-	20.87	20.87
Benefit paid from fund	(19.64)	(19.64)	-
As at 31st March 2020	512.29	784.64	272.35

Particulars	Plan Assets	Plan liabilities	Plan liability net of plan assets
As at 1st April 2018	496.02	661.14	165.12
Current service cost	-	34.91	34.91
Return on plan assets excluding Interest Income	3.79	-	(3.79)
Interest cost	-	52.10	52.10
Interest income	39.09	-	(39.09)
Actuarial (gain)/loss arising from changes in financial assumptions	-	20.57	20.57
Actuarial (gain)/loss arising from experience adjustments	-	(2.84)	(2.84)
Benefit paid from fund	(20.52)	(20.52)	-
As at 31st March 2019	518.38	745.36	226.98

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

C. The liabilities are split between different categories of plan participants as follows:

Particulars	March 31, 2020	March 31, 2019
Active members	529	526
The weighted average duration of the defined benefit plans	10	10
The Company expects to contribute to the funded plans in next 12 months	86.39 lakhs	80.65 lakhs

D. Statement of Profit and Loss

Particulars	March 31, 2020	March 31, 2019
Employee Benefit Expenses:		
Current service cost	39.13	34.91
Interest cost	17.11	13.01
Net impact on the Profit before tax	56.24	47.92
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in interest expense/income	25.54	(3.79)
Actuarial gains/(losses) arising from changes in financial assumptions	(57.29)	20.57
Actuarial gains/(losses) arising from changes in experience	20.87	(2.84)
Net impact on the Other Comprehensive Income before tax	(10.88)	13.94

E. Defined benefit plans Assets

Particulars	March 31, 2020	March 31, 2019
Insurer Managed Fund	512.29	518.38

F. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

Particulars	March 31, 2020	March 31, 2019
Financial Assumptions		
Discount rate	6.84%	7.54%
Salary Escalation Rate	4% to 6%	7.50%
Salary Attrition Rate	For service 2 years & below 15% , For service 3 to 4 years 10%, For service 5 years and above 5%	For service 2 years & below 15% , For service 3 to 4 years 10%, For service 5 years and above 5%

Demographic Assumptions :

Mortality in service : Indian Assured Lives Mortality (2006-08) Ultimate table.

G. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Current Year	Increase in assumption	Decrease in assumption
Discount rate: (+1%and -1%)	(58.73)	66.63
Salary Escalation Rate (+1%and -1%)	65.68	(52.38)
Employee Turnover (+1%and -1%)	(1.23)	1.49

Previous Year	Increase in assumption	Decrease in assumption
Discount rate: (+1%and -1%)	(58.09)	65.92
Salary Escalation Rate (+1%and -1%)	64.29	(58.09)
Employee Turnover (+1%and -1%)	0.02	(0.04)

RING PLUS AQUA LIMITED**Notes to the Financial Statements as at and for the year ended March 31, 2020****(All amounts are in Rs. lakhs, unless stated otherwise)**

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

H. 1. The defined benefit obligations shall mature after year as follows:

Year ending 31 March,	March 31, 2020	March 31, 2019
1st Following Year	39.38	30.85
2nd Following Year	42.04	29.96
3rd Following Year	54.54	47.24
4th Following Year	55.89	55.97
5th Following Year	63.07	58.72
Sum of 6 to 10	408.32	379.35

2. Compensated Absences :

The amount of provision of Rs. 109.21 lakhs (March 31, 2019 Rs. 101.87 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligation.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

44 Net Debt Reconciliation :

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalents	402.88	31.30
Bank Balances other than cash and cash equivalents	-	-
Current Investment	1,597.43	717.90
Current borrowings	(1,201.86)	(1,059.00)
Non-current borrowings (including current maturities and interest accrued)	(76.64)	(135.86)
Net debt	721.81	(445.66)

Particulars	Other Asset			Liabilities from financing activities		Total
	Cash and Cash Equivalents	Bank Balances other than cash and cash equivalents	Current Investment	Non-current borrowings (including current maturities and interest accrued)	Current borrowings	
Net debt as at March 31, 2018	175.25	0.28	1,118.26	(358.51)	(1,113.41)	(178.13)
Net Cashflows	(143.95)	(0.28)	(500.00)	222.65	54.41	(367.17)
Fair Valuation of Current Investment	-	-	43.40	-	-	43.40
Gain on Redemption on Current Investment	-	-	56.24	-	-	56.24
Interest expenses	-	-	-	(1.15)	(57.31)	(58.46)
Interest paid	-	-	-	1.15	57.31	58.46
Net debt as at March 31, 2019	31.30	-	717.90	(135.86)	(1,059.00)	(445.66)
Net Cashflows	371.58	-	801.00	59.22	(142.86)	1,088.94
Fair Valuation of Current Investment	-	-	36.05	-	-	36.05
Gain on Redemption on Current Investment	-	-	42.48	-	-	42.48
Interest expenses	-	-	-	-	(57.35)	(57.35)
Interest paid	-	-	-	-	57.35	57.35
Net debt as at March 31, 2020	402.88	-	1,597.43	(76.64)	(1,201.86)	721.81

45 Corporate Social Responsibility expenditure:

Corporate social responsibility expenditure	March 31, 2020	March 31, 2019
Amount required to be spent by the Company during the year	64.00	23.29
<u>Amount spent during the year :</u>		
(i) Construction/Acquisition of an asset	-	-
(ii) On purpose other than (i) above	64.00	24.00

46 Segment Disclosure :

The Company's business activity falls within a single primary business segment of manufacture of auto components. Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment". Further, no single customer contributes to more than 10% of the company's revenue.

RING PLUS AQUA LIMITED

Notes to the Financial Statements as at and for the year ended March 31, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

47 Share Based Payments :

A. The company has instituted Ring Plus Aqua Limited - Employee Stock Option Scheme 2019 (RPAL ESOP 2019), pursuant to the approval of the shareholders of the company at their Extra Ordinary General Meeting held on March 1, 2019. The Option Plan is designed to provide incentives to employees for long term value creation. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Once vested, the options remain exercisable for a period of one years.

Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable, each option is convertible into one equity share of face value Rs. 10 per share.

Under ESOP 2019, the company has granted 111,947 stock options for fair value of option determined on the date of grant.

Fair Value of options granted :

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the share price at the grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The options are granted for no consideration and vest as per vesting period mentioned below.

The model inputs for options granted during the year ended March 31, 2020 included :

Date of grant	26-Apr-19
Number of options granted	111947
Exercise price per option	Rs. 10.00
Vesting period	Over a period of 4 years from the date of grant as 40% of Options at the end of Year 1 20% of Options at the end of Year 2 20% of Options at the end of Year 3 20% of Options at the end of Year 4
Exercise period	One year from the date of vesting
Expected Terms	5.9 years
Share Price at grant date	277
Expected Price volatility of the Company's Shares	48%
Expected dividend yield	0%
Risk-Free interest rate	7.67%

B. The effect of Share Based Payments on the Company's Statement of Profit or Loss for the period and on its Financial Position :

The total expenses arising from share-based payments transactions recognised in profit or loss as part of employee benefit expense are as follows :

Particulars	March 31, 2020	March 31, 2019
Salaries and Wages	60.00	-

48 COVID 19 Assessment:

The ongoing corona pandemic is profoundly impacting people's health, societies and business operations around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chains, travel restrictions, quarantines, social distancing and other emergency measures implemented to control the spread of virus.

The Company is in the business of manufacturing and exporting Ring Gears, Flexplates, Water Pump Bearings, machined components, both for auto and non-auto sector. Company is a key supplier of components in its product category and these products are going to remain key and a top priority going forward as well. In addition Company is exploring addition of new products and increase its offering.

The Company has strong contingency plans in place to secure operations and supply chain so that production of its key products can continue however considering the logistics challenges and low demand at customers' end during early phases of lockdown, the production was impacted marginally, however with unlock phase being started, demand will improve in tandem with economic and industrial trends. Further, there are significant geographic and widespread customer base that will continue to drive growth in mid and long term.

The Company has performed a detailed assessment of the situation and believes that no adjustments are required in the financial statements as it does not impact the current financial year; however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

49 The Company has approved its financial statements in its Board Meeting dated June 25, 2020.

As per our attached Report of even date
For Price Waterhouse Chartered Accountants LLP
 Firm Registration No. 012754N/N500016

For and on behalf of Board of Directors

Sd/-
Arunkumar Ramdas
 Partner
 Membership No. 112433

Sd/-
V. Balasubramanian
 Executive Director
 DIN : 05222476

Sd/-
Vipin Agarwal
 Director
 DIN : 02963480

Place : Mumbai
 Date : June 25, 2020

Sd/-
Sitesh Maheshwari
 Chief Financial Officer

Sd/-
Bhargav Vyas
 Company Secretary

RAYMOND WOOLLEN OUTERWEAR LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI R. K. BHATNAGAR SHRI H. K. CHATTERJEE SHRI VIJAY PATIL
STATUTORY AUDITORS	:	MESSERS. CHATURVEDI AND SHAH, CHARTERED ACCOUNTANTS
REGISTERED OFFICE	:	NEW HIND HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI, MAHARASHTRA – 400 001.

RAYMOND WOOLLEN OUTERWEAR LIMITED
(CIN: U17120MH2005PLC154066)

DIRECTORS' REPORT

To,

The Members of RAYMOND WOOLLEN OUTERWEAR LIMITED

Your Directors present their Fifteenth Annual Report on the business and operations of the Company along with Audited Financial Statements for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS/ OPERATIONAL PERFORMANCE

During the year, the company earned a Profit after tax of Rs. 0.13 crore as against a Loss of Rs. 0.07 crore in the previous year.

2. DIVIDEND

In order to conserve resources, your Company has not declared any dividend for the FY 2019-20.

3. RESERVES

Your company has not transferred any amount to the reserves of the Company.

4. AUDITORS

M/s. Chaturvedi & Shah, LLP Chartered Accountants (ICAI Firm Registration Number 101720W) were appointed as the Statutory Auditors of the Company at its Annual General Meeting dated June 02, 2017 for a period of 5 years.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is periodically assessed and strengthened with new / revised standard operating procedures.

6. SHARE CAPITAL

The paid up Equity Share Capital as on March 31, 2020 was Rs 1.94 crore. During the year under review, the Company has not issued shares with differential voting rights nor granted stock options nor sweat equity.

As on March 31, 2020, Shri Vijay Patil, Director of the Company holds 7,000 Equity shares whereas no other Directors of the Company hold any shares or the convertible instruments of the Company.

7. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

8. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

There are no Loans, Guarantees and Investments under the provisions of Section 186 of the Companies Act, 2013, accepted or given by the Company.

9. DIRECTORS AND THEIR MEETINGS

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri H.K. Chatterjee, Director, retires by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

During the year, 4 Board Meetings were convened and held as detailed below.

The Board Meeting held and Attendance of Directors at the Meetings is given below:

Sr. No.	Name of Director	Date of Board Meeting			
		26-04-2019	30-07-2019	23-10-2019	21-01-2020
1.	Shri Ram Bhatnagar	✓	✓	✓	✓
2.	Shri H.K. Chatterjee	✓	✓	✓	✓
3.	Shri Vijay Patil	✓	✓	✓	✓

The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review are on arm's length basis and in the ordinary course of business and that the provisions of Section 188(1) of the Companies Act, 2013 are not attracted. The Company has developed a Related Party Transactions Manual and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

11. RISK MANAGEMENT

The Company is exposed to risks from market fluctuations of interest rate, commodity price, business risk, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the risks.

12. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31,

- 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. that such accounting policies had been applied consistently and reasonable judgment and estimates have been made that are and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the profit of the Company for the year ended on that date;
 - c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - d. that the annual financial statements have been prepared on a going concern basis; and
 - e. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no commercial activity during the year under review. The Company has not made any capital investment in technology absorption or research & development. Foreign exchange earnings and outgo during the year was Nil.

14. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure A” to this Report.

15. PARTICULARS OF EMPLOYEES

Since your company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

16. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

17. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there were no material changes and commitments for the period under review, which affects the financial position of the Company.

18. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. There were no complaints filed against any of the employees of the Company under this Act.

19. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

20. REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

21. ACKNOWLEDGEMENT

The Board records its appreciations for the co-operation, support and valuable guidance received from Banks, Central and State Government Authorities.

For and on behalf of the Board of
RAYMOND WOOLLEN OUTERWEAR LIMITED

Date : June 24, 2020
Place : Mumbai

Sd/-
Vijay Patil
Director
DIN: 07173161

Sd/-
R. K. Bhatnagar
Director
DIN: 02313614

Annexure - A

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31-03-2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U17120MH2005PLC154066
2.	Registration Date	20/06/2005
3.	Name of the Company	Raymond Woollen Outerwear Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5.	Address of the Registered office & contact details	New Hind House, N M Marg, Ballard Estate, Mumbai- 400 001. Tel: 022 – 22618321 Fax: 022 – 22620052
6.	Whether listed company	No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N.A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Gray Woollen Fabric	13123	0%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

Sr. No.	Name and Address of the Company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Raymond and its Nominees Plot No 156/H No 2, Village Zadgaon, Ratnagiri-415612	L17117MH1925PLC001208	Holding Company	99.54%	Section 2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	1931000	1931000	99.54	-	1931000	1931000	99.54	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1) :-	-	1931000	1931000	99.54	-	1931000	1931000	99.54	-
(2) Foreign									
a)NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.									
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2) :-	-	-	-	-	-	-	-	-	-

Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	1931000	1931000	99.54	-	1931000	1931000	99.54	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	2000	2000	0.10	-	2000	2000	0.10	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding	-	7000	7000	0.36	-	7000	7000	0.36	-

nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	9000	9000	0.46	-	9000	9000	0.46	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	1940000	1940000	100	-	1940000	1940000	100	-

B. Shareholding of Promoter-

S. N.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raymond Limited and its nominees	1931000	99.54	-	1931000	99.54	-	-

C. Change in Promoters' Shareholding (please specify, if there is no change)

S N	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no change in the Promoters shareholding			
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.):				
	At the end of the year				

**D. Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S.N.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	There is no Change in the Shareholding Pattern of the top ten Shareholders			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

E. Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri Vijay Patil				
	At the beginning of the year	7,000	0.36	7,000	0.36
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	-	-	-	-
	At the end of the year	7,000	0.36	7,000	0.36

IV. INDEBTEDNESS-

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
* Addition	-	-	-	-

* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		----	----	---	---	
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		----	----	----	
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	Shri R. K. Bhatnagar	Shri H. K. Chatterjee	Shri Vijay Patil	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-

Total (2)	-	-	-	-
Total (B)=(1+2)	-	-	-	-
Total Managerial Remuneration	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

INDEPENDENT AUDITOR’S REPORT

To the Members of Raymond Woollen Outerwear Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raymond Woollen Outerwear Limited (“the Company”), which comprise the Balance sheet as at March 31, 2020, and the Statement of Profit and Loss, Statement of Changes in Equity and statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit (including other comprehensive income) , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements as per the ICAI’s Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board’s Report including Annexures to Board’s Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid/provide for any remuneration to its directors during the year.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has no pending litigations as on March 31, 2020
 - b. The Company has no long term contracts including derivative contracts outstanding as on March 31, 2020
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADN4692

Place: Mumbai

Date: June 24, 2020

Annexure A to Independent Auditor's Report – March 31, 2020

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of Raymond Woollen Outerwear Limited ('the Company') on the financial statements for the year ended March 31, 2020, we report the following:

- i. The company did not have any fixed asset during the year ended March 31, 2020. Accordingly, paragraph 3(i) of the Order is not applicable to the Company.
- ii. The company does not hold any inventory. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 and Section 186 of the Act. Accordingly paragraph 3(iv) of the Order is not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost record under sub-section (1) of section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST) , Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, Cess, and other material statutory dues applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax, Entry Tax (VAT), Income Tax, Wealth Tax, and Cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us , there are no dues of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, and Cess which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial Institutions or banks or the Government, nor has it issued any debenture as at the balance sheet date. Hence paragraph 3(viii) of the Order requiring comment on period and amount is not applicable to the Company.
- ix. During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the Order is not applicable to the Company.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. The Company has not paid/provided for managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company, Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015. Further, the Company is not required to constitute an Audit Committee Under section 177 of the Act, and Accordingly, to this extent, Paragraph 3(xiii) of the Order is not applicable to the Company.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADN4692

Place: Mumbai

Date: June 24, 2020

Annexure B to Independent Auditor's Report – March 31, 2020 on the Financial Statements of Raymond Woollen Outerwear Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Raymond Woollen Outerwear Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADN4692

Place: Mumbai

Date: June 24, 2020

Raymond Woollen Outerwear Limited
Balance Sheet As at 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
Non-current Assets			
a) Financial Assets			
(i) Investment	2	0.30	0.30
(ii) Other Financial Assets	3	12.00	-
b) Asset for Income Tax (Net)	4	1.12	9.18
Total non-current Assets		13.42	9.48
Current assets			
a) Financial Assets			
(i) Cash and cash equivalents	5	2.62	0.47
(ii) Other Bank Balances	6	127.20	120.28
b) Other current assets	7	0.30	0.20
Total current assets		130.12	120.95
Total Assets		143.54	130.43
EQUITY AND LIABILITIES			
Equity			
Equity share capital	8	194.00	194.00
Other equity	9	(56.20)	(69.31)
Total equity		137.80	124.69
Current liabilities			
Financial Liabilities			
(i) Trade Payables	10	5.69	5.69
Other current liabilities	11	0.05	0.05
Total current liabilities		5.74	5.74
Total equity and liabilities		143.54	130.43
Statement of Significant Accounting Policies.	1		

The accompanying notes are an integral part of these financial statements. (Note No. 1 - 25)

As per our report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration No: 101720W/ W100355

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number. 103418
Place: Mumbai
Date: June 24, 2020

For and on behalf of
Board of Directors

Sd/-
Ram Bhatnagar
Director
DIN: 02313614
Place: Mumbai
Date: June 24, 2020

Sd/-
Vijay Patil
Director
DIN:07173161

Raymond Woollen Outerwear Limited
Statement Of Profit And Loss For the Year Ended 31 March 2020

(All amounts in INR Lakhs, unless otherwise stated)

Particulars	Note No.	Year ended 31st March, 2020	Year ended 31st March, 2019
Other Income	12	13.82	8.58
Total Income		13.82	8.58
Expenses:			
Other Expenses	13	0.71	1.15
Total Expenses		0.71	1.15
Profit/(Loss) before tax		13.11	7.44
Exceptional Items		-	-
Profit/(Loss) before tax		13.11	7.44
Tax Expense		-	-
Profit/(Loss) for the year		13.11	7.44
Profit/(Loss) for the period		13.11	7.44
Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the year		13.11	7.44
Earnings Per Equity Share of Rs. 10/- each:			
Weighted average number of Equity Shares outstanding during the year	25	19,40,000	19,40,000
- Basic & Diluted earnings per share (Rs.)		0.68	0.38
Statement of Significant Accounting Policies	1		

The accompanying notes are an integral part of these financial statements. (Note No. 1 - 25)

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number. 103418

Place: Mumbai

Date: June 24, 2020

For and on behalf of the Board of Directors

Sd/-

Ram Bhatnagar

Director

DIN: 02313614

Place: Mumbai

Date: June 24, 2020

Sd/-

Vijay Patil

Director

DIN:07173161

Raymond Woollen Outerwear Limited
Cash Flow Statement for the year ended 31st March, 2020

(All amounts in INR Lakhs, unless otherwise stated)

	Note No.	Year ended 31st March, 2020		Year ended 31st March, 2019	
A. Cash Flow arising from Operating Activities:					
Profit / Loss before tax as per Statement of Profit and loss			13.11		7.44
Add / (Deduct):					
Interest Income			(13.82)		(8.51)
Operating Cash flow before Working Capital Changes			(0.71)		(1.07)
Change in Operating Asset and Liabilities					
(Increase) / Decrease in other current asset		(0.10)		(0.17)	
Increase / (Decrease) in Trade payables		0.01		(0.12)	
Increase / (Decrease) in other current liabilities		-		-	
			(0.09)		(0.29)
Cash Inflow/(Out flow) from Operations before tax			(0.80)		(1.36)
Add/(Less) : Tax refund /(paid)			8.06		(0.92)
Net Cash Inflow / (Outflow) from Operating Activities (A)			7.26		(2.28)
B. Cash Flow arising from Investing Activities :					
Interest Received			12.68		7.24
Purchase of Investment			-		(0.10)
Redemption of Deposits with Bank			1.25		-
Investment of Deposits with Bank			(19.04)		(6.22)
Net Cash Inflow / (outflow) from Investing Activities (B)			(5.11)		0.92
C. Cash Flow arising from Financing Activities:					
Net Cash Inflow / (Outflow) from Financing Activities (C)			-		-
Net Increase / (Decrease) in Cash and Cash Equivalents(A+B+C)			2.15		(1.36)
<i>Cash and Cash Equivalents at beginning of the financial year</i>	4		0.47		1.83
Cash and Cash Equivalents at the end of financial year	4		2.62		0.47
Statement of Significant Accounting Policies	1				

The accompanying notes are an integral part of these financial statements.(Note No. 1 - 25)

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number. 103418

Place: Mumbai

Date: June 24, 2020

Sd/-

Ram Bhatnagar

Director

DIN: 02313614

Place: Mumbai Date:

June 24, 2020

Sd/-

Vijay Patil

Director

DIN:07173161

Raymond Woollen Outerwear Limited
Statement of changes in equity

(All amounts in INR Lakhs, unless otherwise stated)

A. Equity Share Capital

	Notes	Amount
As at 31 March-2018		194.00
As at 31 March-2019	8	194.00
As at 31 March-2020		194.00

Other equity	Notes	Reserve & Surplus		Total other equity	Total
		Capital Reserve	Retained earning		
Balance at 31 March 2018		49.97	(126.72)	(76.75)	(76.75)
Profit for the year			7.44	7.44	7.44
Balance at 31 March 2019	8	49.97	(119.29)	(69.31)	(69.31)
Profit for the year			13.11	13.11	13.11
Balance at 31 March 2020		49.97	(106.17)	(56.20)	(56.20)

Statement of Significant Accounting Policies

1

The accompanying notes are an integral part of these financial statements. (Note No. 1 - 25)

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number. 103418

Place: Mumbai

Date: June 24, 2020

Sd/-

Ram Bhatnagar

Director

DIN: 02313614

Place: Mumbai

Date: June 24, 2020

Sd/-

Vijay Patil

Director

DIN:07173161

Raymond Woollen Outerwear Limited

Note 1 :- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. Background

Raymond Woollen Outerwear Limited ('RWOL' or 'the Company') CIN: U17120MH2005PLC154066' incorporated in Mumbai, Maharashtra, India, carries on business of trading in Textile goods. Raymond Woollen Outerwear Limited is 100% subsidiary of Raymond Limited.

II. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) Current / Non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

(v) Recent accounting development

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Building, Plant & Machinery, Electrical Installations and Electrical Equipments and Computers are provided on Straight Line Method (SLM) and on other assets is provided on Written down Value Method (W.D.V), over the estimated useful life of assets.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery which based on an independent technical evaluation has been estimated as 24 years (on a single shift basis) and RFID as 5 years, which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Computer software

Computer software are stated at historical cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 3 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Lease

Company as a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated. The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets.

For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments.

The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Practical expedient opted by Company:

- For contracts in place at the date of transition, the Company has elected to apply the definition of a lease from Ind AS 17 and Appendix C to Ind AS 17 and has not applied Ind AS 116 to arrangements that were previously not identified as lease under Ind AS 17 and appendix C to Ind AS 17.
- The Company has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of transition of Ind AS 116, being 1 April 2019.

- On transition Company has elected, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.
- For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 immediately before the date of initial application.

Exemptions availed by Company:

- The Company has elected not to recognise right-of-use assets in below mentioned cases but to account for the lease expense on a straight-line basis over the remaining lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit:

- A lease that, at the commencement date, has a lease term of 12 months or less i.e. short-term leases and

- leases for which the underlying asset is of low value

The Company has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss account as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

Critical accounting estimates and judgements

Ind AS 116 requires Company to make certain judgements and estimations, and those that are significant are disclosed below.

Critical judgements are required when an entity is,

- determining whether or not a contract contains a lease
- establishing whether or not it is reasonably certain that an extension option will be exercised
- considering whether or not it is reasonably certain that a termination option will not be exercised
- determining whether or not variable leased payments are truly variable, or in-substance fixed
- for lessors, determining whether the lease should be classified as an operating or finance lease.

Key sources of estimation and uncertainty include:

- calculating the appropriate discount rate.
- estimating the lease term.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Material, Work in Progress, Finished Goods and Stores & Spares are stated at 'Cost or Net realizable value whichever is lower'. Goods-in-transit are stated 'at cost'. Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'Weighted Average cost'. All the costs incurred on unfinished/finished jobs, but not invoiced and dispatched, under conversion contracts, are carried forward as "Accumulated Costs on Conversion Contracts" at cost or net realizable value whichever is lower. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on past experience of the company.

(h) Investments and other financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its investment in subsidiaries, jointventures and associates at cost less impairment if any. The company subsequently measures all equity investments other than above at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Derecognition of Financial Assets**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(i) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(k) Borrowing

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to statement of profit and loss.

(m) Financial Liabilities

(i) Financial Liabilities initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(n) Provisions and Contingent Liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed, where an inflow of economic benefits is probable. The Company does not recognize a contingent asset unless the recovery is virtually certain.

(o) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

As per IND AS 115 - Revenue from Contracts with Customers, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and Control of goods or services transferred over a time.

Sale of goods

In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading.

Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Revenue from services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other operating revenue - Export incentives

Export Incentives under the "Duty Draw back Scheme", "Merchandise Exports Incentive Scheme (MEIS)" etc. is accounted in the year of export.

(p) Employees benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss Account as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for restructuring that is within the scope of Ind AS37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(q) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Raymond Woollen Outerwear Limited's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

(t) Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(u) Government Grant :

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions

Government grants relating to income are deferred and recognised in the Statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and are deducted from the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities/current liabilities as deferred income and are credited to the Statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Accounting Policy- Cash Flow:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

III. Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

1) Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event, if required, as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

2) Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

3) Estimate with respect to uncertainties related to COVID-19. (Refer Note 24)

Raymond Woollen Outerwear Limited
Notes to the Financial Statements

(All amounts in INR Lakhs, unless otherwise stated)

Note 2 - Investment

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments in Government Securities - Unquoted - National Saving Certificates (deposited with a Government Department as Security)	0.30	0.30
Total	0.30	0.30

Note 3 - Other Financial Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank deposit with greater than 12 months maturity	12.00	-
Total	12.00	-

Note 4 - Asset for Income tax (Net)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance Tax (Net)	1.12	9.18
Total	1.12	9.18

Note 5 - Cash and Cash Equivalents

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balance with Banks -In Current Accounts Cash on hand	2.62 - -	0.47 - -
Total	2.62	0.47

Note 6 - Other Bank Balances

Particulars	As at 31st March, 2020	As at 31st March, 2019
Bank deposit with less than 12 months maturity	120.20	114.42
Interest receivable on deposit with banks	6.08	4.94
Interest receivable - others	0.92	0.92
Total	127.20	120.28

Note 7 - Other Current Assets

Particulars	As at 31st March, 2020	As at 31st March, 2019
Balances with Govt authorities	0.30	0.20
Total	0.30	0.20

Raymond Woollen Outerwear Limited
Notes to the Financial Statements

(All amounts in INR Lakhs, unless otherwise stated)

Note 8 -Equity Share Capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number	Amount	Number	Amount
Authorised 20,000,000 (March 31, 2019: 20,000,000) Equity Shares of Rs.10 each	2,00,00,000	2,000.00	2,00,00,000	2,000.00
Issued, Subscribed & Paid up 1,940,000 (March 31, 2019: 1,940,000) Equity Shares of Rs.10/- each	19,40,000	194.00	19,40,000	194.00
Total		194.00		194.00

a) Movement in equity share capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity Shares:				
Balance as at beginning of the year Equity Shares of Rs.10/- each fully paid	19,40,000	194.00	19,40,000	194.00
Add: Shares issued during the year	-	-	-	-
Balance as at the end of the year	19,40,000	194.00	19,40,000	194.00

b) Rights Preferences & Restrictions attached to each class of shares:-

Equity Shares:- The Company has only one class of equity share having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim Dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding. However, shares forfeited do not carry any rights as referred above.

c) Shares held by the Holding Company

Particulars	As at 31st March, 2020	As at 31st March, 2019
Equity Shares of Re. 10 each held by: 19,31,000 Shares [31st March, 2019: 19,31,000] held by Raymond Limited, the holding company (including Shares jointly held with nominee Shareholders)	19,31,000	19,31,000

Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of Shares	Percentage	Number of Shares	Percentage
Equity Shares : Raymond Limited, the holding company	19,31,000	99.54%	19,31,000	99.54%

The Company has authorised preference shares capital of Rs. 4000 lakhs comprising of 40,000,000 shares having face value of Rs.10/- each (March 31 2019: 40,000,000)

Raymond Woollen Outerwear Limited**Notes to the Financial Statements**

(All amounts in INR Lakhs, unless otherwise stated)

Note 9 - Other Equity

Particulars	As at 31st March, 2020	As at 31st March, 2019
a. Capital Reserves	49.97	49.97
(+) Current Year Transfer		
(-) Written Back in Current Year		
Closing Balance	49.97	49.97
b. Retained earnings		
Balance as at the beginning of year	(119.28)	(126.72)
Add: Total Comprehensive Income for the current year	13.11	7.44
Balance as at the end of year	(106.17)	(119.28)
Total	(56.20)	(69.31)

Note 10 - Trade Payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade Payables	5.69	5.69
Total	5.69	5.69

Note 11 - Other Current Liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Statutory Dues	0.05	0.05
Total	0.05	0.05

Raymond Woollen Outerwear Limited
Notes to the Financial Statements

(All amounts in INR Lakhs, unless otherwise stated)

Note 12 - Other Income

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest Income	13.82	8.51
Excess Provision Reversal	-	0.07
Total	13.82	8.58

Note 13 - Other Expenses

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Legal and Professional Expenses	0.65	1.11
Rates and taxes	0.03	0.02
Miscellaneous Expenses	0.03	0.02
Total	0.71	1.15

Note 13 (a) - Details of Payment to Auditors (Included in Legal & Professional Expenses)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Audit Fees	0.50	0.50
Total	0.50	0.50

Raymond Woollen Outerwear Limited
Notes to the Financial Statements

(All amounts in INR Lakhs, unless otherwise stated)

14 Contingent Liabilities and Commitments (to the extent not provided for) - Rs. Nil (March 31 2019: Rs.Nil)

15 Related Party Transactions

a. Parent Entity

Name	Type
Raymond Limited	Immediate and Ultimate parent entity

b. Transactions carried out with related parties :

Particulars	Amount	
	2019-20	2018-19
Sale of products	-	-
Reimbursement of Expenses (net)	-	-

c. Outstanding balances as at year end :

Particulars	Amount	
	2019-20	2018-19
Advance against Sales	-	-
Trade Receivables	-	-

16 Deferred Tax

In view of reduction of business activities in the current year, the Company may not have future taxable profits pertaining Business and Professional. Accordingly, deferred tax assets has not been recognized on unabsorbed losses and depreciation under the Income Tax Act, 1961.

Tax losses :

	31-Mar-20	31-Mar-19
Unabsorbed deprecation for which no deferred tax asset has been recognised	127.59	127.59
Potential tax benefit for @ 26% (25.75%)	33.17	32.85
Unabsorbed short term capital loss for which no deferred tax asset has been recognised	32.14	32.14
Potential tax benefit for @ 26% (25.75%)	8.36	8.28
Unabsorbed business loss for which no deferred tax asset has been recognised	89.15	101.23
Potential tax benefit for @ 26% (25.75%)	23.18	26.07

17 Segment Information

The Company's business activity falls within a single primary business segment of trading in Grey Woollen Fabric. The business is being carried on only in India with a single customer - Raymond Limited (Holding Company).

18 Financial Risk Management

a) Credit risk

Company has fully invested in Bank deposit thus Company does not foresee any credit risk.

b) Liquidity Risk

Company has no borrowings thus Company does not foresee and liquidity risk.

c) Market Risk

Company has no foreign currency exposure and does not have hedge position in currency market, thus Company does not foresee any market risk.

Raymond Woollen Outerwear Limited
Notes to the Financial Statements

(All amounts in INR Lakhs, unless otherwise stated)

19 Fair value measurement

Particulars	31st March, 2020			31st March, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial Assets						
Investment						
Unquoted - Government Securities	-	-	0.30	-	-	0.30
Trade receivables	-	-	-	-	-	-
Cash and Cash equivalents	-	-	2.62	-	-	0.47
Other financial assets	-	-	127.20	-	-	120.28
Other Non-Current financial assets	-	-	12.00	-	-	-
Total Financial Asset	-	-	142.12	-	-	121.05
Financial Liabilities						
Trade Payables	-	-	5.69	-	-	5.69
Other Current liabilities	-	-	-	-	-	-
Total Financial Liabilities	-	-	5.69	-	-	5.69

Asset and liabilities which were measured at amortised cost at 31 March 20	Notes	Level 1	Level 2	Level 3	Total
Financial Asset					
Investment					
Unquoted - Government Securities	2	-	-	0.30	0.30
Cash and Cash equivalents	5	-	-	2.62	2.62
Other Financial asset					
Deposit with Banks with greater than 12 months maturity	3	-	-	12.00	12.00
Deposit with Banks	6	-	-	127.20	127.20
Total Financial Asset		-	-	142.12	142.12
Financial Liabilities					
Trade Payables	10	-	-	5.69	5.69
Total Financial Liabilities		-	-	5.69	5.69

Asset and liabilities which were measured at amortised cost at 31 March 19	Notes	Level 1	Level 2	Level 3	Total
Financial Asset					
Investment					
Unquoted - Government Securities	2	-	-	0.30	0.30
Cash and Cash equivalents	5	-	-	0.47	0.47
Other Financial asset					
Deposit with Banks with greater than 12 months maturity	3	-	-	-	-
Deposit with Banks	6	-	-	120.28	120.28
Total Financial Asset		-	-	121.05	121.05
Financial Liabilities					
Trade Payables	10	-	-	5.69	5.69
Total Financial Liabilities		-	-	5.69	5.69

The carrying amounts of trade receivables, trade payables, other financial liabilities and cash equivalents are considered to be same as their fair values, due to their short term nature.

Raymond Woollen Outerwear Limited

Notes to the Financial Statements

(All amounts in INR Lakhs, unless otherwise stated)

20 Capital Management

a) Risk Management

The Company has no debts thus Company do not foresee any capital risk.

b) Dividend

The Company has not paid dividend thus company has no dividend liability to be paid.

21 Events occurring after the reporting period

There are no events which have occurred after the reporting period having any material impact on the Financial Statement.

22 The Company's business activity has significantly reduced due to lack of orders. The management of the Company is of the view that business will be revived and further the company have adequate funds to meet its future requirements. Hence the management considered it appropriate to prepare the financial statement of the Company on going concern basis.

23 The Financial Statements were authorised for issue by the directors on 24th June,2020

24 In March 20, the WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying values of assets and in relation to other financial statements captions.

The impact of COVID-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financials statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities on gradual basis in line with guideline issued by the Government Authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.

Raymond Woollen Outerwear Limited
Notes to the Financial Statements

(All amounts in INR Lakhs, unless otherwise stated)

25 Earnings per share

Particulars	31st March-2020	31st March-2019
Basic and Diluted Earing Per Share		
Profit attributable to the equity share holders	13.11	7.44
Weighted average number of Equity Shares outstanding during the year	19,40,000	19,40,000
Basic and Diluted Earing Per Share (Rs.)	0.68	0.38

As per our report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number. 103418

Place: Mumbai

Date: June 24, 2020

For and on behalf of the Board of Directors

Sd/-

Vijay Patil

Sd/-

Ram Bhatnagar

Director

DIN: 02313614

Place: Mumbai

Date: June 24, 2020

Director

DIN:07173161

SCISSORS ENGINEERING PRODUCTS LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI THOMAS FERNANDES SHRI SRINIVASAN GANAPATHY SHRI R.A. PRABHUDESAI (completion of tenure as an Independent Director on 12.02.2020) SHRI R. NARAYANAN (completion of tenure as on Independent Director on 12.02.2020) SHRI VIJAY PATIL (appointed w.e.f. 12.02.2020)
MANAGER	:	SHRI KAMLAKAR TAK
CHIEF FINANCIAL OFFICER	:	SHRI SITESH MAHESHWARI
COMPANY SECRETARY	:	SHRI BHARGAV VYAS
STATUTORY AUDITORS	:	MESSERS. PRICE WATERHOUSE CHARTERED ACCOUNTANTS LLP
REGISTERED OFFICE	:	NEW HIND HOUSENAROTTAM MORARJI MARG BALLARD ESTATE FORT MUMBAI - 400001. MAHARASHTRA

SCISSORS ENGINEERING PRODUCTS LIMITED
(CIN: U29130MH2005PLC154732)
DIRECTORS' REPORT

To,
The Members of SCISSORS ENGINEERING PRODUCTS LIMITED

Your Directors present their Fifteenth Annual Report together with the Audited Financial Statements for the year ended March 31, 2020.

1. FINANCIAL HIGHLIGHTS / OPERATIONAL PERFORMANCE

The total revenue of the Company for the Financial Year 2019-20 was at Rs. Nil (Previous Year: Nil). During the year under review, your Company has registered a loss of Rs.0.02 crore (Previous Year: Rs. 0.02 crore).

2. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report.

3. DIVIDEND

In view of the loss incurred during the year, your Directors do not recommend any dividend for the Financial Year 2019-20.

4. RESERVES

Your Company has not transferred any amount to the General Reserves of the Company.

5. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

DOMESTIC

Subsidiary

RING PLUS AQUA LIMITED

The Gross Revenue of the Company for the year 2019-20 stood at Rs. 210.74 crores (Previous Year: Rs. 262.04 crores). During the year under review, your company made profit before tax of Rs. 25.37 crores (Previous Year: Profit Rs. 50.43 crores).

Consolidated Account

In accordance with the requirements of Indian Accounting Standard (Ind AS 110) – Consolidated Financial Statements, the Consolidated Accounts of the Company have been prepared. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rules made thereunder, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part of this Annual Report.

6. AUDITORS

Statutory Auditors

M/s Price Waterhouse Chartered Accountants LLP (ICAI Firm Registration Number 012754N/N500016) were appointed as the statutory auditors of the Company for a period of 5 years commencing from the conclusion of 12th Annual General Meeting ("AGM") till the conclusion of 17th AGM.

There is no audit qualification for the year under review.

7. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new/revised standard operating procedures.

8. SHARE CAPITAL

Equity Shares

During the year under review, there has been no change in the Authorised Equity Share Capital. The Paid up Equity Share Capital of your Company has increased from Rs. 18,08,38,650 to Rs. 18,10,13,650 pursuant to the conversion of 3,500, 9% Non-Cumulative Compulsory Convertible Preference Shares entailing an issue of 17,500 Equity shares of Face Value of Rs. 10 at a premium of Rs. 10 per share. The Company has not issued any equity shares with differential rights, Sweat Equity shares and Employee Stock Options.

Preference Shares

During the year under review, there has been no change in the Authorised Preference Share Capital. During the year under review, 3,500, 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs. 100 each were converted into 17,500 Equity shares of Rs. 10 each at a premium of Rs. 10 per share. Thus the paid up Preference Share Capital has reduced from Rs. 3, 50,000 to NIL.

9. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No Loans, Guarantees and Investments under the provisions of Section 186 of the Companies Act, 2013 have been accepted, given or made by the Company.

11. DIRECTORS

A] Changes in Directors and Key Managerial Personnel

During the year under review, the Board of Directors at their meeting on April 12, 2020 has appointed Shri Vijay Patil (DIN: 07173161) as an Additional Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Thomas Fernandes (DIN : 00286613), Director of the Company, retires by rotation at the forthcoming Annual General Meeting and, being eligible offer himself for re-appointment.

The first five years term of Shri R. A. Prabhudesai (DIN: 07095983) and Shri R. Narayanan (DIN: 00631703) as an Independent Director of the Company had ended on February 12, 2020 and they ceased to be an Independent Director of the Company.

Pursuant to Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being an Wholly-owned Subsidiary of the Raymond Limited is exempted from the requirements of appointment of Independent Director thereby also exempt from the requirements of constituting Audit Committee and Nomination and Remuneration Committee respectively. Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on February 12, 2020, the Audit Committee and Nomination and Remuneration Committee was not reconstituted and dissolved with immediate effect.

The Board places on record its appreciation for the contribution made by Shri Prabhudesai and Shri R. Narayanan towards the welfare of the Company during their tenure as an Independent Director.

During the year, 7 Board Meetings were held viz. April 29, 2019, August 01, 2019, October 23, 2019, November 06, 2019, December 04, 2019, January 21, 2020 and February 12, 2020.

Sr. No.	DATE OF BOARD MEETING	Name of Director				
		Shri Thomas Fernandes	Shri Srinivasan Ganapathy	Shri R. A. Prabhudesai*	Shri R. Narayanan*	Shri Vijay Patil#
1	29.04.2019	✓	✓	✓	✓	NA
2	01.08.2019	✓	✓	✓	✓	NA
3	23.10.2019	✓	✓	✓	✓	NA
4	06.11.2019	✓	✓	✓	✓	NA
5	04.12.2019	✓	✓	✓	✓	NA
6	21.01.2020	✓	✓	✓	✓	NA
7	12.02.2020	✓	✓	NA	NA	✓

*ceased to be Independent Directors of the Company with effect from February 12, 2020 on completion of their term

#Shri Vijay Patil is appointed as Additional Director w.e.f. February 12, 2020

II) Key Managerial Personnel (KMP):

During the year under review, there is no change in Key Managerial Personnel.

As on 31st March, 2020 your company have the following KMP's:

Sr. No.	Name of the Person	Designation
1	Shri Kamlakar Tak	Manager
2	Shri Sitesh Maheshwari	Chief Financial Officer
3	Shri Bhargav Vyas	Company Secretary

III) Formal Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The independent directors of the company have held one meeting during the year on January 21, 2020, without the presence of non-independent directors and members of the management to review the performance of non-independent directors and the board of directors as a whole and to assess the quality, quantity and timeliness of flow of information between the management and the board of directors.

The Directors express their satisfaction with the evaluation process

(IV) Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

(V) Reporting Of Frauds

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

12. COMMITTEES OF THE BOARD

With a view to have a more focused attention and for better governance and accountability, the Board constituted the following mandatory Committees:

Audit Committee

The composition of the Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rule, 2014.

The Composition of the Committee was as under:

- | | | |
|------------------------------|---|--------------------------------|
| 1. Shri R.A. Prabhudesai | : | Independent Director, Chairman |
| 2. Shri Narayanan Ramalingam | : | Independent Director, Member |
| 3. Shri Thomas Fernandes | : | Non-executive Director, Member |

The terms of reference of the Committee are determined by the Board and their relevance reviewed from time to time.

Pursuant to the Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was made exempt from the requirements of appointment of Independent Directors thereby also made exempted from the requirements of constituting an Audit Committee.

Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on February 12, 2020, the Audit Committee was not reconstituted and dissolved with immediate effect.

During the year, Six Meetings of the Audit Committee were held viz. April 29, 2019, August 01, 2019, October 23, 2019, November 06, 2019, December 04, 2019 and January 21, 2020.

Sr. No.	Name of Director	DATE OF MEETING					
		29.04.2019	01.08.2019	23.10.2019	06.11.2019	04.12.2019	21.01.2020
1	Shri Thomas Fernandes	✓	✓	✓	✓	✓	✓
2	Shri R. A. Prabhudesai	✓	✓	✓	✓	✓	✓
3	Shri R. Narayanan	✓	✓	✓	✓	✓	✓

Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors has constituted the Nomination and Remuneration Committee. The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members.

The Composition of the Committee was as under:

1. Shri R.A. Prabhudesai : Independent Director, Chairman
2. Shri Narayanan Ramalingam : Independent Director, Member
3. Shri Thomas Fernandes : Non-executive Director, Member

The Board has clearly defined terms of reference for Nomination and Remuneration Committee, which are as follows:

- to help in determining the appropriate size, diversity and composition of the Board;
- to recommend to the Board appointment/re-appointment and removal of Directors;
- to frame criteria for determining qualifications, positive attributes and independence of Directors;
- to recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
- to create an evaluation framework for Independent Directors and the Board;
- to provide necessary reports to the Chairman after the evaluation process is completed by the Directors;
- to assist the Board in fulfilling responsibilities entrusted from time-to-time; and
- delegation of any of its powers to any Member of the Committee or the Company Secretary.

During the year no Meeting of the Nomination and Remuneration Committee was held.

Pursuant to the Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was made exempt from the requirements of appointment of Independent Directors thereby also made exempted from the requirements of constituting a Nomination and Remuneration Committee.

Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on February 12, 2020, the Nomination and Remuneration Committee was not reconstituted and dissolved with immediate effect.

13. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 during the financial year under review were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

14. RISK MANAGEMENT

As your Company has not undertaken any business, hence this disclosure is not required during the year under review.

15. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. that in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2020 and of the loss of the Company for the year ended on that date;
- iii. that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the directors have prepared the annual accounts on a going concern basis; and
- v. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As the Company had no manufacturing activities during the period under review, the details as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, on conservation of energy, technology absorption and foreign exchange earnings and outgo is not applicable to the Company.

17. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as "ANNEXURE A".

18. PARTICULARS OF EMPLOYEES

Since the company is not a listed company, the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 is not applicable.

19. DISCLOSURE UNDER SEXUAL HARASSMENT ACT

Since the company does not have any employees on its payroll, this disclosure under the above act is not applicable.

20. ACKNOWLEDGEMENT

The Board records its appreciations for the co-operation, support and valuable guidance received from Banks, Central and State Government Authorities.

For and on behalf of the Board
SCISSORS ENGINEERING PRODUCTS LIMITED

Place: Mumbai
Date: June 25, 2020

Sd/-
Thomas Fernandes
Director
DIN: 00286613

Sd/-
Srinivasan Ganapathy
Director
DIN: 07379783

ANNEXURE "A"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U29130MH2005PLC154732
2.	Registration Date	July 12, 2005
3.	Name of the Company	Scissors Engineering Products Limited
4.	Category/Sub-category of the Company	Company limited by shares / Indian Non-Government company
5.	Address of the Registered office & contact details	New Hind House, Narottam Morarji Marg, Ballard Estate, Fort, Mumbai – 400 001 Contact No. 022- 2268 6000
6.	Whether listed company	Yes / No
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	KFin Technologies Private Limited

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
Not Applicable			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and Address of the company	CIN / GIN	Holding/ Subsidiary/ Associate	% of shares Held	Applicable section
1	Raymond Limited with its Nominees Raymond Limited Plot No. 156/H. No.2, Village Zadgaon, Ratnagiri 415 612	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)
2	Ring Plus Aqua Limited D-3,4, Sinnar Taluka Audyogik Vasahat Maryadit, Village Musalgoan, Taluka Sinnar Nasik 422112 (MH)	U99999MH1986PLC040885	Subsidiary Company	89.07%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	18083865	18083865	100%	-	18101365	18101365	100%	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	18083865	18083865	100%	-	18101365	18101365	100%	
B. Public Shareholding	-	-	-	-	-	-	-	-	-
1 Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture	-	-	-	-	-	-	-	-	-

Capital Funds									
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	18083865	18083865	100%	-	18101365	18101365	100%	

B) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raymond Limited along with Its Nominees	18083865	100%	NIL	18101365	100%	NIL	

C) Change in Promoters' Shareholding as on March 31, 2020 (please specify, if there is no change)

Sr. No.	Shareholder's Name	No. of Shares at the beginning of the year (01.04.2019)	% of total shares of the company	Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shares during the year	% of total shares of the company during the year
1	Raymond Limited	18083865	100%	30.03.2020	17500	Issue of equity shares on conversion of preference shares	18101365	100%

**D) Shareholding Pattern of top ten Shareholders:
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

The Shares are entirely held by Raymond Limited and its Nominees.

E) Shareholding of Directors and Key Managerial Personnel:

The Directors and Key Managerial Personnel do not hold any shares in the Company, except as joint-holders.

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	NIL	NIL	NIL	NIL

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
* Addition	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

The Company does not have any Managing Director, Whole-time Director and/or Manager.

SN.	Particulars of Remuneration	Name of MD/AWT/ Manager			Total Amount
		Shri Kamlakar Tak	---	---	
1	Gross salary	NIL	---	---	---
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	---	---	---
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	---	---	---
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	---	---	---
2	Stock Option	NIL	---	---	---
3	Sweat Equity	NIL	---	---	---
4	Commission - as % of profit	NIL	---	---	---
5	Others, please specify	NIL	---	---	---
	Total (A)	NIL	---	---	---
	Ceiling as per the Act	NIL	---	---	---

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Shri R. Narayanan	Shri R.A. Prabhudesai	
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL

SN.	Particulars of Remuneration	Name of Directors		Total Amount
2	Other Non-Executive Directors	Shri Srinivasan Ganapathy	Shri Thomas Fernandes	-
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL

C. Remuneration to Key Managerial Personnel other Than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
		-	Shri Bhargav Vyas	Shri Sitesh Maheshwari	
1	Gross salary	-	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	NIL	NIL	NIL
2	Stock Option	-	NIL	NIL	NIL
3	Sweat Equity	-	NIL	NIL	NIL
4	Commission	-	NIL	NIL	NIL
	- as % of profit	-	NIL	NIL	NIL
	others, specify...	-	NIL	NIL	NIL
5	Others, please specify	-	NIL	NIL	NIL
	Total	-	NIL	NIL	NIL

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA
B. DIRECTORS					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Compounding	NA	NA	NA	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	NA	NA	NA	NA	NA
Punishment	NA	NA	NA	NA	NA
Compounding	NA	NA	NA	NA	NA

Independent auditor's report

To the Members of Scissors Engineering Products Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Scissors Engineering Products Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss ((including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

To the Members of Scissors Engineering Products Limited
Report on the audit of the Standalone Financial Statements
Page 2 of 4

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

INDEPENDENT AUDITOR'S REPORT

To the Members of Scissors Engineering Products Limited
Report on the audit of the Standalone Financial Statements
Page 3 of 4

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
12. As required by Section 143(3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such

INDEPENDENT AUDITOR'S REPORT

To the Members of Scissors Engineering Products Limited
Report on the audit of the Standalone Financial Statements
Page 4 of 4

controls, refer to our separate Report in "Annexure A".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations as at March 31, 2020 which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2020 for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

13. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGN7846

Mumbai
June 25, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Scissors Engineering Products Limited on the standalone financial statements for the year ended March 31, 2020

Page 1 of 2

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Scissors Engineering Products Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Scissors Engineering Products Limited on the standalone financial statements for the year ended March 31, 2020

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5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGN7846

Mumbai
June 25, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Scissors Engineering Products Limited on the standalone financial statements as of and for the year ended March 31, 2020.

Page 1 of 2

- i. The Company did not have any fixed assets at any time during the year. Therefore, the provision of Clause 3(i) (a), (b) and (c) of the Order are not applicable to the Company.
- ii. The Company does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service tax, duty of customs, and duty of excise or value added tax or goods and service tax as at March 31, 2020 which have not been deposited on account of any dispute.
- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Scissors Engineering Products Limited on the standalone financial statements for the year ended March 31, 2020.

Page 2 of 2

- xi. The Company has not paid/ provided for managerial remuneration during the year. Accordingly, the provisions of Section 197 read with Schedule V to the Act are not applicable to the Company. Also refer paragraph 13 of the main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sd/-

Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN:20112433AAAAGN7846

Mumbai
June 25, 2020

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies
(Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate
companies/joint ventures**

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	
1	Name of the subsidiary	Ring Plus Aqua Limited
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.
3	Reporting currency; and; Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR; N.A.
4	Share capital	7,75,66,710
5	Reserves & surplus	1,24,56,36,827
6	Total assets	2,019,062,629
7	Total Liabilities	695,859,092
8	Investments	160,564,690
9	Turnover	2082285140
10	Profit before taxation	253,749,034
11	Provision for taxation	73,923,905
12	Profit after taxation	179,825,129
13	Proposed Dividend	NIL
14	% of shareholding	89.07%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations.
2. Names of subsidiaries which have been liquidated or sold during the year.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates / Joint Ventures	Name1	Name2	Name3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate / Joint Ventures held by the company on the year end			
No.	-	-	-
Amount of Investment in Associates / Joint Venture	-	-	-
Extend of Holding %	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate / joint venture is not consolidated	-	-	-
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
6. Profit / Loss for the year			
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

For and on behalf of Board of Directors

Sd/-
Srinivasan Ganapathy
Director
DIN: 07379783

Sd/-
Thomas Fernandes
Director
DIN: 00286613

Place: Mumbai
Date: June 25, 2020

Sd/-
Sitesh Maheshwari
Chief Financial Officer

Sd/-
Bhargav Vyas
Company Secretary

SCISSORS ENGINEERING PRODUCTS LIMITED
Standalone Balance Sheet as at March 31, 2020
(All amounts are in Rs. Lakhs, unless stated otherwise)

Particulars		Note	As at March 31, 2020	As at March 31, 2019
I	ASSETS			
1	Non-current Assets			
	Investment in Subsidiary	2	2,838.08	2,838.08
	Financial Assets			
	Loans	3	1.34	1.34
	Total Non-Current Assets		2,839.42	2,839.42
2	Current assets			
	<u>Financial Assets</u>			
	Cash and cash equivalents	4	2.16	4.18
	Total Current Assets		2.16	4.18
	TOTAL ASSETS		2,841.58	2,843.60
II	EQUITY AND LIABILITIES			
1	Equity			
	Share Capital	5A	1,810.14	1,811.89
	Other Equity	5B	1,030.45	1,030.67
	Total Equity		2,840.59	2,842.56
2	Liabilities			
	Current liabilities			
	Financial Liabilities			
	Trade Payable	6		
	(i) Total outstandings of micro and small enterprises		-	-
	(ii) Total outstandings other than (i)		0.99	1.04
	Total Current Liabilities		0.99	1.04
	TOTAL EQUITY AND LIABILITIES		2,841.58	2,843.60
The accompanying notes are an integral part of these standalone financial statements		1 to 16		

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

For and on behalf of the Board

Arunkumar Ramdas

Partner

Membership No. 112433

Sd/-

Srinivasan Ganapathy

Director

DIN:07379783

Sd/-

Thomas Fernandes

Director

DIN:00286613

Place: Mumbai

Date: June 25, 2020

Sd/-

Sitesh Maheshwari

Chief Financial Officer

Sd/-

Bhargav Vyas

Company Secretary

SCISSORS ENGINEERING PRODUCTS LIMITED

Standalone Statement of Profit and Loss for the year ended March 31, 2020

(All amounts are in Rs. Lakhs, unless stated otherwise)

Particulars		Note	For the Year ended March 31, 2020	For the Year ended March 31, 2019
I	Revenue from Operations		-	-
II	Total Income		-	-
III	Expenses			
	Other expenses	7	1.97	1.96
	Total expenses		1.97	1.96
IV	Loss before tax		(1.97)	(1.96)
V	Tax expense		-	-
VI	Loss for the Year (IV + V)		(1.97)	(1.96)
VII	Other Comprehensive Income		-	-
VIII	Other Comprehensive Income for the year		-	-
IX	Total Comprehensive Income for the year (VI+VIII)		(1.97)	(1.96)
X	Earnings per equity share of Rs. 10 each : Basic & Diluted	8	(0.01)	(0.01)
The accompanying notes are an integral part of these standalone financial statements		1 to 16		
<p>As per our attached report of even date For Price Waterhouse Chartered Accountants LLP Firm Registration No. 012754N/N500016</p>				
<p>Arunkumar Ramdas Partner Membership No. 112433</p>		<p>For and on behalf of the Board</p>		
<p>Place: Mumbai Date: June 25, 2020</p>		<p>Sd/- Srinivasan Ganapathy Director DIN:07379783</p>	<p>Sd/- Thomas Fernandes Director DIN:00286613</p>	
		<p>Sd/- Sitesh Maheshwari Chief Financial Officer</p>	<p>Sd/- Bhargav Vyas Company Secretary</p>	

SCISSORS ENGINEERING PRODUCTS LIMITED
Standalone Statement of Changes in Equity as at March 31, 2020

(All amounts are in Rs. Lakhs, unless stated otherwise)

A. EQUITY SHARE CAPITAL :

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year		1,808.39	1,803.03
Add: Shares issued during the year	5A	1.75	5.36
Balance as at the end of the year		1,810.14	1,808.39

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE :
9% NON-CUMULATIVE COMPLUSORY CONVERTIBLE PREFERENCE SHARE :

Particulars	Note	As at March 31, 2020	As at March 31, 2019
Balance as at the beginning of the year		3.50	14.21
Add: Shares issued during the year	5A	(3.50)	(10.71)
Balance as at the end of the year		-	3.50

C. OTHER EQUITY :

Particulars	Note	Reserves and Surplus		Total
		Securities Premium	Retained Earnings	
Balance as at April 1, 2018		1,063.87	(36.60)	1,027.27
Loss for the year		-	(1.96)	(1.96)
Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		-	(1.96)	(1.96)
Addition during the year		5.36	-	5.36
Balance as at March 31, 2019	5B	1,069.23	(38.56)	1,030.67
Loss for the year		-	(1.97)	(1.97)
Other Comprehensive Income for the year		-	-	-
Total Comprehensive Income for the year		-	(1.97)	(1.97)
Addition during the year		1.75	-	1.75
Balance as at March 31, 2020		1,070.98	(40.53)	1,030.45
The accompanying notes are an integral part of these standalone financial statements	1 to 16			

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

For and on behalf of the Board
Arunkumar Ramdas

Partner

Membership No. 112433

Place: Mumbai

Date: June 25, 2020

Sd/-
Srinivasan Ganapathy

Director

DIN:07379783

Sd/-
Sitesh Maheshwari

Chief Financial Officer

Sd/-
Thomas Fernandes

Director

DIN:00286613

Sd/-
Bhargav Vyas

Company Secretary

SCISSORS ENGINEERING PRODUCTS LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(All amounts are in Rs. Lakhs, unless stated otherwise)

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND PRACTICES

I. Background

Scissors Engineering incorporated in India having registered office at Mumbai and Corporate identification Number-U29130MH2005PLC154732.

II. Basis of preparation of financial statements

The accounting policies are applied consistently to all the periods presented in the financial statements.

III. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements comply in all material aspects with the Indian Accounting Standards notified under section 133 of the Companies Act, 2013 (the Act) read with of the [Companies (Indian Accounting standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis.

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

(iv) Rounding of amounts

All amounts disclosed in financial statements and notes are rounded off to nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(d) Investments and other financial assets

(i) Classification

The company classifies its financial assets at carrying cost.

(ii) Measurement

Equity instruments:

At initial recognition, the company measures a financial asset at its cost.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(e) Investment in Subsidiaries and joint venture

Investments in subsidiaries and joint venture are recognised at cost as per Ind AS 27. Except where investments accounted for at cost shall be accounted for in accordance with Ind AS 105, non-current Assets Held for Sale and Discontinued Operations, when they are classified as held for sale.

(f) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed, where an inflow of economic benefits is probable. A contingent asset is not recognised unless the recovery is virtually certain.

SCISSORS ENGINEERING PRODUCTS LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(All amounts are in Rs. Lakhs, unless stated otherwise)

2 Investment in Subsidiary

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted		
Equity Instrument at Cost		
Ring Plus Aqua Limited 69,08,602 (Previous Year 69,08,602) Equity Shares of Rs.10 each fully paid	2,838.08	2,838.08
Total	2,838.08	2,838.08

3 Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Security Deposit - Unsecured	1.34	1.34
Total	1.34	1.34

4 Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.01	0.01
Balances with Banks - Current Accounts	2.15	4.17
Total	2.16	4.18

SCISSORS ENGINEERING PRODUCTS LIMITED
Notes to the Standalone Financial Statements for the year ended March 31, 2020
(All amounts are in Rs. Lakhs, unless stated otherwise)

5A

a) Share capital

PARTICULARS	As at	As at
	March 31, 2020	March 31, 2019
Authorised		
2,53,52,500 (P.Y: 2,53,52,500) Equity Shares of Rs. 10 each	2,535.25	2,535.25
5,64,750 (P.Y: 5,64,750), 9% Non-cumulative Compulsory Convertible Preference Share of Rs. 100 each	564.75	564.75
Issued		
1,81,01,365 (P.Y: 1,80,83,865) Equity Shares of Rs.10 each	1,810.14	1,808.39
1,83,053 (P.Y: 1,86,553) 9% Non-cumulative Compulsory Convertible Preference Share of Rs. 100 each. #	183.05	186.55
Subscribed and fully paid up		
1,81,01,365 (P.Y: 1,80,83,865) Equity Shares of Rs.10 each	1,810.14	1,808.39
Nil (P.Y: 3,500) 9% Non-cumulative Compulsory Convertible Preference Share of Rs. 100 each	-	3.50
	1,810.14	1,811.89

Note :

During the Year 3,500 (Previous Year 10,710), 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs 100/- each were converted into 17,500 (Previous Year 53,550) Equity shares of Face value Rs. 10 each with Rs. 1.75 lakhs (Previous Year Rs. 5.36 lakhs) as premium.

During the Year Nil (P.Y.: Nil) Equity shares of Face value Rs 10 each was issued on right basis for cash.

b) Reconciliation of number of shares

PARTICULARS	As at		As at	
	March 31, 2020		March 31, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	18,083,865	1,808.39	18,030,315	1,803.03
Add: Conversion of preference shares	17,500	1.75	53,550	5.36
Balance as at the end of the year	18,101,365	1,810.14	18,083,865	1,808.39
Preference Shares :				
Balance as at the beginning of the year	3,500	3.50	14,210	14.21
Less: Shares Converted to Equity Shares during the year	(3,500)	(3.50)	(10,710)	(10.71)
Balance as at the end of the year	-	-	3,500	3.50

c) Shares held by holding company

PARTICULARS	As at	As at
	March 31, 2020	March 31, 2019
Equity Shares of Rs. 10 held by:		
Raymond Limited and Jointly held with nominees	18,101,365	18,083,865
Preference Shares of Rs. 100 held by:		
Raymond Limited	-	3,500

SCISSORS ENGINEERING PRODUCTS LIMITED

Notes to the Standalone Financial Statements for the year ended March 31, 2020

(All amounts are in Rs. Lakhs, unless stated otherwise)

d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

NAME OF SHAREHOLDERS	As at March 31, 2020		As at March 31, 2019	
	% of Holding	Number of shares	% of Holding	Number of shares
Equity Shares :				
Raymond Limited and jointly held with nominees	100.00%	18,101,365	100.00%	18,083,865
Preference Shares :				
Raymond Limited	-	-	100.00%	3,500

e) During the Year 17,500 (P.Y. 53,550) Equity shares of Face value Rs. 10 each are issued for other than cash consideration on conversion of 3,500 (P.Y. 10,710), 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs 100/- each.

f) Rights, Preferences and Restrictions attached to each class of shares:-

Equity shares: The Company has one class of equity shares having a par value of Re. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference Shares :

Each shareholder of Cumulative Compulsory Convertible Preference (CCPS) is entitled to one vote per share only on resolutions placed before the Company which directly affect their rights attached to CCPS. The dividend proposed by the Board of Directors is subject to the approval of shareholders. The Company has an option to redeem the said shares at par. In the event of liquidation of the Company, the holders of CCPS will have priority over equity shares in payment of dividend and repayment of capital.

g) Arrears of dividend on Preference shares amounts to NIL (Previous Year Rs. 1.99 lakhs) (Excluding Dividend Distribution Tax).

5B Other Equity

Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at April 1, 2018	1,063.87	(36.60)	1,027.27
Profit for the year	-	(1.96)	(1.96)
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	(1.96)	(1.96)
Addition during the year	5.36	-	5.36
Balance as at March 31, 2019	1,069.23	(38.56)	1,030.67
Profit for the year	-	(1.97)	(1.97)
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	-	(1.97)	(1.97)
Addition during the year	1.75	-	1.75
Balance as at March 31, 2020	1,070.98	(40.53)	1,030.45

Nature and Purpose of Reserves :

Securities Premium :

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

SCISSORS ENGINEERING PRODUCTS LIMITED**Notes to the Standalone Financial Statements for the year ended March 31, 2020
(All amounts are in Rs. Lakhs, unless stated otherwise)****6 Trade payables**

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables :		
Micro and Small enterprises	-	-
Amounts payable to related parties	-	-
Others	0.99	1.04
Total	0.99	1.04

(a) For information about Liquidity Risk and Market Risk refer note 11.

(b) There is no amount outstanding to Micro, Small and Medium enterprises as at Balance Sheet date. Information regarding Micro, Small and Medium enterprises has been determined to the extent such parties were identified by the management.

SCISSORS ENGINEERING PRODUCTS LIMITED**Notes to the Standalone Financial Statements for the year ended March 31, 2020****(All amounts are in Rs. Lakhs, unless stated otherwise)****7 Other expenses**

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Legal and Professional Expenses *	1.97	1.96
Total	1.97	1.96

*** Includes Auditors' remuneration and expenses (net of credit for taxes)**

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
- Audit Fees	0.70	0.70
- Limited Review Fees	0.30	0.30
Total	1.00	1.00

8 Earnings per share

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Loss for the year	(1.97)	(1.96)
Weighted average number of equity shares outstanding (Face value of Rs. 10 per share)	18,083,913	18,059,071
Earnings Per Share (Rs.) - Basic & Diluted	(0.01)	(0.01)

9 Segment Information

The Company operates in a single business segment . Accordingly there are no reportable businesses or geographical segments as prescribed under Ind As 108 "Operating Segments".

10 Deferred Tax

In view of the consistent losses in past years, the Company does not have future taxable profits. Accordingly, deferred tax assets has not been recognized on unabsorbed losses under the Income Tax Act, 1961.

11 Financial Risk Management

a) Credit risk

The Company has no debtors thus Company does not foresee any credit risk.

b) Liquidity Risk

The Company has no borrowings thus Company does not foresee any liquidity risk.

c) Market Risk

The Company has no foreign currency exposure and does not have hedge position in currency market, thus Company does not foresee any market risk.

12 Capital Management

a) Risk Management

The Company has no debts thus Company does not foresee any capital risk.

b) Dividend

The Company has not paid dividend thus company has no dividend liability to be paid.

13 There are no critical estimates involved in the preparation of financial statements.

14 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent Liabilities	-	-

15 COVID-19

The management has performed an assessment of the situation and believes that no adjustments are required in the financial statements as the Company does not have any business operation from its inception.

16 The Company has approved its financial statements in its Board Meeting dated June 25, 2020.

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

For and on behalf of the Board

Arunkumar Ramdas

Partner

Membership No. 112433

Sd/-

Srinivasan Ganapathy

Director

DIN:07379783

Sd/-

Thomas Fernandes

Director

DIN:00286613

Place: Mumbai

Date: June 25, 2020

Sd/-

Sitesh Maheshwari

Chief Financial Officer

Sd/-

Bhargav Vyas

Company Secretary

SILVER SPARK APPAREL LIMITED

ANNUAL REPORT 2019-20

BOARD OF DIRECTORS	:	SHRI GAUTAM HARI SINGHANIA SHRI RAM BHATNAGAR SMT. RASHMI MUNDADA SHRI VIPIN AGARWAL
COMPANY SECRETARY	:	SHRI AKSHAT CHECHANI
SECRETARIAL AUDITOR	:	MESSRS. ROBERT PAVREY & ASSOCIATES
STATUTORY AUDITORS	:	MESSERS. CHATURVEDI AND SHAH, CHARTERED ACCOUNTANTS
INTERNAL AUDITORS	:	MESSERS. MAHAJAN & AIBARA CHARTERED ACCOUNTANTS LLP
REGISTERED OFFICE	:	NEW HIND HOUSE, N. M. MARG, BALLARD ESTATE, MUMBAI – 400 001 MAHARASHTRA

SILVER SPARK APPAREL LIMITED
(CIN: U72900MH2000PLC127831)

DIRECTORS' REPORT

To
The Members of Silver Spark Apparel Limited,

Your Directors have pleasure in presenting their Twentieth Annual Report on the Business and Operations of the Company and the accounts for the Financial Year ended March 31, 2020.

1. FINANCIAL SUMMARY / PERFORMANCE OF THE COMPANY

The company has continued to retain reputed overseas clientele for suits, jackets and trousers and has maintained a strong export order book contributing towards a strong sales growth performance in the Financial Year 2019-20. The Gross Revenue of the Company at Standalone level is Rs. 566.40 Crore (Previous Year: Rs. 512.50 Crore). Profit after tax stood at Rs. 17.55 Crore (Previous Year: Rs. 20.64 Crore). On a Consolidated level, the Gross Revenue of the Company is Rs. 660.28 Crore (Previous Year: Rs. 561.37 Crore). The Loss after tax expenditure was Rs. 13.39 Crore (Previous year Loss of Rs. 9.31 Crore).

2. DIVIDEND

In view of the loss at consolidated levels and in order to conserve resources, your Directors have not recommended any dividend for the FY 2019-20.

3. RESERVES

Your Company has not transferred any amount to the General Reserves of the Company.

4. SUBSIDIARY COMPANY

Silver Spark Middle East FZE

This wholly-owned subsidiary of the Company is incorporated in Sharjah Airport Free Zone (SAIFZONE), Sharjah, U.A.E. This company is engaged in trading of apparel, garments and related products catering to the Middle East and African markets. The Gross Revenue of this company for the Financial Year 2019-20 stood at Rs 104.18 Crore (Previous Year: Rs. 51.54 Crore). This company incurred a loss of Rs. 1.29 Crore (Previous Year: Profit of Rs. 4.64 Crore) during the year under review.

Silver Spark Apparel Ethiopia PLC

This company is based out of Ethiopia in Africa and is a wholly-owned subsidiary of Silver Spark Middle East FZE. This company is engaged in the manufacturing of wearing apparel. This company during the year ended December 31, 2019 reported a loss of Rs. 20.01 Crore (Previous Year: Loss of Rs. 27.9 Crore).

Dress Master Apparel Private Limited

The company is engaged in the business of garment manufacturing at its facilities based out of Karnataka. The Gross Revenue of the company for FY 2020 stood at Rs. 39.09 Crore (Previous Year: Rs. 39.88 Crore). The company registered a Loss of Rs. 5.88 Crore (Previous Year: 3.81 Crore).

During the year, garmenting business undertaking of Dress Master Apparel Private Limited, wholly owned subsidiary demerged with the Silver Spark Apparel Limited.

R&A Logistics, Inc.

This Company has been setup to target the US Market to ensure better market penetration This company during the year under review made a loss of USD 560,900 (Previous Year: Loss of USD 1,173,687).

5. CONSOLIDATED ACCOUNTS

In accordance with Indian Accounting Standard (IND AS 110) – Consolidated Financial Statements, the Consolidated Accounts of the Company have been prepared. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rules made thereunder, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part of this report.

6. AUDITORS

(a) Statutory Audit

Messrs Chaturvedi & Shah, Chartered Accountants (ICAI Firm Registration Number 101720W) are the statutory auditors of the Company for the year ended March 31, 2020. Their appointment as the statutory auditors continues from the conclusion of the 17th Annual General Meeting of the Company till the conclusion of the 22nd Annual General Meeting.

There is no audit qualification in the financial statements by the statutory auditors for the year under review.

(b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder, the Company has appointed Robert Pavrey & Associates, a firm of Company Secretaries in Practice (C.P. No. 1848) to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as "Annexure A" and forms an integral part of this Report.

There have been no qualification(s), reservation(s), or adverse remark(s) or disclaimer(s) made in the Secretarial Audit Report by the Secretarial Auditor for the financial year 2019-20.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an effective internal control and risk-mitigation system, which is constantly assessed and strengthened with new / revised standard operating procedures.

The Company has entrusted the internal and operational audit to M/s Mahajan & Aibara Chartered Accountants LLP, a reputed firm of Chartered Accountants. The main thrust of the internal audit process is test and review of controls, independent appraisal of risks, business processes and benchmarking internal controls with best practices. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Board of Directors and Statutory Auditors are periodically apprised of the internal audit findings and corrective actions taken.

7. SHARE CAPITAL

The paid-up Share Capital as on March 31, 2020 was Rs. 8.96 crore. The Company has not issued any shares with differential voting rights nor granted stock options or sweat equity shares.

8. PUBLIC DEPOSITS

The Company has not accepted any public deposits under Section 73 of the Companies Act, 2013 during the year under review.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Changes in Directors and Key Managerial Personnel

The first five years term of Shri R. A. Prabhudesai (DIN: 07095983) and Shri R. Narayanan (DIN: 00631703) as Independent Directors of the Company had ended on February 12, 2020 and they ceased to be an Independent Director of the Company.

Pursuant to Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company, being a wholly-owned subsidiary of Raymond Limited, is exempted from the requirement of appointment of Independent Directors and thus exempted from the requirements of constituting an Audit Committee & Nomination and Remuneration Committee. Hence, Shri R. Narayanan and Shri R.A. Prabhudesai were not appointed for second term and the Audit Committee & Nomination and Remuneration Committee has been dissolved w.e.f. February 12, 2020. The Board places on record its appreciation for the contribution made by Shri Prabhudesai and Shri R. Narayanan towards the welfare of the Company during their tenure as an Independent Director.

Pursuant to Section 149 of the Companies Act, 2013, Smt. Rashmi Mundada continues to be a Independent Women Director of the Company.

Shri Bibek Agarwala (DIN: 07267564) resigned as a Director on March 03, 2020 due to work constraints.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Shri Vipin Agarwal, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

During the year, 8 Board Meetings were convened and held.

The Board Meeting held and Attendance of Directors at the Meetings is given below:

Date of the Meeting	Name of Director						
	Gautam Hari Singhania	R. A. Prabhudesai*	R. Narayanan*	Ram Bhatnagar	Rashmi Mundada	Bibek Agarwala#	Vipin Agarwal
19.04.2019	✓	✓	✓	✓	✓	✓	✓
03.07.2019	-	✓	✓	✓	✓	✓	✓
31.07.2019	✓	✓	✓	✓	✓	✓	✓
18.10.2019	✓	✓	✓	✓	✓	✓	✓
23.10.2019	✓	✓	✓	✓	✓	✓	✓

Date of the Meeting	Name of Director						
	Gautam Hari Singhania	R. A. Prabhudesai*	R. Narayanan*	Ram Bhatnagar	Rashmi Mundada	Bibek Agarwala#	Vipin Agarwal
20.12.2019	✓	✓	✓	✓	✓	✓	✓
21.01.2020	✓	✓	✓	✓	✓	✓	✓
12.02.2020	-	NA	NA	✓	✓	✓	✓
28.02.2020	-	NA	NA	✓	✓	-	✓

*ceased to be Independent Directors of the Company with effect from February 12, 2020 on completion of their term
#resigned as a Director on March 03, 2020

B. Key Managerial Personnel (KMP)

As on March 31, 2020, the Company has the following Key Managerial Personnel:-

Sr. No.	Name of the Person	Designation	Date of Appointment
1	Akshat Chechani	Company Secretary	March 16, 2018

C. Declaration by an Independent Directors and re-appointment

The Ministry of Corporate Affairs ("MCA") vide Notification Number G.S.R. 804(E) dated October 22, 2019 and effective from December 01, 2019 has introduced an amendment relating to inclusion of names of Independent Directors in the Data Bank maintained by Institute of Corporate Affairs and appearing for an online exam.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

D. Annual Evaluation

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

The independent directors of the company have held one meeting during the year on January 17, 2020, without the presence of non-independent directors and members of the management to review the performance of non-independent directors and the board of directors as a whole; review the performance of the chairperson of the company and to assess the quality, quantity and timeliness of flow of information between the management and the board of directors.

The Directors express their satisfaction with the evaluation process.

11. COMMITTEES OF THE BOARD

With a view to have a more focused attention on the business and for better governance and accountability, the Board had constituted the following committees:

Audit Committee

Pursuant to Section 177 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rule, 2014, the Audit Committee was constituted.

The Composition of the Committee as on February 12, 2020 was as under:

- a. Shri R. A. Prabhudesai : Independent Director, Chairman
- b. Shri R. Narayanan : Independent Director, Member
- c. Shri Ram Bhatnagar : Non-executive Director, Member

The terms of reference of the Committee were determined by the Board and their relevance was reviewed from time to time.

Pursuant to the Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was made exempt from the requirements of appointment of Independent Directors thereby also made exempted from the requirements of constituting an Audit Committee.

Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on February 12, 2020, the Audit Committee was not reconstituted and dissolved with immediate effect.

The Audit Committee Meeting held and Attendance of Directors at the Meetings is given below:

Sr. No.	Name of Director	Date of Meeting					
		19.04.2019	03.07.2019	31.07.2019	23.10.2019	20.12.2019	21.01.2020
1	Shri R. A. Prabhudesai*	✓	✓	✓	✓	✓	✓
2	Shri R. Narayanan*	✓	✓	✓	✓	✓	✓
3	Shri Ram Bhatnagar	✓	✓	✓	✓	✓	✓

* ceased to be Directors of the Company with effect from February 12, 2020 on completion of their term

Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act, 2013 and the Rule 6 of the Companies (Meeting of Board and its Powers) Rules, 2014, the Board of Directors had constituted the Nomination and Remuneration Committee on February 13, 2015. The Board of Directors had framed a policy which laid down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also laid down the criteria for selection and appointment of Board Members.

The Composition of the Committee as on February 12, 2020 was as under:

- a. Shri R.A. Prabhudesai : Independent Director, Chairman
- b. Shri R. Narayanan : Independent Director, Member
- c. Shri Ram Bhatnagar : Non-executive Director, Member

During the year, one Nomination and Remuneration Committee Meeting convened and held on January 21, 2020. All the members were present at the Meeting.

Pursuant to the Notification dated July 05, 2017 issued by Ministry of Corporate Affairs, the Company being a wholly-owned subsidiary of Raymond Limited was made exempt from the requirements of appointment of Independent Directors thereby also made exempted from the requirements of constituting a Nomination and Remuneration Committee.

Accordingly, on completion of first five years term of both Shri R. Narayanan and Shri R. A. Prabhudesai on February 12, 2020, the Nomination and Remuneration Committee was not reconstituted and dissolved with immediate effect.

Corporate Social Responsibility Committee

Pursuant to Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, the Board of Directors of the Company constituted the Corporate Social Responsibility (CSR) Committee and contributed an amount of Rs. 20 Lakh in pursuance of its CSR. A report on CSR activities and the contents of Corporate Social Responsibility policy annexed as "Annexure B".

During the year, one Meeting of CSR Committee was held on February 12, 2020. Shri R. A. Prabhudesai could not attend the Meeting.

The policy is displayed on the webpage of the Company at http://www.raymond.in/grp_sisk.asp#.VVneh-k9L4g.

The current composition of the Committee is as under:

- a. Shri Ram Bhatnagar : Non-executive Director, Chairman
- b. Shri Vipin Agarwal : Non-executive Director, Member
- c. Smt. Rashmi Mundada[§] : Independent Director, Member
- d. Shri R. A. Prabhudesai* : Independent Director, Member
- e. Shri R. Narayanan* : Independent Director, Member

[§] Appointed w.e.f. February 12, 2020

*ceased to be Directors of the Company with effect from February 12, 2020 on completion of their term

12. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

Pursuant to Section 177(9) of the Companies Act, 2013, your company has formulated the Vigil Mechanism / Whistle Blower policy to report genuine concerns. The policy is displayed on the webpage of the Company at http://www.raymond.in/grp_sisk.asp#.VVneh-k9L4g.

13. RELATED PARTY TRANSACTIONS

All the transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. The Company has developed a Related Party Transactions framework and Standard Operating Procedures for purpose of identification and monitoring of such transactions.

14. RISK MANAGEMENT (DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY)

The Company is exposed to risks from market fluctuations of foreign exchange rates, interest rates, commodity prices, business risks, compliance risks and people risks. These risks are assessed and steps as appropriate are taken to mitigate the risks.

15. REPORTING OF FRAUDS

There was no instance of fraud during the year under review which required the Statutory Auditors to report to the Audit Committee and/or Board under section 143(12) of the Companies Act, 2013 and the Rules framed thereunder.

16. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected such accounting policies and applied them consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis; and
- v. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems are adequate and operating effectively.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The details as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, on conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed herewith as “Annexure C” to this Report.

18. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as “Annexure D” to this Report.

19. PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 are not applicable.

20. MATERIAL CHANGES AND COMMITMENTS

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, there are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this Report except for the impact arising out of COVID-19, which is detailed below in point no. 21 of this Report.

21. IMPACT OF COVID-19

In March 20, the WHO declared COVID-19 to be a pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of the financial statements. A detailed note on the impact of COVID-19 on the operations of the Company forms part of the Notes to the Financial Statements.

22. PARTICULARS OF EMPLOYEES

The provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company for the year ended March 31, 2020 are not applicable.

23. DISCLOSURE UNDER SEXUAL HARASSMENT ACT

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. There were no complaints filed against any of the employees of the Company under this Act.

24. SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors of the Company, at their Meeting held on October 18, 2019 have approved the Composite Scheme of Arrangement between Dress Master Apparel Private Limited ("DMAPL" or "the Demerged Company") and Silver Spark Apparel Limited ("SSAL" or "the Resulting Company") and their respective shareholders ('the Scheme' or 'this Scheme') with an Appointed Date of January 01, 2020 under section 230-232 and other applicable provision of Companies Act, 2013.

The Meetings of Shareholders, Unsecured Creditors of both Company and Secured Creditors of Silver Spark Apparel Limited were convened on January 20, 2020 pursuant to order of National Company Law Tribunal dated November 18, 2019. The Scheme has been approved by the Shareholders and Creditors of both the Company with requisite majority. However due to the ongoing COVID-19 pandemic, the Certified copy of the Order has not been received by the Company and therefore the effect of the Scheme has not been given in the Financial Statements.

25. SIGNIFICANT MATERIAL ORDERS PASSED BY THE TRIBUNALS

Apart from the Scheme of Arrangement in point no. 24, during the year under review, there were no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

26. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

27. ACKNOWLEDGEMENT

The Directors express their appreciation for the contribution made by employees at all levels but for whose hard work and support your Company's achievements would not have been possible. Your Directors also wish to thank customers, dealers, agents, suppliers and bankers for their support and faith in the Company.

For and on behalf of the Board of
Silver Spark Apparel Limited

June 24, 2020
Mumbai

Sd/-
Ram Bhatnagar
Director
DIN: 02313614

Sd/-
Vipin Agarwal
Director
DIN: 02963480

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Silver Spark Apparel Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Silver Spark Apparel Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of :

- (i) The Companies Act, 2013 ('Act') and rules made thereunder; and
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. subject to the following observations:

The Company has not spent, during the Audit Period, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, towards Corporate Social Responsibility activities.

We further report that, there were no events/ actions in pursuance of:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (iv) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (vi) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (vii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (viii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (ix) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and

(x) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
requiring compliance thereof by the Company during the Audit Period.

We report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (i) Competition Act, 2002;
- (ii) Consumer Protection Act, 1986; and
- (iii) The Legal Metrology Act, 2009.

We further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors.

Adequate notice is given to all the directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, during the Audit Period, the following events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

The Scheme of Arrangement between Dress Master Apparel Private Limited ("DMAPL" or "the Demerged Company") and Silver Spark Apparel Limited ("SSAL" or "the Resulting Company" or "the Company") and their respective shareholders ("Scheme" or "the Scheme") was approved by the NCLT, Mumbai on February 27, 2020. The Certified copy of the NCLT Order is yet to be received by the Company.

For **ROBERT PAVREY & ASSOCIATES**
Company Secretaries

Place: Mumbai
Dated: June 24, 2020

Sd/-
ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928B000375707

This report is to be read with Annexure A which forms an integral part of this report.

To,
The Members
Silver Spark Apparel Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **ROBERT PAVREY & ASSOCIATES**
Company Secretaries

Place: Mumbai
Dated: June 24, 2020

Sd/-
ROBERT PAVREY
Proprietor
FCS 2928 CP. No. : 1848
UDIN: F002928B000375707

ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Policy was approved by the Board of Directors at its Meeting held on February 13, 2015 and has been uploaded on the Company's webpage. A gist of the programs that the Company can undertake under the CSR policy is mentioned below. The weblink is <http://www.raymond.in/sites/default/files/CSR%20Policy.pdf>.

The Company had approved to contribute towards following programs:

Sr. No.	Proposal	Objective	CSR Contribution for 2019-20 (Rs. in Lac)*
1.	Rotary Club of Thane Lake City Charity Trust (RCTLC)	Providing mid-day meals to around 1000 children of unaided school "Twins Hindi / English High School" at Manpada, Thane.	20.00
TOTAL			20.00

*unspent during the year

2. The Composition of the CSR Committee.

- (i) Shri R. Narayanan** : Independent Director, Chairman
(ii) Shri R. A. Prabhudesai** : Independent Director, Member
(iii) Shri Ram Bhatnagar : Non-executive Director, Member

* ceased to be Directors of the Company with effect from February 12, 2020 on completion of their term

3. Average net profit of the Company for last three financial years: Rs. 3074.76 Lakh
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): The Company is required to spend Rs. 62.00 Lakh in the financial year 2019-20.
5. Details of CSR spent during the financial year
- a. Total amount to be spent for the financial year: Rs. 82 Lakh
b. Amount unspent, if any: Rs. 82.00 Lakh
c. Manner in which the amount spent during the financial year detailed below: NA
6. In case the Company has failed to spend the two percent, of the average net profit of the latest three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :

The Company is currently evaluating and considering suitable CSR programmes, activities and initiatives for further CSR spending, which are aligned with the Company's ethos and CSR policy. The Company was unable to spend the entire amount due to COVID-19 induced national lockdown. The Company is confident of meeting its objectives, and therefore has decided to carry forward the unspent amount to the next financial year.

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, we hereby confirm that the CSR Committee has implemented and monitored the CSR initiatives which are in line with the CSR Objectives and Policy of the Company.

For Silver Spark Apparel Limited

For Silver Spark Apparel Limited

Sd/-
Ram Bhatnagar
Chairman of Corporate Social Responsibility Committee
DIN: 02313614

Sd/-
Vipin Agarwal
Director
DIN: 02963480

June 24, 2020
Mumbai

CONTENTS OF CORPORATE SOCIAL RESPONSIBILITY POLICY

(Approved by the Board of Directors on February 13, 2015)

The CSR initiatives focus on holistic development of host communities and create social, environmental and economic value to the society.

The Company's commitment to CSR projects and programmes will be by investing resources into any of the following areas:

- Improving the quality of life in rural areas;
- Eradicating hunger, poverty and malnutrition;
- Promoting healthcare including preventive healthcare;
- Employment enhancing vocational Skills;
- Promotion of education including investment in technology in schools;
- Ensuring environmental sustainability including measures for reducing inequalities faced by socially and economically backward groups;
- Promoting sports including rural and Olympic sports;
- Contribution to funds for promoting technology;
- Investing in various rural development projects;
- Contributing to the Prime Minister's National Relief Fund or any other fund setup by the Central Government for development and relief; and
- Other areas approved by the CSR Committee that are covered in the CSR Rules as amended from time-to-time.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

Electricity power Conservation initiatives:

- a. 1500 Shop-floor Lights in the form of T5 & T8 are being replaced with respective LED Lights by which the lighting load has been reduced to 5%;
- b. Sourcing of Renewable Energy (Solar Power) through open access electricity, PPA signed with Solar power Vendor for providing solar power for next 10 years (starting April 2018), converted 73 % KWH units annual consumption to renewable energy.

B. TECHNOLOGY ABSORPTION

The Company has indigenously developed hot Air seam sealing machine which is used in PPE cover all manufacturing.

- C. The Company has not incurred any separate expenditure for Research and Development activities during the period under review.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review foreign exchange earnings were Rs. 505.35 Crore (Previous Year: 476.66 Crore). The Foreign Exchange outgo during the year under review was Rs. 191.60 Crore (Previous year: Rs. 116.29 Crore).

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on Financial Year ended on March 31, 2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	U72900MH2000PLC127831
2.	Registration Date	July 20, 2000
3.	Name of the Company	Silver Spark Apparel Limited
4.	Category/Sub-category of the Company	Company Limited by Shares / Indian Non-government Company
5.	Address of the Registered office & contact details	New Hind House, Narottam Morarjee Marg, Ballard Estate, Mumbai - 400001 Maharashtra.
6.	Whether listed company	Unlisted Company
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N. A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Jackets	14101	67%
2	Trousers	14101	29%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name & Address of the company	CIN / GIN	Holding/ Subsidiary / Associate	% of shares Held	Applicable section
1.	Raymond Limited with its Nominees Plot No. 156/H. No.2, Village Zadgaon, Ratnagiri 415 612, Maharashtra	L17117MH1925PLC001208	Holding Company	100%	Section 2(46)
2.	Silver Spark Middle East FZE P.O. Box 513549, SAIF Zone, UAE.	--	Subsidiary Company	100%	Section 2(87)

Sr. No.	Name & Address of the company	CIN / GIN	Holding/ Subsidiary / Associate	% of shares Held	Applicable section
3.	Silver Spark Apparel Ethiopia PLC Shed No. 17, 18 and 19, Hawassa Industrial Park, Hawassa, Ethiopia	-	Subsidiary Company	100%	Section 2(87)
4.	Dress Master Apparel Private Limited New Hind House, 3 Narottam Morarjee Marg, Ballard Estate Mumbai Mumbai City -400001	U31909MH1978PTC331792	Subsidiary Company	100%	Section 2(87)
5.	R & A Logistics, Inc. 27, Mulvaney Street, Ashville, North Carolina 28803, USA	-	Subsidiary Company	100%	Section 2(87)

IV.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	N.A.	89,64,300	89,64,300	100	N.A.	89,64,300	89,64,300	100	NA
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	N.A.	89,64,300	89,64,300	100	N.A.	89,64,300	89,64,300	100	N.A.
(2) Foreign	-	-	-	-	-	-	-	-	-
a)NRIs- Individuals	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	N.A	89,64,300	89,64,300	100	N.A	89,64,300	89,64,300	100	N.A
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-April-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	N.A	89,64,300	89,64,300	100	N.A	89,64,300	89,64,300	100	N.A

B) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raymond Limited and its Nominees	89,64,300	100	-	89,64,300	100	-	-

C) Change in Promoters' Shareholding

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Raymond Limited				
	At the beginning of the year	89,64,300	100%	89,64,300	100%
	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease	-	-	-	-
	At the end of the year as on March 31, 2020	-	-	89,64,300	100%

D) Shareholding Pattern of top Ten Shareholders (Other than Directors, Promoters , Holders of GDRs & ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Since the entire paid-up capital is held by Raymond Limited this is not applicable to the Company.			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
	At the end of the year				

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	-	-	-	-
	At the end of the year	-	-	-	-

V) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment.
(Rs. In Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of FY				
i) Principal Amount	5,561.40	1,707.96	-	7,269.36
ii) Interest due but not paid	29.49	-	-	29.49
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,590.89	1,707.96	-	7,298.85
Change in Indebtedness during the FY				
* Addition	4,847.50	2,000.00	-	6,847.50
* Reduction	676.75	3,707.96	-	4,384.71
Loan Transferred from Celebrations Apparel Ltd. under slump sale	-	966.33	-	966.33
Net Change	4,170.75	(741.63)	-	12,198.53
Indebtedness at the end of the FY				
i) Principal Amount	9,731.84	966.33	-	10,698.17
ii) Interest due but not paid	29.80	-	-	29.80
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	9,761.64	966.33	-	10,727.97

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: The Company does not have any Managing Director, Whole-time Directors or Manager.

B. Remuneration to other directors

(Rs. In Lakh)

Sr. NO.	Particulars of Remuneration	Name of Directors				Total Amount
		R. Narayanan	R. A. Prabhudesai	Rashmi Mundada	Ram Bhatnagar	
1	Independent Directors	R. Narayanan	R. A. Prabhudesai	Rashmi Mundada	Ram Bhatnagar	
	Fee for attending board/ committee meetings	4.00	4.00	4.00	-	12.00
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	4.00	4.00	4.00	-	12.00
2	Other Non-Executive Directors	Gautam Hari Singhania	Bibek Agarwala	Vipin Agarwal		
	Fee for attending board/ committee meetings	3.00	-	-		3.00
	Commission	-	-	-		-
	Others, please specify	-	-	-		-
	Total (2)	3.00	-	-		3.00
	Total (B)=(1+2)					15.00
	Total Managerial Remuneration					15.00

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Rs.in Lakh)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. DIRECTORS					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

Form AOC-I
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries
(Information in respect of each subsidiary to be presented with amounts in Rs. Lakh)

Sr. No.	Particulars				
	Sr. No.	1	2	3	4
2	Name of the subsidiary	Dress Master Apparel Limited	Silver Spark Middle East FZE, Dubai	Silver Spark Apparel Ethiopia PLC	R & A Logistics, Inc.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting Period	31 st Dec 2019	31 st Dec 2019	Same reporting Period
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	N.A.	United Arab Emirates Dirham (AED) AED/INR – 20.60	Ethiopian Birr (BIRR) BIRR/INR – 2.28	United States Dollar (USD) USD/INR – 75.66
5	Share capital	12.00	3164.36	10236.53	1227.45
6	Reserves & surplus	(1760.41)	526.84	(5713.12)	(1211.00)
7	Total assets	4416.84	7027.86	8153.16	2902.59
8	Total Liabilities	6165.25	15829.17	3629.75	2886.14
9	Investments	313.65	12492.51	-	-
10	Turnover	3909.66	10418.20	3578.73	13419.29
11	Profit before taxation	(577.56)	(128.73)	(2000.96)	(395.70)
12	Provision for taxation	-	-	-	-
13	Profit after taxation	(588.22)	(128.73)	(2000.96)	(395.70)
14	Proposed Dividend	-	-	-	-
15	% of shareholding	100.00	100.00	100.00	100.00

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
1. Latest audited Balance Sheet Date	-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extent of Holding %	-	-	-

Name of Associates/Joint Ventures	Name 1	Name 2	Name 3
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
5. Net Worth attributable to Shareholding as per latest audited Balance Sheet	-	-	-
6. Profit / Loss for the year	-	-	-
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

For and on behalf of the Board of
SILVER SPARK APPAREL LIMITED

Sd/-
Vipin Agarwal
Director
DIN: 02963480

Sd/-
Ram Bhatnagar
Director
DIN: 02313614

Akshat Chechani
Company Secretary

Mumbai
June 24, 2020

INDEPENDENT AUDITOR’S REPORT

To the Members of Silver Spark Apparel Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Silver Spark Apparel Limited (“the Company”), which comprise the standalone Balance Sheet as at March 31, 2020, and the standalone Statement of Profit and Loss, (including Other Comprehensive Income), standalone Statement of changes in equity and standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020 and its profit (including other comprehensive income) , its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing (SAs) prescribed under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the standalone Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the standalone financial statements as per the ICAI’s Code of Ethics and the provisions of the Companies Act, 2013 and Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note no 45 to the standalone financial statements, which explains the uncertainties and the managements assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Further, our attendance at the physical inventory done by the management was impracticable at one location under the current lockdown restrictions

imposed by the government and we have therefore relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end.

Our opinion is not modified in this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
- (c) The standalone balance sheet, the standalone statement of profit and loss, and the standalone cash flow statement dealt with by this report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its managerial personnel during the year and accordingly reporting in accordance with the requirements of section 197(16) of the Act is not required.

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note no. 36 to the standalone financial statements;
 - b. The Company has no long term contracts including derivative contracts outstanding as on March 31, 2020
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Membership No.103418

UDIN: 20103418AAAADI9360

Place: Mumbai

Date: June 24, 2020

Annexure A to Independent Auditor's Report – March 31, 2020

With reference to the 'Annexure A' referred to in the Independent Auditors' Report to the Members of Silver Spark Apparel Limited ('the Company') on the standalone financial statements for the year ended March 31, 2020, we report the following:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and location of fixed assets.

(b) We are informed that, the fixed assets are physically verified by the Management according to phased program designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the company and nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given to us, the title deeds of immovable properties, as disclosed in Note 2A to the standalone Ind AS financial statements, are held in the name of the Company.
- ii. The physical verification of inventory has been conducted by the management excluding inventory with third parties. In our opinion, the frequency of such verification is reasonable. In respect of Inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Therefore, paragraph 3(iv) of the Order is not applicable to the Company.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from public in accordance with relevant provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, Paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government of India has not specified the maintenance of cost record under sub-section (1) of section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, Cess, and other material statutory dues applicable to the Company. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax, Entry Tax (VAT), Income Tax, Wealth Tax, and Cess were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Goods and Service Tax (GST), Customs Duty, Value Added Tax (VAT), Entry Tax, Income Tax, Wealth Tax, and Cess which have not been deposited on account of dispute. The particulars of dues of Income Tax, Sales tax, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of dispute are as follows:

Name of Statute	Nature of Dues	Amount (in lakh)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	95.82	2005-2008	Central Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom duty	178.74	2014-15	Directorate General of Foreign Trade

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. During the year the Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3(ix) of the Order is not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instances of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we informed of any such case by management.

xi. The Company has not paid/provided for managerial remuneration during the year. According, Paragraph 3(xi) of the Order is not applicable to the Company.

- xii. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company; accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with the companies (Indian Accounting Standards) Rules, 2015.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the directors or persons connected with him. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of paragraph 3(xvi) of the Order is not applicable to the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No.101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No: 103418

UDIN: 20103418AAAADI9360

Place: Mumbai

Date: June 24, 2020

Annexure B to Independent Auditor’s Report – March 31, 2020 on the Standalone Financial Statements of Silver Spark Apparel Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Silver Spark Apparel Limited (‘the Company’) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm's Registration No.101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No: 103418

UDIN: 20103418AAAADI9360

Place: Mumbai

Date: June 24, 2020

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SILVER SPARK APPAREL LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Silver Spark Apparel Limited** (“the Company”) and its subsidiaries (the Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated loss (including other comprehensive loss), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for qualified opinion

Emphasis of Matter

We draw your attention to Note No 45 to the consolidated financial statements, which explains the uncertainties and the management's assessment of the financial impact due to the lockdowns and other restrictions and conditions related to COVID 19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Further, our attendance at the physical inventory done by the management was impracticable at multiple locations under the current lockdown restrictions imposed by the government and we have therefore relied on the related alternate audit procedures to obtain comfort over the existence and condition of inventory at the year end.

Our opinion is not modified in this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with

the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of three subsidiaries, whose financial statements reflect total assets of Rs. 27,673 lakhs as at 31st March, 2020, total revenues of Rs. 27,416 lakhs, total loss of Rs. 2,397 lakhs and net cash outflows of Rs. 4,268 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Figures for the corresponding for the financial year ended March 31, 2019 in respect of one subsidiary, included in the consolidated financial result of the company in respect of said period are based on unaudited financial results of the subsidiary.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies

incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditor’s reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its managerial personnel during the year and accordingly reporting in accordance with the requirements of section 197(16) of the Act is not required.

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- a. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group – Refer Note No 35 to the consolidated financial statements;
 - b. The Group has no long term contracts including derivative contracts outstanding as on March 31, 2020;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No. 103418

UDIN: 20103418AAAADL3222

Place: Mumbai

Date: June 24, 2020

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ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Silver Spark Apparel Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **SILVER SPARK APPAREL LIMITED** (hereinafter referred to as “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (“ the ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating

effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration No: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership No. 103418

UDIN: 20103418AAAADL3222

Place: Mumbai

Date: June 24, 2020

Silver Spark Apparel Limited
Balance Sheet

(Rs in lakhs)

Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2A	11,709.33	9,784.86
(b) Capital work - in - progress	2A	152.18	396.01
(c) Right-of-use Asset	2B	295.46	-
(d) Intangible assets	3	618.53	54.59
(e) Intangible assets under development	3	-	108.51
(f) Non-Current Investments	4	5,495.32	5,495.32
(g) Financial Assets			
(i) Loans	5	2,520.72	3,420.72
(ii) Others financial assets	6	295.76	227.04
(h) Other non-Current Assets	7	111.38	251.68
2 Current assets			
(a) Inventories	8	12,372.42	10,026.70
(b) Financial Assets			
(i) Trade Receivables	9	12,829.61	8,273.78
(ii) Cash and cash equivalents	10	27.27	29.21
(iii) Bank Balances other than Cash and Cash Equivalents	11	13.51	1.54
(iv) Loans	12	2,133.07	4.74
(v) Others financial asset	13	343.91	1,043.40
(c) Other current assets	14	4,275.52	3,673.05
TOTAL ASSETS		53,193.99	42,791.15
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity Share Capital	15A	896.43	896.43
b) Other equity	15B	19,860.57	17,712.31
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	1,087.33	1,990.58
(ii) Lease liabilities		249.92	-
(b) Deferred Tax Liabilities (Net)	33	764.08	1,134.72
(c) Other Non Current Liabilities	17	866.95	851.38
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	9,448.84	5,058.87
(ii) Lease Liabilities		109.96	-
(iii) Trade payables	19		
(A) total outstanding dues of Small enterprise and micro enterprise		23.40	61.96
(B) total outstanding dues of creditors other than Small enterprise and micro enterprise		14,114.17	12,003.94
(iv) Other financial liabilities	20	3,556.90	2,187.01
(b) Other current liabilities	21	922.40	359.96
(c) Provisions	22	1,008.15	479.69
(d) Current Tax Liabilities (Net)		284.89	54.30
TOTAL EQUITY AND LIABILITIES		53,193.99	42,791.15
Statement of Significant Accounting Policies	1		
The accompanying notes are integral part of these financial statements			
As per our Report of even date			
For Chaturvedi & Shah LLP Chartered Accountants Firm Registration Number: 101720W/ W100355		For and on behalf of the Board of Directors	
Sd/- Lalit R. Mhalsekar Partner Membership Number : 103418 Place: Mumbai Date: 24th June, 2020		Sd/- Ram Krishna Bhatnagar Director DIN: 02313614 Sd/- Akshat Chechani Company Secretary Place: Mumbai Date: 24th June, 2020	
		Sd/- Vipin Agarwal Director DIN: 02963480	

Silver Spark Apparel Limited
Statement of Profit and Loss

(Rs in lakhs)

	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
I Revenue from Operations	23	56,640.67	51,250.21
Other Income	24	1,169.00	431.27
Total Income		57,809.67	51,681.48
II Expenses			
Cost of materials consumed	25	29,332.33	25,057.51
Purchase of Stock in Trade	26	3,474.83	3,181.80
Changes in inventories	27	(721.66)	984.51
Employee benefits expense	28	11,657.49	9,274.26
Finance costs	29	623.14	672.51
Depreciation and amortization expense	30	1,048.65	781.45
Other expenses :			
(a) Manufacturing and Operating Costs	31	4,246.01	2,903.85
(b) Other expenses	32	6,223.01	5,561.44
Total expenses		55,883.80	48,417.33
III Profit / (loss) before exceptional items and tax (I-II)		1,925.87	3,264.15
IV Tax expense	33		
Current tax		668.32	1232.66
Deferred tax charge/(credit)		(497.76)	(53.21)
V Profit/(Loss) for the period (III-IV)		1,755.31	2,084.70
VI Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of net defined benefit plans	38	(0.03)	(31.87)
(ii) Income tax charge / (credit) of above		0.01	11.14
Other Comprehensive Income for the period (i-ii)		(0.02)	(20.73)
VII Total Comprehensive Income for the period (V+VI)		1,755.29	2,063.97
VIII Earnings per equity share of Rs. 10 each :	47		
Basic		19.58	23.26
Diluted		19.58	23.26
Nominal Value per share (in Rs.)		10.00	10.00
Statement of Significant Accounting Policies	1		

The accompanying notes are integral part of these financial statements

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number: 101720W/ W100355

Sd/-

Lalit R. Mhalsekar

Partner

Membership Number : 103418

Place: Mumbai

Date: 24th June, 2020

For and on behalf of the Board of Directors

Sd/-

Ram Krishna Bhatnagar

Director

DIN: 02313614

Sd/-

Akshat Chechani

Company Secretary

Place: Mumbai

Date: 24th June, 2020

Sd/-

Vipin Agarwal

Director

DIN: 02963480

Statement of Cashflow

(Rs in lakhs)

	Year ended 31st March, 2020		Year ended 31st March, 2019	
A) Cash flow from Operating Activities				
Net Profit before tax as per Statement of Profit and Loss		1,925.87		3264.15
Add/(Less):				
Profit on sale of Fixed assets	-		(0.89)	
Interest Income	(446.41)		(341.28)	
Provision for doubtful debts	-		5.72	
Provision for MEIS	217.28		39.99	
Provision for Duty Drawback receivable	63.47		-	
Provision for Service Tax Receivable	22.05		-	
Other Comprehensive Income	(0.03)		(31.87)	
Depreciation and amortisation	938.50		781.45	
Finance Costs	623.14		651.01	
Net Fair Value (Gain) /Loss (on account of fair valuation of deposits)	(0.00)		(0.03)	
Financial guarantee Income	(32.24)		(30.10)	
Government grant amortised	(59.14)	1,326.62	(56.58)	1,017.42
Operating Cash Profit Before Working Capital changes		3,252.49		4,281.57
Changes in working capital				
(Increase) / Decrease in Inventories	(945.22)		(326.07)	
(Increase) / Decrease in Trade Receivables	(2,259.96)		(428.67)	
(Increase) / Decrease in Loans	0.33		11.59	
(Increase) / Decrease in Other Financial Assets	714.00		(143.31)	
(Increase) / Decrease in Other Assets	167.80		16.42	
Increase / (Decrease) in Trade Payables	(876.94)		1972.49	
Increase / (Decrease) in Other Financial Liabilities	1,214.76		224.20	
Increase / (Decrease) in Other Liabilities	(196.95)		65.35	
(Increase) / Decrease in deposits	(11.71)		0.35	
Increase / (Decrease) in Short Term Provisions	404.28	(1,789.61)	135.25	1,527.60
Less: Direct Taxes paid (Net)		(437.88)		(1117.84)
Net Cash inflow/(outflow) from operating activities (A)		1,024.99		4,691.34
B) Cash flow arising from Investing Activities				
Inflow				
Sale of fixed assets	-		3.16	
Proceeds from Inter Corporate Deposit	1,300.00		-	
Interest income	440.35	1,740.35	341.28	344.44
Outflow				
Investment in share of a subsidiary	-		(1,278.33)	
Inter Corporate Deposit Given	(2,528.21)		(250.01)	
Fixed Deposit with Bank	(11.97)		(19.26)	
Acquisition of fixed assets	(2,051.23)	(4,591.23)	(1,233.55)	(2,781.15)
Net Cash inflow/(outflow) from investing activities (B)		(2,850.88)		(2,436.71)
C) Cash flow from Financing Activities				
Inflow				
Inter Corporate Deposit Taken	2,000.00		-	
Increase in Working Capital Loan / Short term loans from Banks	4,389.97	6,389.97	(1,193.87)	(1,193.87)
Outflow				
Repayment of Non Current Financial Borrowings	(219.53)		(422.18)	
Repayment of Inter Corporate Deposit	(3,707.96)		-	
Finance Costs	(583.08)		(645.43)	
Repayment of Lease Liabilities	(97.26)	(4,607.83)	-	(1,067.61)
Net cash inflow/(outflow) from Financing activities (C)		1,782.14		(2,261.48)
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(43.75)		(6.86)
Add: Balance at the beginning of the year (Refer Note 10)		29.21		36.07
Add: Balance received on purchase of assets of Celebration Apparel Ltd. Under slump sale		41.81		-
Cash and Cash equivalents at the close of the year (Refer Note 10)		27.27		29.21
Statement of Significant Accounting Policies (Refer Note 1)				
The accompanying notes are integral part of these financial statements				
Notes:				
1) The above Cashflow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.				
2) Changes in liabilities arising from financing activities				
Year ended 31st March, 2020	Opening Balance	Additions from Celebration Apparel Ltd. Under slump sale (Refer Note 44A)	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	2,210.49	966.33	(1,927.49)	1,249.33
Year ended 31st March, 2019	Opening Balance	Non Cash /Accruals / Fair Value Changes	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	1,624.71	-	585.78	2,210.49
Year ended 31st March, 2020	Opening Balance	Non Cash /Accruals / Fair Value Changes	Cash Flow Repayments	Closing Balance
Interest accrued on long term external borrowings	4.48	163.52	(165.41)	2.59
Year ended 31st March, 2019	Opening Balance	Non Cash /Accruals / Fair Value Changes	Cash Flow Repayments	Closing Balance
Interest accrued on long term external borrowings	6.23	240.78	(242.53)	4.48
As per our Report of even date				
For and on behalf of the Board of Directors				
For Chaturvedi & Shah LLP Chartered Accountants Firm Registration Number: 101720W/ W100355	Sd/- Ram Krishna Bhatnagar		Sd/- Vipin Agarwal	
	Director DIN: 02313614		Director DIN: 02963480	
Sd/- Lalit R. Mhalsekar Partner Membership Number : 103418 Place: Mumbai Date: 24th June, 2020	Sd/- Akshat Chechani Company Secretary Place: Mumbai Date: 24th June, 2020			

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

I. Background

Silver Spark Apparel Limited ('SSAL' or 'the Company') CIN 'U72900MH2000PLC127831' incorporated in India carries business of manufacturing and trading of Suit, Jacket, shirts, trousers etc. The company has its network of operations in local as well foreign market. Silver Spark Apparel Limited is 100% subsidiary of Raymond Limited.

II. Significant accounting policies

(a) Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting standards) Rules, 2015 as amended and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) Current / Non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

(v) Recent Accounting Development / Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of PPE comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Building, Plant & Machinery, Electrical Installations and Electrical Equipments and Computers are provided on Straight Line Method (SLM) and on other assets is provided on Written down Value Method (W.D.V), over the estimated useful life of assets.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery which based on an independent technical evaluation has been estimated as 24 years (on a single shift basis) and RFID as 5 years, which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

In case of pre-owned assets, the useful life is estimated on a case to case basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(d) Intangible assets

Computer software

Computer software are stated at historical cost, less accumulated amortisation and impairments, if any.

Amortisation method and useful life

The Company amortizes computer software using the straight-line method over the period of 3 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Lease

Company as a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Material, Work in Progress, Finished Goods and Stores & Spares are stated at 'Cost or Net realizable value whichever is lower'. Goods-in-transit are stated 'at cost'. Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'Weighted Average cost'. All the costs incurred on unfinished/finished jobs, but not invoiced and dispatched, under conversion contracts, are carried forward as "Accumulated Costs on Conversion Contracts" at cost or net realizable value whichever is lower. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on past experience of the company.

(h) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and

* those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

Equity instruments:

The Company measures its investment in subsidiaries, jointventures and associates at cost less impairment if any. The company subsequently measures all equity investments other than above at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the Company's right to receive payments is established.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of Financial Assets

A financial asset is derecognized only when

- 1) The company has transferred the rights to receive cash flows from the financial asset; or
- 2) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(i) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Derivative financial instruments

Derivative financial instruments such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(k) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(l) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to statement of profit and loss.

(m) Financial Liabilities

(i) Financial Liabilities initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

(n) Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed, where an inflow of economic benefits is probable. The Company does not recognize a contingent asset unless the recovery is virtually certain.

(o) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services. As per IND AS 115 - Revenue from Contracts with Customers, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and Control of goods or services transferred over a time.

Sale of goods

In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading.

Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Revenue from services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other operating revenue - Export incentives

Export Incentives under the "Duty Draw back Scheme", "Merchandise Exports Incentive Scheme (MEIS)" etc. is accounted in the year of export.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss Account as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(q) Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Silver Spark Apparel Limited's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(r) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets are realized or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(u) Government Grant :

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and are deducted from the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities/current liabilities as deferred income and are credited to the Statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

(v) Accounting Policy- Cash Flow:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

III. Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

1. Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
2. Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.
3. Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.
4. Export benefits receivables are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount or such assets may not be recoverable. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.
5. Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.
6. Estimate with respect to uncertainties related to Covid 19. (Refer Note 45)

Silver Spark Apparel Limited
Statement of Changes in Equity

A . Equity share capital		(Rs in Lakhs)	
	Notes	Amount	
As at 31 March, 2019	15A	896.43	
As at 31 March, 2020		896.43	

B. Other Equity		(Rs in lakhs)			
	Notes	Reserves and Surplus			Total
		Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance as 31st March, 2018		90.53	3,803.56	11,754.25	15,648.34
Profit for the year		-	-	2,084.70	2,084.70
Other Comprehensive Income for the year (Remeasurement of defined benefit plan)		-	-	(20.73)	(20.73)
Balance as at 1st April, 2019		90.53	3,803.56	13,818.22	17,712.31
Profit for the year	15B	-	-	1,755.31	1,755.31
Transition impact of Ind AS 116		-	-	(43.85)	(43.85)
Capital reserve on purchase of assets of Celebration Apparel Ltd. Under slump sale		436.82	-	-	436.82
Other Comprehensive Income for the year (Remeasurement of defined benefit plan)		-	-	(0.02)	(0.02)
Balance as at 31st March, 2020		527.35	3,803.56	15,529.66	19,860.57

Statement of Significant Accounting Policies 1

As per our Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Firm Registration Number: 101720W/ W100355

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number : 103418
Place: Mumbai
Date: 24th June, 2020

For and on behalf of the Board of Directors

Sd/-
Ram Krishna Bhatnagar
Director
DIN: 02313614

Sd/-
Vipin Agarwal
Director
DIN: 02963480

Sd/-
Akshat Chechani
Company Secretary
Place: Mumbai
Date: 24th June, 2020

Silver Spark Apparel Limited
Notes to the financial statements

2A Property, Plant and Equipment

	Freehold Land	Buildings	Leasehold Improvements	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total	Capital Work In progress
Gross Carrying Amount :									
Balance as at 31st March, 2018	85.71	2,486.68	298.90	9,242.35	73.87	155.21	71.49	12,420.21	7.49
Additions	-	32.98	-	447.67	5.87	117.42	6.83	610.77	999.29
Disposals	-	-	-	-	-	10.22	-	10.22	610.77
Adjustment	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2019	85.71	2,519.66	298.90	9,690.02	79.74	262.41	84.32	13,020.76	396.01
Additions	-	2.61	-	1,799.73	36.66	65.86	8.86	1,913.72	1,669.89
Additions from Celebration Apparel Ltd. Under slump sale	-	-	-	1,257.92	27.66	23.83	13.83	1,323.24	-
Disposals	-	-	-	-	-	-	-	-	1,913.72
Adjustment	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	85.71	2,522.27	298.90	12,747.67	144.06	352.10	107.01	16,257.72	152.18
Accumulated Depreciation									
Balance as at 31st March, 2018	-	337.14	157.64	1,784.84	46.49	79.15	64.19	2,469.45	-
Depreciation for the year	-	110.52	53.88	557.61	6.43	40.01	5.95	714.40	-
Deductions/Adjustments	-	-	-	-	-	7.95	-	7.95	-
Balance as at 31st March, 2019	-	447.66	211.52	2,342.45	52.92	111.21	70.14	3,235.90	-
Additions from Celebration Apparel Ltd. Under slump sale	-	-	-	381.34	17.79	18.94	8.58	426.66	-
Depreciation for the year	-	88.35	53.82	666.75	12.68	56.29	7.91	885.81	-
Deductions/Adjustments	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	-	536.01	265.34	3,390.54	83.39	186.45	86.64	4,548.38	-
Net Carrying Amount :									
Balance as at 31st March, 2019	85.71	2,072.00	87.38	7,347.57	26.82	151.20	14.18	9,784.86	396.01
Balance as at 31st March, 2020	85.71	1,986.26	33.56	9,357.13	60.67	165.65	20.37	11,709.33	152.18

Note :

- Refer to note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- Refer Note 34 For information on property, plant and equipment pledged as security by the Company.
- Refer Note 44A for Tangible Assets acquired from Celebration Apparel Limited under Business transfer agreement.

Silver Spark Apparel Limited
Notes to the financial statements

2B Right-of-use Asset

(Rs in lakhs)

	Buildings	Total
Gross Carrying Amount :		
Balance as at 31st March, 2019	-	-
Additions	405.61	405.61
Disposals	-	-
Balance as at 31st March, 2020	405.61	405.61
Accumulated Depreciation:		
Balance as at 31st March, 2019	-	-
Depreciation for the year	110.15	110.15
Eliminated on disposal of assets	-	-
Balance as at 31st March, 2020	110.15	110.15
Net Carrying Amount :		
Balance as at 31st March, 2019	-	-
Balance as at 31st March, 2020	295.46	295.46

Silver Spark Apparel Limited
Notes to the financial statements

3 Intangible assets

(Rs in Lakhs)

	Computer Software	Total	Intangible Asset under development
Gross Carrying Amount :			
Balance as at 31st March, 2018	37.24	37.24	108.51
Additions	56.27	56.27	56.27
Deductions/Adjustments	-	-	56.27
Balance as at 31st March, 2019	93.51	93.51	108.51
Additions	616.63	616.63	508.12
Deductions/Adjustments	-	-	616.63
Balance as at 31st March, 2020	710.14	710.14	-
Accumulated Amortisation :			
Balance as at 31st March, 2018	31.87	31.87	-
Amortisation for the year	7.05	7.05	-
Deductions/Adjustments	-	-	-
Balance as at 31st March, 2019	38.92	38.92	-
Amortisation for the year	52.69	52.69	-
Deductions/Adjustments	-	-	-
Balance as at 31st March, 2020	91.61	91.61	-
Net Carrying Amount :			
Balance as at 31st March, 2019	54.59	54.59	108.51
Balance as at 31st March, 2020	618.53	618.53	-

(a) Other than internally generated

(b) Balance useful life as on 31st March 2020 is 2.5 years for addition in Computer Software.

Silver Spark Apparel Limited
Notes to the financial statements

4 Non Current Investments (Rs. in Lakhs)

	As at 31st March, 2020		As at 31st March, 2019	
	No. of Units	Amount	No. of Units	Amount
Investment in subsidiaries (Refer Note 39)				
Unquoted Equity Instruments at Cost				
Dress Master Apparel Pvt Limited (Equity Shares of Rs. 100 each)	12,000	1,052.63	12,000	1,052.63
Silver Spark Middle East FZE (Equity Shares of 150000 AED Each)	109	3,164.36	109	3,164.36
R & A Logistics, INC. (Equity Shares of \$ 71.72 Each)	23,703	1,278.33	23,703	1,278.33
Total	35,812	5,495.32	35,812	5,495.32

5 Loans (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Loans to related parties (Refer Note 39)	2,520.72	3,420.72
Total	2,520.72	3,420.72

Refer Note 41 for information about credit risk and market risk for loans.

6 Other Financial assets (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Deposits	295.76	227.04
Total	295.76	227.04

7 Other Non-current assets (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Capital advances	98.65	227.39
Prepaid Expense - Deferred cost	12.73	24.29
Total	111.38	251.68

Silver Spark Apparel Limited
Notes to the financial statements

8 Inventories

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Raw Materials (Including Packing Material)	6,146.07	4,100.90
Raw Materials - In Transit	20.87	1,409.05
Work-in-progress	138.57	292.21
Finished goods	5,510.23	2,400.38
Stock in Trade	171.74	1,488.97
Trading goods in transit	249.09	
Stores and Spares	135.85	128.98
Accumulated Costs on conversion contracts		
Completed	-	194.79
In Process	-	11.42
Total	12,372.42	10,026.70

Write-down of inventories to net realisable value amounted to Rs. 157.45 lakhs as at March 31, 2020 and Rs. 40.0 lakhs as at March 31, 2019. These write-downs were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

9 Trade receivables

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Trade Receivable (refer Note 46)	5,936.14	5,604.55
Receivable from Related parties (refer Note 39)	6,904.21	2,679.97
Less: Allowance for bad and doubtful debts	(10.74)	(10.74)
Total	12,829.61	8,273.78

The movement in Allowance for bad and doubtful debts is as follows:

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Balance as at beginning of the year	10.74	5.02
Allowance for bad and doubtful debts during the year	-	5.72
Less: Trade receivables written off during the year	-	-
Balance as at the end of the year	10.74	10.74

Refer note 41 for information about credit risk and market risk of trade receivables.

Silver Spark Apparel Limited
Notes to the financial statements

10 Cash and cash equivalents (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Cash in hand	11.28	-
Balances with Banks In current accounts	15.99	29.21
Total	27.27	29.21

11 Bank Balances other than Cash and Cash Equivalents (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Margin Money Deposits (Held as lien by bank against bank guarantee)	13.51	1.54
Total	13.51	1.54

12 Loans (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good)		
Loans to employees	4.86	4.74
Loans to related parties (Refer Note 39)	2,128.21	-
Total	2,133.07	4.74

Refer note 41 for information about credit risk and market risk for loans.

13 Other Financial Assets (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Derivative financial instruments	-	110.08
Export benefits receivable, considered good	246.95	292.53
Interest Subsidy receivable	92.24	28.68
Interest receivable	4.72	4.39
Advances to related parties (Refer Note 39)	-	607.72
Export benefits receivable, considered doubtful	63.47	-
Less: Allowance for bad and doubtful assets	(63.47)	-
Total	343.91	1,043.40

14 Other current assets (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Export incentive receivable, considered good	1,517.35	1,670.15
Advances to Suppliers	567.03	224.07
Balances with government authorities, considered good	2,050.56	1,692.96
Prepaid Expense - Deferred cost	7.60	3.37
Prepaid expenses	105.60	61.07
Other advances	27.25	14.18
Other assets	0.13	7.25
Export incentive receivable, considered doubtful	217.28	39.99
Less: Allowance for bad and doubtful assets	(217.28)	(39.99)
Balances with government authorities, considered doubtful	22.05	-
Less: Allowance for bad and doubtful assets	(22.05)	-
Total	4,275.52	3,673.05

Silver Spark Apparel Limited
Notes to the financial statements

15A Equity Share capital

	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Authorised		
4,00,00,000 [31st March, 2019: 4,00,00,000] Equity Shares of Rs.10 each	4,000.00	4,000.00
1,000,000[31st March, 2019 : 1,000,000] Preference Shares of Rs:100 each	1,000.00	1,000.00
Issued		
8,964,300 [31st March, 2019: 8,964,300] Equity Shares of Rs:10 each	896.43	896.43
Subscribed and fully paid up		
8,964,300 [31st March, 2019: 8,964,300] Equity Shares of Rs:10 each	896.43	896.43
Total	896.43	896.43

	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
a) Reconciliation of number of shares				
Equity Shares :				
Balance as at the beginning of the year	89,64,300	896.43	89,64,300	896.43
Add: Share Issued during the year	-	-	-	-
Add : Conversion of preference shares into equity share (Refer note below)	-	-	-	-
Balance at the end of the year	89,64,300	896.43	89,64,300	896.43

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b) Rights, preferences and restrictions attached to shares
Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by Holding Company

	As at 31st March, 2020	As at 31st March, 2019
Equity Shares of Rs. 10 each held by:		
8,964,300 Equity shares [March 31, 2019: 8,964,300 shares] held by Raymond Limited	89,64,300	89,64,300

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2020		As at 31st March, 2019	
	%	No. of Shares	%	No. of Shares
Equity shares held by Raymond Limited	100	89,64,300	100	89,64,300

Silver Spark Apparel Limited
Notes to the financial statements

15B Other Equity	(Rs in lakhs)			
	Reserves and Surplus			Total
	Capital Reserve	Securities Premium Reserve	Retained Earnings	
Balance as at 31st March, 2018	90.53	3,803.56	11,754.25	15,648.34
Profit for the year	-	-	2,084.70	2,084.70
Other Comprehensive Income for the year (Remeasurement of defined benefit plan)	-	-	(20.73)	(20.73)
Securities premium reserve	-	-	-	-
Balance as at 31st March, 2019	90.53	3,803.56	13,818.22	17,712.31
Profit for the year	-	-	1,755.31	1,755.31
Transition impact of Ind AS 116	-	-	(43.85)	(43.85)
Capital reserve on purchase of assets of Celebration Apparel Ltd. Under slump sale (Refer Note 44A)	436.82	-	-	436.82
Other Comprehensive Income for the year (Remeasurement of defined benefit plan)	-	-	(0.02)	(0.02)
Balance as at 31st March, 2020	527.35	3,803.56	15,529.66	19,860.57

16 Non Current Borrowings

(Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term Loan From banks	121.00	282.62
	121.00	282.62
Unsecured		
Loans from Holding Company - Raymond Limited (*)	966.33	1,707.96
	966.33	1,707.96
Total	1,087.33	1,990.58

Nature of Security and terms of repayment for Long Term secured borrowings:

Nature of Security

(i) Term loan amounting to Rs. Nil (Rs. 56.13 lakhs March 31,2019) is secured by way of First Pari Passu charge on the entire moveable properties of the Company.

(ii) Term loan amounting to Rs. Nil (Rs. 1.79 lakhs March 31,2019) is secured by way of First Pari Passu charge on the entire moveable properties of the Company.

(iii) Term loan amounting to Rs. 238 lakhs (Rs. 374.00 lakhs March 31,2019) is secured by first and exclusive charge on the moveable assets acquired out of the loan.

(iv) Term loan amounting to Rs. 45.50 lakhs (Rs. 71.50 lakhs March 31,2019) is secured by first and exclusive charge on the moveable assets acquired out of the loan.

Terms of Repayment

Repayable in 32 quarterly installments commencing from 30th March, 2013 and last installment due on 30th March, 2020. Rate of interest as at year end 10.50% (March 31, 2019 :9.95 % p.a.)**

Repayable in 32 quarterly installments commencing from 30th March, 2013 and last installment due on 30th March, 2020. Rate of interest as at year end 10.50% (March 31,2019 :9.95 % p.a.)**

Repayable in 20 quarterly installments commencing from 18th October, 2016 and last installment due on 18th October, 2021. Rate of interest as at year end 10.50% (31st March,2019 :9.95% p.a.)

Repayable in 20 quarterly installments commencing from 18th October, 2016 and last installment due on 18th October, 2021. Rate of interest as at year end 10.50% (31st March, 2019 :9.95% p.a.)

* Unsecured Loan from holding company - Raymond Limited, is due for repayment on 30th April 2021 amounting to Rs 466.33 Lacs, 5th May 2021 amounting to Rs 300 Lacs and 5th May 2021 amounting to Rs 200 Lacs. Rate of Interest as at year end 10.50% p.a for Rs.766.33 lacs and 8.50% p.a. for loan amounting to Rs. 200 Lacs (Previous Year10.50% p.a. and 8.50% p.a. respectively.)

** Rate of interest is without considering interest subsidy under TUF scheme.

Note: Instalment of loans falling due within next twelve months aggregating Rs. 176.48 lakhs (Rs. 219.91 lakhs March 31,2019) have been grouped under current maturities of long term debt. (Refer Note 20)

Term loan from banks is net of unamortised loan processing cost amounting to Rs. 0.50 lakhs (Rs. 0.86 lakhs March 31,2019)

Silver Spark Apparel Limited
Notes to the financial statements

17 Other non current liabilities (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Government Grant relating to assets	767.72	719.91
Financial Guarantee liability	99.23	131.47
	866.95	851.38

Note:

- Under the Government Scheme, the Company is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme. The subsidy being Government Grant is accounted as stated in the Accounting policy on Government Grant (Refer Note 1(II)(u)). The Government Grant shown above represents unamortised amount of the subsidy referred to above, with the corresponding adjustment to the carrying amount of property, plant and equipment.
- Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant (Refer Note 1(II)(u)). The Government Grant shown above represents unamortised amount of the duty saved referred to above. Export obligation to be fulfilled subsequent to the reporting date, within the period allowed under the Scheme is disclosed in Note 35.
- During the previous year ended 31st March 2019, the company has repaid Government grant worth Rs. 19,25,568. Consequently, balance of plant & machinery and government grant liability are reduced to that extent. Due to this, depreciation on asset and deferred government grant income both are reduced by Rs. 11,207. Hence it does not have any impact on the Statement of profit and loss.

18 Current Borrowings (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Loans repayable on demand from banks (Secured against first pari-passu charge on Stock, Receivables and Plant & Machinery)	9,448.84	5,058.87
Total	9,448.84	5,058.87

The carrying amount of financial and non-financial assets as security for secured borrowings are disclosed in Note 34

19 Trade payables (Rs. in Lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Trade payables*		
Amounts due to related parties (Refer note 39)	9,597.09	8,758.87
Others (refer Note 46)	4,517.09	3,245.07
Amounts due to Small enterprise and micro enterprise	23.40	61.96
Total	14,137.57	12,065.90

*Includes Provision for Expenses

Refer note 41 for information about liquidity risk and market risk of trade payables

Note:

Dues to Small enterprise and micro enterprise

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act').

The disclosures pursuant to the said MSMED Act are as follows:

	As at 31st March, 2020	As at 31st March, 2019
a) The principal amount remaining unpaid to any supplier at the end of the year	23.40	61.96
b) Interest due remaining unpaid to any supplier at the end of the year	1.55	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	1.55	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of amount payable to vendors as defined as "micro, Small & Medium Enterprise Act, 2006" is based on the information available with the company regarding the status of registration of such vendors under the said Act.

20 Other financial liabilities**(Rs. in Lakhs)**

	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term debt from Banks	162.00	219.91
Interest accrued and not due on borrowings	29.80	29.49
Salary and Wages payable	2,581.93	1,884.49
Derivative financial instruments	100.24	-
Payable to related parties (Refer note 39)	682.93	53.12
Total	3,556.90	2,187.01

21 Other current liabilities**(Rs. in Lakhs)**

	As at 31st March, 2020	As at 31st March, 2019
Advance from customers	640.24	26.15
Statutory Dues	194.12	245.77
Government Grants Relating to Assets (Refer Note 17)	55.80	55.80
Financial Guarantee liability	32.24	32.24
Total	922.40	359.96

22 Provisions**(Rs. in Lakhs)**

	As at 31st March, 2020	As at 31st March, 2019
Provision for Gratuity (Refer Note 38)	528.39	147.86
Provision for Leave Entitlement	479.76	331.83
Total	1,008.15	479.69

23 Revenue from Operations

(Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of Products (Manufactured & Traded products)	47,940.52	46,524.60
Sales of Services (i) Job Work	6,670.53	2,940.48
Other operating revenue (i) Export Incentives, etc (ii) Process waste sale	2,020.21 9.41	1,759.01 26.12
Total	56,640.67	51,250.21

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price :

	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract Price	56,663.60	51,250.21
Less : Performance linked incentives / Discounts	22.93	-
Revenue from operation	56,640.67	51,250.21

24 Other income

(Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income	446.41	341.28
Exchange Fluctuation (net)	630.09	-
Government Grant relating to assets	59.14	56.58
Other non-operating income	33.36	32.52
Profit on sale of car	-	0.89
Total	1,169.00	431.27

25 Cost of materials consumed

(Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Raw materials consumed		
Opening Stock	4,100.90	3,414.33
Purchases	31,377.50	25,744.08
Less : Closing Stock	6,146.07	4,100.90
# Includes cost of packing material consumed during the year		
Total	29,332.33	25,057.51

26 Purchase of Stock in Trade

(Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Purchase of Traded Goods	3,474.83	3,181.80
Total	3,474.83	3,181.80

27 Changes in inventories of finished goods (including stock-in-trade), work-in-progress and accumulated cost of conversion :

(Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening inventories		
Finished goods	2,400.38	4,034.88
Stock-in-trade	1,488.97	992.82
Work-in-progress	292.21	307.93
Accumulated cost of conversion contracts		
Completed	194.78	30.24
In Process	11.42	6.40
	4,387.76	5,372.27
Closing inventories		
Finished goods	5,510.23	2,400.38
Stock-in-trade	171.74	1,488.97
Work-in-progress	138.57	292.21
Accumulated cost of conversion contracts		
Completed	-	194.78
In Process	-	11.42
	5,820.54	4,387.76
Add: Inventories transferred from Celebration Apparel Ltd. under slump sale (Refer Note 44A)	711.12	-
Total	(721.66)	984.51

28 Employee benefits expense (Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and wages	10,021.91	8,073.13
Contribution to provident funds and other funds	742.27	469.52
Defined benefit plan expense (Refer note 38)	225.39	133.96
Workmen and Staff welfare expenses	667.92	597.65
Total	11,657.49	9,274.26

Silver Spark Apparel Limited
Notes to the financial statements

29 Finance costs (Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense (Net of interest subsidy under TUF Scheme of Rs.1.70 Lakhs (Previous year Rs.8.39 Lakhs))	583.39	672.51
Interest on lease liability	39.75	-
Total	623.14	672.52

30 Depreciation and amortization expense (Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on Property, Plant and Equipment (Refer note 2A)	885.81	774.40
Amortization on Intangible assets (Refer note 3)	52.69	7.05
Depreciation on Right-of-use Assets (Refer note 2B)	110.15	-
Total	1,048.65	781.45

31 Manufacturing and Operating Costs (Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spare parts	876.91	792.94
Power and fuel	703.94	656.04
Job work charges	2,255.39	1,098.87
Repairs to buildings	70.47	27.30
Repairs to machinery	97.65	130.66
Other Manufacturing and Operating expenses	241.65	198.04
Total	4,246.01	2,903.85

32 Other expenses (Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent (Refer note 37)	142.90	187.02
Insurance	162.84	94.03
Exchange Fluctuation (net)	-	381.37
Rates and Taxes	65.74	31.87
Commission to selling agents	1,319.33	864.31
Carriage & Freight, etc.	1,458.50	1,640.56
Legal and Professional Expenses	392.48	179.70
Director Fees	15.00	9.50
Security Charges	209.85	191.05
IT outsourcing Cost	60.46	61.91
Expenditure toward Corporate Social Responsibility (CSR) activities	-	66.60
Provision for MEIS receivable	217.28	39.99
Provision for Duty Drawback receivable	63.47	-
Provision for doubtful debts	-	5.72
Provision for Service Tax Receivable	22.05	-
Corporate facility charges	548.73	448.00
Miscellaneous Expenses	1,544.38	1,359.81
Total	6,223.01	5,561.44

A Details of Payments to Auditor (Included in Legal and Professional expenses) (Rs. in Lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Audit Fees	26.08	25.00
Other Services	3.50	5.00
Reimbursement Expenses	-	-
Total	29.58	30.00

Silver Spark Apparel Limited
Notes to the financial statements

34 Assets Pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Current Assets		
Cash and cash equivalents	27.27	29.21
Receivables	12,829.61	8,273.78
Inventories	12,372.42	10,026.70
Total	25,229.30	18,329.69
Immovable Assets		
Land	-	85.71
Buildings	-	2,072.00
Total	-	2,157.71
Movable Assets		
Plant & equipment	9,357.13	7,347.57
Furniture & fixtures	60.67	26.82
Vehicles	165.65	151.20
Office equipment	20.37	14.18
Total	9,603.82	7,539.77
Total assets pledged as security	34,833.12	28,027.17

35 Commitments

	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
(a) Capital Commitments		
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:		
Property, plant and equipment	122.37	787.07
Less: Capital advances	98.65	227.39
Net Capital commitments	23.72	559.68
(b) Other Commitments		
Guarantees given by the Company's Bankers / Bonds / Letter of Undertaking executed by the Company to Government Authorities for purchase under concessional duty / exemption scheme in respect of (net of obligation fulfilled):		
(i) Capital Goods	509.34	73.67
(ii) Raw Materials	2,442.71	2,869.08
Total Other Commitments	2,952.05	2,942.75
Total Commitments	2,975.77	3,502.43

36 Contingent liabilities and Contingent Assets (to the extent not provided for)

	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Contingent Liabilities		
(a) Claims against the Company not acknowledged as debts :-		
ESIC	8.36	8.36
Excise Matters	95.82	95.82
Income Tax #	66.73	51.08
Custom Duty	198.00	198.00
(b) Corporate guarantee: on account of to the bankers on behalf of subsidiaries for facilities availed by them (amount outstanding at close of the year) *	11,271.35	11,912.48
Total	11,640.26	12,265.74

Future Cash Flows in respect of above are determinable only on receipt of judgements/decision pending with various authorities/forum

The income tax authorities carried out search and seizure operations on the premises of the Company in the financial year 2011-12. On the basis of notice received under section 153 A of the IT Act, 1961, the Company had submitted returns of income and also provided the necessary details / informations.

The company has filed appeal with ITAT for Assessment Year 2009-10 to 2012-13, for the demand of disallowances of depreciation and related expenses to the extent of Rs. 13.7 lakhs. Demand has been raised of Rs. 37.3 Lakhs and 15.65 Lakhs by Commissioner Appeal for Assessment Year 2014-15 and Assessment Year 2017-18 respectively.

* As per requirements of Ind AS 109, the company has recognised financial guarantee liability of Rs. 193.80 lakhs on account of fair valuation of corporate guarantee.

The Company did not have any contingent assets as at the year end.

Silver Spark Apparel Limited
Notes to the financial statements

37 Lease

(Rs. in Lakhs)

- 1 The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount
Short-term leases	143.57
Leases of low value assets	-
Variable lease payments	-
Total	143.57

- 2 Additional profit or loss and cash flow information

Particulars	Amount
Income from subleasing ROU	-
Total cash outflow in respect of leases in the year	124.16

- 3 The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Lease payments	Finance Charge	Lease payments	Finance Charge
Within 1 year	342.84	24.29	187.20	-
1-2years	283.95	14.65	77.65	-
2-3years	215.41	4.99	-	-
3-4years	-	-	-	-
4-5years	-	-	-	-
5-10years	-	-	-	-
10-25years	-	-	-	-
Over 25years	-	-	-	-
Total	842.20	43.92	264.85	-

- 4 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount	Amount
Total operating lease commitments disclosed at 31 March 2019		486.82
Recognition exemptions:		
Leases of low value assets	-	
Leases with remaining lease term of less than 12 months	-	
Variable lease payments not recognised	-	
Other minor adjustments relating to commitment disclosures	-	
Operating lease liabilities before discounting		486.82
Discounted using incremental borrowing rate		72.20
Operating lease liabilities		414.62
Reasonably certain extension options		-
Finance lease obligations		-
Total lease liabilities recognised under Ind AS 116 at 1 April 2019		414.62

Silver Spark Apparel Limited
Notes to the financial statements

38 Post retirement benefit plans

As per Actuarial Valuation as on 31st March, 2020 and 31st March, 2019 and recognised in the financial statements in respect of Employee Benefit Schemes (Gratuity):

A. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 742.27 Lakhs (31st March 2019; Rs. 469.52 Lakhs).

B. Balance Sheet

	(Rs. in Lakhs)	
	Defined benefit plans	
	As at	As at
	31st March, 2020	31st March, 2019
Present value of plan liabilities	971.84	690.02
Fair value of plan assets	443.45	542.15
Plan liability net of plan assets	528.39	147.87

C. Movements in plan assets and plan liabilities

	(Rs. in Lakhs)			
	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Plan Assets	Plan Liabilities	Plan Assets	Plan Liabilities
As at 1st April	542.15	690.02	545.33	593.74
Current service cost	-	211.94	-	130.08
Return on plan assets excluding amounts included in net	80.47	-	(6.65)	-
Difference in fair value of plan assets	-	-	-	-
Interest cost	43.39	-	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(72.54)	56.84	43.68	47.56
Actuarial (gain)/loss arising from experience adjustments	70.50	(28.03)	-	19.28
Employer contributions	(220.52)	108.53	-	5.94
Transferred In/Acquisitions	-	153.06	1.44	-
Benefit paid directly by the employer	-	-	-	-
Benefit payments	-	-	-	(64.93)
As at 31st March	443.45	971.84	542.15	690.02
				(147.87)

The weighted average duration of the defined benefit plans is 10 years (2018-19 : 9 Years)

The expected contribution to the funded plans in financial year 2020-21 : 675.50 Lacs (2019-20 : 343.65 Lacs)

D. Statement of Profit and Loss

	(Rs. in Lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses:		
Current service cost	211.94	130.08
Total	211.94	130.08
Finance cost/(income)	13.45	3.88
Net impact on the Profit / (Loss) before tax	225.39	133.96
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	80.47	(6.65)
Actuarial gains/(losses) arising from changes in financial assumptions	28.03	(19.28)
Experience gains/(losses) arising on pension plan and other benefit plan liabilities	(108.53)	(5.94)
Net impact on the Other Comprehensive Income before tax	(0.03)	(31.87)

E. Assets	(Rs. in Lakhs)	
	Defined benefit plans	
	As at 31st March, 2020	As at 31st March, 2019
Unquoted Insurer managed funds	443.45	542.15
Total	443.45	542.15

F. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date

The significant actuarial assumptions were as follows:

	(Rs. in Lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Financial Assumptions		
Discount rate	6.56%	7.67%
Salary Escalation Rate	0% - 7.50%	7.50%

G. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	(Rs. in Lakhs)			
	Change in assumption	Year ended 31st March, 2020 Increase in assumption by 1%	Change in assumption	Year ended 31st March, 2019 Increase in assumption by 1%
Discount rate	1%	(79.37)	1%	62.77
Salary Escalation Rate	1%	90.69	1%	(54.07)
Attrition Rate	1%	(12.93)	4%	60.80
				(20.49)
				20.14

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

H. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

Year ending 31 March, 2020	(Rs. in Lakhs)	
	Defined benefit obligation As at 31st March, 2020	As at 31st March, 2019
1st following year	58.04	41.27
2nd following year	66.29	47.34
3rd following year	75.51	55.10
4th following year	81.69	63.44
5th following year	83.49	68.69
Thereafter	396.72	308.32

Silver Spark Apparel Limited
Notes to the financial statements

39 Related Party Disclosures as per Ind As-24

1. Relationship

a) Holding Company

Raymond Limited.

b) Wholly owned Subsidiary Companies :

Dress Master Apparel Private Limited - India
Silver Spark Middle East (FZE) - The United Arab Emirates
Silver Spark Apparel Ethiopia PLC - Ethiopia (Step down Subsidiary)
R & A Logistics, INC (w.e.f. 31st August, 2018) - The United States of America

c) Fellow subsidiary Companies with whom transactions have taken place during the year :

Raymond Apparel Limited
Celebrations Apparel Limited
JK Files Limited
Everblue Apparel Limited
Colorplus Realty Limited (Formerly known as Colorplus Fashions Limited)
Raymond (Europe) Limited
Raymond Luxury Cottons Limited

d) Key Management Personnel and their enterprises where transactions have taken place:

Silver Soaps Private Limited
Avani Agricultural Farms Private Limited
Shri Gautam Hari Singhania
Shri Ram Krishna Bhatnagar
Shri Vipin Agarwal
Smt. Rashmi Mundada
Shri Akshat Chechani
Shri Sandeep kumar Garg resignation w.e.f. 8th February 2019
Shri R. A. Prabhudesai resignation w.e.f. 12th February 2020
Shri R. Narayanan resignation w.e.f. 12th February 2020
Shri Bibek Agarwala resignation w.e.f. 03rd March 2020

e) Trust

Silver Spark Apparel Limited Employees Gratuity Fund

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above	Referred in 1 (e) above
Income					
<i>Job Work charges</i>					
Raymond Limited	798.51 (1018.42)				
Dress Master Apparel Private Limited		111.85 (98.46)			
R & A Logistics, INC		4649.51 (194.37)			
Raymond (Europe) Limited			130.81		
			-		
<i>Sales</i>					
Raymond Limited	1.91 (37.34)				
Silver Spark Apparel Ethiopia PLC		84.54 (157.96)			
Silver Spark Middle East FZE		19.60 (8.09)			
Dress Master Apparel Private Limited		49.34 (37.20)			
Celebrations Apparel Limited			994.54 (17.30)		
Raymond (Europe) Limited			5246.84 (6743.31)		
Raymond Apparel Limited			1432.61 (378.03)		
R & A Logistics, INC		2291.61 (1344.36)			
<i>Export Script Sales</i>					
Raymond Limited	1508.15 (1157.85)				
JK Files Limited			61.02		
			-		
<i>Others reimbursement</i>					
Raymond Limited	24.97 (115.61)				
Dress Master Apparel Private Limited		443.00 (203.39)			
Silver Spark Middle East FZE		35.31 (153.84)			
Celebrations Apparel Limited			396.21 (281.61)		
Raymond Luxury Cottons Limited			-		
Raymond Apparel Limited			(23.48)		
Raymond (Europe) Limited			-		
			(0.34)		
			4.00		
			(10.98)		
R & A Logistics, INC		4.82 (12.04)			
<i>Guarantee income</i>					
Silver Spark Middle East FZE		32.24 (30.10)			
<i>Compensation for rejection</i>					
Raymond (Europe) Limited	-	52.46 (41.41)	-	-	-
	-	-	-	-	-

Nature of Transactions	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above	Referred in 1 (e) above
Purchase					
Raymond Limited	11792.28 (11835.98)				
Silver Spark Middle East FZE		3363.72 (3040.14)			
Raymond Apparel Limited			91.05 (71.76)		
Dress Master Apparel Private Limited		33.90 (37.17)			
Raymond Luxury Cottons Limited			595.78 (2.29)		
Celebrations Apparel Limited			165.13 (48.62)		
Property, Plant and Equipment					
Dress Master Apparel Private Limited		- (7.31)			
<i>Capital work in progress</i>					
Silver Spark Apparel Ethiopia PLC		-			
Silver Spark Middle East FZE		- (97.20)			
Expenses					
<i>Rent</i>					
Raymond Limited	35.88 (35.56)				
Celebrations Apparel Limited			34.23		
Avani Agricultural Farms Private Limited			-	44.79 (37.80)	
<i>Job Work charges</i>					
Dress Master Apparel Private Limited		2141.74 (999.90)			
Everblue Apparel Limited			- (0.72)		
<i>Commission</i>					
Raymond (Europe) Limited			176.20 (66.29)		
R & A Logistics, INC		836.02 (620.35)			
<i>Corporate facility charges</i>					
Raymond Limited	540.75 (448.00)				
<i>Others reimbursement</i>					
Raymond Limited	501.14 (12.12)				
Dress Master Apparel Private Limited		189.35 (390.56)			
Celebrations Apparel Limited			- (229.75)		
<i>Deputation of staff</i>					
Raymond Limited	44.33 (37.80)				
Directors sitting fees:					
Gautam Hari Singhania	-	-	-	3.00 (2.00)	-
R.A.Prabhudesai	-	-	-	4.00 (2.50)	-
R.Narayanan	-	-	-	4.00 (2.50)	-
Rashmi Mundada	-	-	-	4.00 (2.50)	-
Remuneration					
Sandeep Kumar Garg resignation w.e.f. 8th February 2019	-	-	-	(67.47)	-
Paid to Trust - Employees Gratuity Fund contribution	-	-	-	-	20.00 (0.00)
Finance					
<i>Unsecured Loan taken</i>					
Raymond Limited	2000.00 (500.00)	-	-	-	-
<i>Unsecured Loan repaid</i>					
Raymond Limited	(3707.96) (500.00)	-	-	-	-
<i>Unsecured Loan given</i>					
Dress Master Apparel Private Limited		400.00 (250.00)			
Silver Spark Middle East FZE		2128.82			
<i>Unsecured Loan given</i>					
Dress Master Apparel Private Limited		1300.00			
<i>Interest Expense</i>					
Raymond Limited	117.90 (181.55)	-	-	-	-
<i>Interest Earned</i>					
Dress Master Apparel Private Limited		330.24 (335.44)			
Silver Spark Middle East FZE		110.26			

Previous year's figures are in bracket.

(Rs. In Lakhs)

	31st March'20	31st March'19
Outstandings :		
Payable		
Holding Company		
Raymond Limited	6718.09	7803.47
Subsidiary		
Silver Spark Middle East FZE	909.05	484.41
Dress Master Apparel Private Limited	130.92	131.53
Silver Spark Apparel Ethiopia PLC	-	34.75
R & A Logistics, INC	221.88	73.46
Fellow Subsidiaries		
Raymond (Europe) Limited	214.63	224.49
Raymond Apparel Limited	234.12	6.01
Everblue Apparel Limited	-	0.74
Raymond Luxury Cottons Limited	1168.40	-
Receivable		
Holding Company		
Raymond Limited	374.70	157.65
Subsidiary		
Dress Master Apparel Private Limited	207.26	1.54
Silver Spark Middle East FZE	598.55	3.95
Silver Spark Apparel Ethiopia PLC	0.47	25.10
R & A Logistics, INC	2323.41	883.12
Fellow Subsidiaries		
Raymond (Europe) Limited	1232.43	1521.62
Raymond Apparel Limited	1480.45	87.00
Celebrations Apparel Limited	686.94	-
Investment		
Subsidiary		
Dress Master Apparel Limited	1052.63	1052.63
Silver Spark Middle East FZE	3164.36	3164.36
R & A Logistics, INC	1278.33	1278.33
Advances given		
Dress Master Apparel Private Limited	290.00	114.73
Silver Spark Middle East FZE	-	412.27
Celebrations Apparel Limited	-	51.41
Raymond Luxury Cottons Limited	-	21.19
Raymond Limited	-	8.11
Advances received		
Raymond Limited	682.93	53.12
Loans Taken		
Raymond Limited	966.33	1707.96
Loans Given		
Dress Master Apparel Private Limited	2520.72	3420.72
Silver Spark Middle East FZE	2128.21	-
Deposit Given		
Avani Agricultural Farms Private Limited	50.00	50.00

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short-term receivables, trade payables, other current liabilities, short-term loans from banks and other financial institutions approximate their carrying amounts largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March 2020	Routed through P & L			Routed through OCI			Carrying at amortised cost	Total Amount			
	Non Current	Current	Total	Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
Financial Assets											
Other Assets											
Loan to Related Parties	2,520.72	2,128.21	4,648.93	-	-	-	-	-	-	-	4,648.93
Loans to Employees	-	4.86	4.86	-	-	-	-	-	-	-	4.86
Other Financial Assets	295.76	343.91	639.67	-	-	295.76	-	-	-	-	639.67
Trade receivable	-	12,829.61	12,829.61	-	-	-	-	-	-	-	12,829.61
Mark to market on derivative financial instruments*	-	-	-	-	-	-	-	-	-	-	-
Cash and Cash equivalents	-	27.27	27.27	-	-	-	-	-	-	-	27.27
Other Bank balance	-	13.51	13.51	-	-	-	-	-	-	-	13.51
2,816.48	15,347.37	18,163.85	295.76	-	-	295.76	-	-	-	-	18,163.85
Financial Liabilities											
Borrowings (including Current maturities of long-term debt from Banks)	1,087.33	9,610.84	10,698.17	-	-	-	-	-	-	-	10,698.17
Financial guarantee liability	99.23	32.24	131.47	-	-	131.47	-	-	-	-	131.47
Mark to market on derivative financial instruments*	-	100.24	100.24	-	100.24	-	-	-	-	-	100.24
Other Financial Liabilities	-	3,294.66	3,294.66	-	-	-	-	-	-	-	3,294.66
Trade Payables	-	14,137.57	14,137.57	-	-	-	-	-	-	-	14,137.57
1,186.56	27,175.55	28,362.11	131.47	-	100.24	131.47	-	-	-	-	28,362.11

Financial Assets and Liabilities as at 31st March 2019	Routed through P & L			Routed through OCI			Carrying at amortised cost	Total Amount			
	Non Current	Current	Total	Level 1	Level 2	Level 3			Level 1	Level 2	Level 3
Financial Assets											
Other Assets											
Loan to Related Parties	3,420.72	-	3,420.72	-	-	-	-	-	-	-	3,420.72
Loans to Employees	-	4.74	4.74	-	-	-	-	-	-	-	4.74
Other Financial Assets	227.04	933.32	1,160.36	-	-	227.04	-	-	-	-	1,160.36
Trade receivable	-	8,273.78	8,273.78	-	-	-	-	-	-	-	8,273.78
Mark to market on derivative financial instruments*	-	110.08	110.08	-	110.08	-	-	-	-	-	110.08
Cash and Cash equivalents	-	29.21	29.21	-	-	-	-	-	-	-	29.21
Other Bank balance	-	1.54	1.54	-	-	-	-	-	-	-	1.54
3,647.76	9,352.67	13,000.43	227.04	-	110.08	227.04	-	-	-	-	13,000.43
Financial Liabilities											
Borrowings	1,990.58	5,058.87	7,049.45	-	-	-	-	-	-	-	7,049.45
Financial guarantee liability	131.47	32.24	163.71	-	-	163.71	-	-	-	-	163.71
Other Financial Liabilities	-	2,187.01	2,187.01	-	-	-	-	-	-	-	2,187.01
Trade Payables	-	12,065.90	12,065.90	-	-	-	-	-	-	-	12,065.90
2,122.06	19,344.03	21,466.08	163.71	-	-	163.71	-	-	-	-	21,466.08

* Fair value has been considered based on confirmation from bank

Fair value of financial assets and liabilities measured at amortised cost -

Financial Assets and Liabilities	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Loan to Related Parties	4,648.93	4,648.93	3,420.72	3,420.72
Loans to Employees	4.86	4.86	4.74	4.74
Other Financial Assets	343.91	343.91	933.32	933.32
Trade receivable	12,829.61	12,829.61	8,273.78	8,273.78
Cash and Cash equivalents	27.27	27.27	29.21	29.21
Other Bank balance	13.51	13.51	1.54	1.54
17,868.09	17,868.09	12,663.31	12,663.31	
Financial Liabilities				
Borrowings (including Current maturities of long-term debt from Banks)	10,698.17	10,698.17	7,049.45	7,049.45
Financial guarantee liability	3,294.66	3,294.66	2,187.01	2,187.01
Other Financial Liabilities	14,137.57	14,137.57	12,065.90	12,065.90
Trade Payables	28,130.40	28,130.40	21,302.36	21,302.36

Note - The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

41 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Borrowings bearing variable rate of interest	9,731.84	5,561.40

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax

	(Rs. in lakhs)	
	2019-2020	2018-2019
50 bp increase- decrease in profits	(48.66)	(27.81)
50 bp decrease- Increase in profits	48.66	27.81

Market Risk- Foreign currency risk.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Particulars	(Foreign currency in lakhs)			
	As at 31st March, 2020		As at 31st March, 2019	
Forward contracts to sell USD	USD	30.17	USD	93.33
Forward contracts to sell EUR	EUR	-	EUR	6.58
Forward contracts to sell GBP	GBP	39.34	GBP	-
Forward contracts to sell EUR/USD	EUR	-	EUR	-
Forward contracts to sell GBP/USD	GBP	-	GBP	-
Forward contracts to sell JPY	JPY	-	JPY	-

(b) Particulars of unhedged foreign currency exposures as at the reporting date

Particulars	(Foreign currency in lakhs)						
	USD	EURO	HKD	JPY	GBP	AED	
Trade payables	30.40	0.52	-	200.35	0.48	1.59	
Trade receivable	66.26	8.80	-	278.35	-	-	

Particulars	(Foreign currency in lakhs)						
	USD	EURO	HKD	JPY	GBP	SGD	
Trade payables	24.26	1.61	0.36	29.62	-	0.07	
Trade receivable	-	0.36	-	96.21	-	-	

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax

	(Rs. in lakhs)			
	2019-2020		2018-2019	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	27.13	(27.13)	(16.78)	16.78
EURO	6.86	(6.86)	(0.97)	0.97
HKD	-	-	(0.03)	0.03
JPY	0.54	(0.54)	0.42	(0.42)
GBP	(0.45)	0.45	-	-
AED	(0.33)	0.33	-	-
SGD	-	-	(0.03)	0.03
Increase / (decrease) in profit or (loss)	33.75	(33.75)	(17.39)	17.39

Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Ageing of Account receivables

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Not due	79.38	5,921.09
0-3 months	6,773.63	2,031.96
3-6 months	4,744.83	55.33
6 months to 12 months	1,085.54	144.35
beyond 12 months	146.23	121.05
Total	12,829.61	8,273.78

Movement in provisions of doubtful debts

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Opening provision	10.74	5.02
Add:- Additional provision made	-	5.72
Less:- Provision utilised against bad debts	-	-
Closing provisions	10.74	10.74

Liquidity Risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

	(Rs. in lakhs)			
	As at 31st March, 2020			
	0-1 year	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	162.00	1,087.33	-	1,249.33
Short term borrowings	9,448.84	-	-	9,448.84
Expected Interest payable	138.81	103.57	-	242.38
Total	9,749.65	1,190.90	-	10,940.55

	(Rs. in lakhs)			
	As at 31st March, 2019			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	219.91	1,990.58	-	2,210.49
Short term borrowings	5,058.87	-	-	5,058.87
Expected Interest payable	289.58	215.77	-	505.35
Total	5,568.36	2,206.35	-	7,774.71

Maturity patterns of other Financial Liabilities

As at 31st March, 2020	(Rs. in lakhs)					
	Overdue	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	9,150.14	4,934.14	46.34	6.95	-	14,137.57
Lease liabilities	-	26.79	27.29	55.88	249.92	359.88
Other Financial liability (Current and Non Current)	-	1,988.37	-	1,406.53	-	3,394.90
Total	9,150.14	6,949.30	73.63	1,469.36	249.92	17,892.35

As at 31st March, 2019	(Rs. in lakhs)					
	Overdue	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total
Trade Payable	7,232.22	4,833.68	-	-	-	12,065.90
Other Financial liability (Current and Non Current)	-	1,106.88	-	860.22	-	1,967.10
Total	7,232.22	5,940.56	-	860.22	-	14,033.00

Silver Spark Apparel Limited
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42 Capital risk management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

43 Segment Information

The Company's business activity falls within a single primary business segment of manufacture of trousers, shirts and jackets. Accordingly, the Company is a single segment company in accordance with Indian Accounting Standard 108 "Operating Segment".

In accordance with Accounting Standard Ind As 108 'Operating Segment', segment information has been given in the consolidated financial statements of Silver Spark Apparel Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

Further the Company meets the quantitative threshold as mentioned in Ind AS 108 and hence separate information has been disclosed below:

Reporting of Customers contributing to revenue more than 10%

(Rs. in lakhs)

Name of Customer	Revenue	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Tailored Brands	7,050.94	969.75
R & A Logistics, INC	6,941.12	1,538.73
Raymond (Europe) Limited	5,377.65	6,590.78
Express	5,200.98	9,539.91
PeerlessClothing Inc.	4,270.13	9,087.95
JCpenney Purchasing Corporation	4,148.26	9,475.35
Others	21,621.98	12,262.60
Total	54,611.05	49,465.08

Note:

During the subsequent period, one of Company's largest foreign customers has declared bankruptcy and is expected to reorganize and resume its operations. The Company has receivable from that customer is Rs. 403.04 Lacs as on 31st March, 2020 against which Rs. 116.20 Lacs has been received subsequent to the Balance Sheet date and balance receivable amount will be adjusted by the bankruptcy court in negotiations with that customer's creditors. The magnitude of the adjustment at this time can't be determined. However, the Company has taken insurance cover to the extent of Rs. 8 Crs thorough Export Credit Guarantee corporation to mitigate any credit loss.

Silver Spark Apparel Limited
Notes to the financial statements

44A Business transfer agreement

During the current year, the Company had entered into a Business Transfer Agreement (BTA) with Celebration Apparel Limited (Both parties are wholly owned subsidiaries of same Holding companies i.e. Raymond Limited) for purchase of garmenting business by way of slump sale on going concern basis, with effect from 1st December, 2019 for a lump sum consideration of INR 5.00 Lacs. The Company had discharged the consideration in cash.

Accordingly, the Company has capitalised the tangible and intangible fixed asset at fair value and other assets and liabilities at book value in its books of account. The shortage of consideration paid over the value of assets and liabilities was recognised as gain on purchase of assets and liabilities on slump sale and has been transferred to reserve. The summary of assets and liabilities taken over and recognised pursuant to the BTA, is as under:

Particulars	Rs. In lakhs
Tangible Assets	896.58
Capital Work in progress	9.91
Current Assets	3,124.80
Other Current Assets	450.48
Other Financial assets	141.36
Loan from Holding Companies	(966.33)
Other current liabilities & Provisions	(2,778.19)
Other financial liabilities	(212.59)
Other Non-current liabilities	(96.94)
Net Assets Acquired	569.09
Total Consideration	(5.00)
Gain on Purchase of Assets on Slump Sale (Gross)	564.09
Deferred Tax Liabilities on Tangible Assets transferred (Refer Note.33)	(127.27)
Net Gain on Purchase of Assets on Slump Sale (Capital Reserve)	436.82

44B

At their Meeting held on October 18, 2019, the Board of Directors of the Company had approved a Scheme of arrangement ("Scheme"), which comprises of demerger of Garmenting business Undertaking of Dress Master Apparel Private Limited (a wholly-owned subsidiary of Company) with Silver Spark Apparel Limited. The Scheme was approved by the Hon'ble NCLT, Mumbai Bench on February 27, 2020. However due to the COVID-19 outbreak and subsequent nation-wide lockdown, the Certified True Copy of the Order approving the Scheme was not made available by Hon'ble NCLT, Mumbai. The Scheme contemplates the Effective Date as the date on which the Certified True Copy of the Order is filed with the Registrar of Companies. Pending receipt of the Certified True Copy of the Order and consequent filing with the Registrar of Companies, the Company has not given effect of the Scheme in the financial statements for the year ended March 31, 2020.

45

In March 20, the WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these financial statements, in determination of the recoverability and carrying value of property, plant, equipments, and other intangible assets and in relation to other financial statements captions. In the case of Inventory, Management has performed the year-end inventory verification at each of its locations after the year end due to COVID 19 pandemic.

The impact of covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these financials statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities on gradual basis in line with guideline issued by the Government Authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.

46

The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statements on receipt of the balance confirmations post the balance sheet date.

Silver Spark Apparel Limited
Notes to the financial statements

47 Earnings per share

	Year ended 31st March, 2020	Year ended 31st March, 2019
Earnings Per Share		
Profit/(Loss) for the year (Rs. in lakhs)	1,755.31	2,084.70
Weighted average number of equity shares outstanding (nos.)	89,64,300	89,64,300
Earnings Per Share (Rs. Per equity share of Rs. 10 each)		
- Basic	19.58	23.26
- Diluted	19.58	23.26

As per our Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
Membership Number : 103418

For and on behalf of the Board of Directors

Sd/-
Lalit R. Mhalsekar
Partner
Membership Number : 103418
Place: Mumbai
Date: 24th June, 2020

Sd/-
Ram Krishna Bhatnagar
Director
DIN: 02313614

Sd/-
Vipin Agarwal
Director
DIN: 02963480

Sd/-
Akshat Chechani
Company Secretary
Place: Mumbai Date:
24th June, 2020

Silver Spark Apparel Limited
Consolidated Balance Sheet

(Rs. in lakhs)

	Note	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
1 Non-current Assets			
(a) Property, Plant and Equipment	2A	22,417.90	20,410.36
(b) Capital work - in - progress	2A	152.18	675.83
(c) Right-of-use Asset	2B	632.21	-
(d) Goodwill		1,048.81	1,048.81
(e) Other Intangible assets	3	685.75	136.17
(f) Intangible assets under development	3	-	108.51
(g) Financial Assets			
(i) Others financial assets	4	811.59	641.86
(h) Deferred tax assets (net)	33	339.07	345.77
(i) Other non - current assets	5	152.48	489.60
(j) Assets for Income Tax (Net)		-	53.95
2 Current assets			
(a) Inventories	6	14,986.96	12,258.92
(b) Financial Assets			
(i) Trade Receivables	7	12,268.90	9,611.39
(ii) Cash and cash equivalents	8	190.77	351.45
(iii) Bank Balances other than Cash and Cash Equivalents	9	13.51	1.54
(iv) Loans	10	7.77	30.52
(v) Other financial asset	11	373.25	742.13
(c) Other current assets	12	4,865.13	4,043.29
TOTAL ASSETS		58,946.28	50,950.10
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share capital	13	896.43	896.43
(b) Other equity	14	9,177.81	11,620.45
Liabilities			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	6,768.99	9,546.16
(ii) Lease liabilities	16	546.63	-
(b) Deferred tax liabilities (Net)	33	764.08	1,134.73
(c) Other Non-current Liability	17	797.83	751.57
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	13,764.88	8,196.95
(ii) Lease Liabilities	19	208.79	-
(iii) Trade Payables	20		
(A) total outstanding dues of Small enterprise and micro enterprise		25.48	61.96
(B) total outstanding dues of creditors other than Small enterprise and micro enterprise		17,134.81	14,037.99
(iv) Other financial liabilities	21	6,322.55	3,628.22
(b) Other current liabilities	22	1,125.39	381.71
(c) Provisions	23	1,188.66	639.63
(d) Current Tax Liabilities (Net)		223.95	54.30
TOTAL EQUITY AND LIABILITIES		58,946.28	50,950.10
Statement of Significant Accounting Policies	1		
The accompanying notes are integral part of these consolidated financial statements			
As per our Report of even date			
For Chaturvedi & Shah LLP Chartered Accountants Firm Registration Number : 101720W/ W100355		For and on behalf of the Board of Directors	
Sd/- Lalit R. Mhalsekar Partner Membership No. 103418 Place: Mumbai Date: 24th June, 2020		Sd/- Ram Krishna Bhatnagar Director DIN: 02313614 Sd/- Akshat Chechani Company Secretary Place: Mumbai Date: 24th June, 2020	
		Sd/- Vipin Agarwal Director DIN: 02963480	

Silver Spark Apparel Limited
Consolidated Statement of Profit & Loss

(Rs. in lakhs)

	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
I Revenue from Operations	24	66,028.51	56,137.49
II Other Income	25	656.89	95.76
III Total Income (I + II)		66,685.40	56,233.25
IV Expenses			
Cost of materials consumed	26	36,918.05	29,710.83
Purchases of Stock-in-Trade	27	111.11	2.90
Changes in inventories of finished goods, Stock-in-Trade and work-in progress	28	(783.71)	506.28
Employee benefits expense	29	17,043.36	13,227.87
Finance costs	30	1,303.22	1,159.77
Depreciation and amortization expense	31	2,088.66	1,527.94
Other expenses			
A. Manufacturing and Operating Costs	32A	3,280.21	2,857.33
B. Other expenses	32B	7,882.50	6,988.80
Total expenses (IV)		67,843.40	55,981.72
V Profit / (loss) before exceptional items and tax (III - IV)		(1,158.00)	251.53
VI Tax expense			
Current tax	33	668.32	1,232.66
Deferred tax charge/(credit)	33	(487.55)	(49.73)
VII Profit/(Loss) for the period (V - VI)		(1,338.77)	(931.40)
VIII Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	38	6.94	(18.48)
Equity instruments through Other Comprehensive Income		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss			
Remeasurements of net defined benefit plans	33	0.01	11.14
Equity instruments through Other Comprehensive Income		-	-
B (i) Items that will be re-classified to profit or loss			
Debt instruments through Other Comprehensive Income			
Gain and Losses arising from translating the financial statements of foreign operations		(1,463.09)	(311.34)
Other Comprehensive Income for the period (VIII)		(1,456.14)	(318.68)
IX Total Comprehensive Income for the period (VII + VIII)		(2,794.91)	(1,250.08)
X Earnings per equity share of Rs. 10 each :	47		
Basic		(14.93)	(10.39)
Diluted		(14.93)	(10.39)
Nominal Value per share (in Rs.)		10.00	10.00
Statement of Significant Accounting Policies	1		
The accompanying notes are integral part of these consolidated financial statements			
As per our Report of even date			
For Chaturvedi & Shah LLP Chartered Accountants Firm Registration Number : 101720W/ W100355		For and on behalf of the Board of Directors	
Sd/- Lalit R. Mhalsekar Partner Membership No. 103418 Place: Mumbai Date: 24th June, 2020	Sd/- Ram Krishna Bhatnagar Director DIN: 02313614	Sd/- Vipin Agarwal Director DIN: 02963480	
	Sd/- Akshat Chechani Company Secretary Place: Mumbai Date: 24th June, 2020		

Silver Spark Apparel Limited
Consolidated Statement of Changes in Equity

(a) Equity Share capital

	Note	Amount
As at 31 March, 2019	13	896.43
As at 31 March, 2020		896.43

(b) Other equity

	Note	Reserves and Surplus				(Rs. in lakhs)
		Capital Reserve	Securities Premium Reserve	Retained Earnings	Exchange Differences	Total
Balance as at 31st March, 2018		115.96	3,803.55	9,414.77	(477.28)	12,857.00
Profit for the year		13.53	-	(931.40)	-	(917.87)
Exchange differences on translating the financial statements of a foreign operation		-	-	-	(311.34)	(311.34)
Securities Premium on issue of Equity Shares		-	-	-	-	-
Other Comprehensive Income for the year (Re-measurement of defined benefit plans)		-	-	(7.34)	-	(7.34)
Total Comprehensive Income for the year		13.53	-	(938.74)	(311.34)	(1,236.55)
Balance as at 31st March, 2019		129.49	3,803.55	8,476.03	(788.62)	11,620.45
Profit for the year	14	-	-	(1,338.77)	-	(1,338.77)
Lease adjustments		-	-	(84.55)	-	(84.55)
Exchange differences on translating the financial statements of a foreign operation		-	-	-	(1,463.09)	(1,463.09)
Capital reserve on purchase of assets of Celebration Apparel Ltd. Under slump sale (Refer Note 44A))		436.82	-	-	-	436.82
Other Comprehensive Income for the year (Re-measurement of defined benefit plans)		-	-	6.95	-	6.95
Total Comprehensive Income for the year		436.82	-	(1,416.37)	(1,463.09)	(2,442.65)
Balance as at 31st March, 2020		566.31	3,803.55	7,059.66	(2,251.71)	9,177.81

Statement of Significant Accounting Policies (Refer N 1

The accompanying notes are integral part of these consolidated financial statements

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
Ram Krishna Bhatnagar
Director
DIN: 02313614

Sd/-
Vipin Agarwal
Director
DIN: 02963480

Sd/-

Lalit R. Mhalsekar

Partner

Membership No. 103418

Place: Mumbai

Date: 24th June, 2020

Sd/-

Akshat Chechani

Company Secretary

Place: Mumbai

Date: 24th June, 2020

Silver Spark Apparel Limited
Consolidated Statement of Cash Flow

(Rs. in lakhs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Rs. in lakhs		Rs. in lakhs	
A. Cash flow from Operating Activities				
Net Profit before tax as per Statement of Profit and Loss.		(1158.00)		251.53
Add/(Less):				
(Profit)/Loss on sale of Fixed assets	-	-	(0.97)	-
Interest Income	(42.05)	-	(26.78)	8.73
Provision for doubtful debts	217.28	-	39.99	-
Provision for MEIS	63.47	-	-	-
Provision for Duty Drawback receivable	22.05	-	-	-
Provision for doubtful other advances	-	-	(5.12)	-
Provision no longer required / Credit balances written back	1,835.25	-	1,527.94	-
Depreciation and amortisation	-	-	2.94	-
Net Fair Value (Gain)/Loss (on account of fair valuation of deposits)	(59.14)	-	(58.13)	-
Government grant amortised	(1,456.15)	-	(329.82)	-
Other Comprehensive Income	1,223.10	1,803.81	1,138.27	2,297.05
Finance Costs				
Operating Cash Profit Before Working Capital changes		645.81		2,548.58
Changes in working capital				
(Increase) / Decrease in Inventories	(1,327.54)	-	(1,678.28)	-
(Increase) / Decrease in Trade Receivables	(351.59)	-	(1,341.38)	-
(Increase) / Decrease in loans	23.20	-	(10.72)	-
(Increase) / Decrease in Other Financial Assets	305.34	-	(456.13)	-
(Increase) / Decrease in Other Assets	(24.05)	-	62.61	-
Increase / (Decrease) in Trade Payables	91.52	-	1,191.04	-
Increase / (Decrease) in Other Financial Liabilities	707.07	-	561.32	-
Increase / (Decrease) in Other Liabilities	(25.76)	-	81.74	-
Increase / (Decrease) in Short Term Provisions	424.85	(176.97)	150.37	(1,439.43)
Less: Direct Taxes paid (Net)		(444.72)		(1,111.96)
Net Cash inflow/(outflow) from operating activities (A)		24.12		(2.81)
B. Cash flow arising from Investing Activities				
Inflow				
Sale of fixed assets	-	-	10.47	-
Maturity of Term Deposits with Banks	-	-	0.35	-
Interest income	17.52	17.52	22.76	33.58
Outflow				
Investment in Term Deposits with Banks	(16.29)	-	-	-
Repayment of Government grant	-	-	(19.26)	-
Acquisition of fixed assets	(2,603.70)	(2,619.99)	(2,744.14)	(2,763.40)
Net Cash inflow/(outflow) from investing activities (B)		(2,602.47)		(2,729.82)
C. Cash flow from Financing Activities				
Inflow				
Additional Borrowing of Term loans from Bank (Net)	-	-	1,697.33	-
Loan from Related Parties	3,500.00	-	-	-
Increase / (Decrease) in Working Capital Loan from Banks (Net)	4,067.93	7,567.93	1,944.20	3,641.53
Outflow				
Repayment of Term loan from bank (Net)	(255.02)	-	-	-
Repayment of Loan to Holding Company	(3,707.96)	-	-	-
Finance Costs	(3,229.09)	(5,192.07)	(1,115.55)	(1,115.55)
Net cash inflow/(outflow) from Financing activities (C)		2,375.86		2,525.98
Net Increase/(Decrease) in Cash and Cash equivalents (A+B+C)		(202.49)		(206.65)
Add: Balance at the beginning of the year (Refer Note 8)		351.45		558.10
Add: Balance received on purchase of assets of Celebration Apparel Ltd. Under slump sale		41.81		-
Cash and Cash equivalents at the close of the year (Refer Note 8)		190.77		351.45
Statement of Significant Accounting Policies (Refer Note 1)				
The accompanying notes are integral part of these consolidated financial statements				
Notes:				
1) The above Cashflow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS-7 on Statement of Cash Flows as referred to in Section 133 of the Companies Act, 2013.				
2) Changes in liabilities arising from financing activities				
Year ended 31st March, 2020	Opening Balance	Additions from Celebration Apparel Ltd. Under slump sale (Refer Note 44A)	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	10,507.63	966.33	(1,962.98)	9,510.98
Year ended 31st March, 2019	Opening Balance	Non Cash / Accruals / Fair Value Changes	Cash Flow (Repayments)/ Additions	Closing Balance
Long-term external borrowings	7,802.34	-	2,705.29	10,507.63
Year ended 31st March, 2020	Opening Balance	Non Cash / Accruals / Fair Value Changes	Cash Flow Repayments	Closing Balance
Interest accrued on long term external borrowings	52.82	971.27	(988.74)	35.35
Year ended 31st March, 2019	Opening Balance	Non Cash / Accruals / Fair Value Changes	Cash Flow Repayments	Closing Balance
Interest accrued on long term external borrowings	46.30	1,086.15	(1,079.62)	52.82
As per our Report of even date				
For Chaturvedi & Shah LLP		For and on behalf of the Board of Directors		
Chartered Accountants Firm Registration Number : 101720W/ W100355		Sd/- Ram Krishna Bhatnagar Director DIN: 02313614		
Sd/- Lalit R. Mhalsekar Partner Membership No. 103418 Place: Mumbai Date: 24th June, 2020		Vipin Agarwal Director DIN: 02963480 Sd/- Akshat Chechani Company Secretary Place: Mumbai Date: 24th June, 2020		

Silver Spark Apparel Limited

1 Statement of Significant Accounting Policies

I. Background

Silver Spark Apparel Limited ('SSAL' or 'the Company') CIN 'U72900MH2000PLC127831' is a Company limited by shares, incorporated in India, headquartered in Mumbai, Maharashtra, India, carries on **business of manufacturing suits, jackets, shirts and formal trousers catering largely to global markets**. Silver Spark Apparel Limited is a wholly owned subsidiary of Raymond Limited, marking the group's foray into Global Apparel Outsourcing market.

II. Significant accounting policies

a. Basis of preparation

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with of the Companies (Indian Accounting standards) Rules, 2015.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) defined benefit plans - plan assets measured at fair value;

(iii) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Recent accounting developments / pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

b. Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Silver Spark Apparel Limited

1 Statement of Significant Accounting Policies

c. Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Changes in estimates are recorded in the year in which they become known. Actual results may differ from the Management's estimates if these results differ from historical experience or other assumptions do not turn out to be substantially accurate, even if such assumptions were reasonable when made.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

d. Property, plant and equipment

Freehold land is carried at historical cost. All other property, plant and equipment and intangible assets are stated at cost of acquisition, less accumulated depreciation and impairments, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of Property, plant and equipment comprises of its purchase price including import duties and non refundable purchase taxes after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and present value of estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Expenses incurred relating to project, prior to commencement of commercial operations are considered as project development expenditure and shown under Capital Work in Progress.

Depreciation and amortization

Depreciation is calculated using the straight-line method or written down value to allocate their cost, net of their residual values, over their estimated useful lives. Details of useful lives of assets is as below-

Factory buildings	SLM 30 years
Non- Factory Building	SLM 60 years
Plant & Machinery*	SLM 24 years
Plant & Machinery	SLM 15 years
RFID	SLM 5 years
Leasehold Improvements	SLM 6 years
Furniture, fittings and equipment	WDV 5-10 years
Vehicles	WDV 8 years

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

*The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery which based on an independent technical evaluation has been estimated as 24 years (on a single shift basis) which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

1 Statement of Significant Accounting Policies

e. Intangible assets

i. Computer software

Computer software are stated at cost of acquisition, less accumulated amortisation and impairments, if any.

ii. Amortisation methods and periods

The Company amortises computer software with a finite useful life using the straight-line method over the period of 3 to 10 years.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

iii. Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

f. Lease

Company as a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings and Plant & Machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented in the Balance Sheet as a part of Property, plant and equipment and lease payments have been classified as financing cash flows.

Company as a lessor

Lease income from operating leases where the company is lessor is recognised in income on straight line basis over the lease term.

g. Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

1 **Statement of Significant Accounting Policies**

h. Cash flow

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

i. Inventories

Inventories of Raw Material, Work in Progress, Finished Goods and Stores & Spares are stated at 'Cost or Net realizable value whichever is lower'. Goods-in-transit are stated 'at cost'. Cost comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost formulae used is 'Weighted Average cost'. All the costs incurred on unfinished/finished jobs, but not invoiced and dispatched, under conversion contracts, are carried forward as "Accumulated Costs on Conversion Contracts" at cost or net realizable value whichever is lower. Due allowance is estimated and made for defective and obsolete items, wherever necessary, based on past experience of the company.

j. Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- * Those to be measured subsequently at fair value (either through other comprehensive income, or through (profit or loss), and
- * Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this depend on the business model in which the investments are held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

***Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses) Interest income from these financial assets is included in other income using the effective interest rate method.

***Fair value through profit or loss:**

Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Silver Spark Apparel Limited

1 Statement of Significant Accounting Policies

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Derecognition of financial assets

A financial asset is derecognized only when

1. The Company has transferred the rights to receive cash flows from the financial asset or
2. Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(v) Income recognition

Interest income :

Interest income from debt instruments is recognised using the effective interest rate method.

Dividend

Dividend income is recognized if right to receive dividend is established by the reporting date.

k. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default insolvency or bankruptcy of the Company or the counterparty.

l. Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the of assessing impairment assets are Companyed at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

m. Current non-current Classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

1 Statement of Significant Accounting Policies

n. Derivative financial instruments

Derivative financial instruments, such as forward currency contracts, option contract and cross currency swap, to hedge its foreign currency risks and interest rate risks. Such derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognized in the statement of profit and loss, in the period when they arise.

o. Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

p. Borrowing

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised in Statement of Profit and Loss as finance costs.

q. Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalized. Other interest and borrowing costs are charged to revenue.

r. Financial Liabilities

(i) Financial Liabilities initial recognition and measurement

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

(ii) Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

s. Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

A contingent asset is disclosed, where an inflow of economic benefits is probable. An entity shall not recognise a contingent asset unless the recovery is virtually certain.

1 Statement of Significant Accounting Policies

t. Revenue recognition

The group derives revenues primarily from sale of manufactured goods, traded goods and related services.

As per IND AS 115 - Revenue from Contracts with Customers, entity shall recognize revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. The control of the products and services were transfer at a time, where in performance obligation and Control of goods or services transferred over a time.

Sale of goods

In case of domestic customer, generally performance obligation satisfied and transferred the control when goods are dispatched or delivery is handed over to transporter, in case of export customers, generally performance obligation satisfied and transferred the control, when goods are shipped onboard based on bill of lading.

Sales return

The Group recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sale.

Revenue from services

Revenue from services is recognised in the accounting period in which the services are rendered.

Other operating revenue - Export incentives

Export Incentives under the "Duty Draw back Scheme", "Merchandise Exports Incentive Scheme (MEIS)" etc. is accounted in the year of export.

u. Employee Benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity; and
- (b) defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

1 Statement of Significant Accounting Policies

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss Account as incurred. Further for certain employees, the monthly contribution for Provident Fund is made to a Trust administered by the Company. The interest payable by the Trust is notified by the Government. The Company has an obligation to make good the shortfall, if any.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

v. Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Silver Spark Apparel Limited's functional and presentation currency.

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

w. Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period.

Silver Spark Apparel Limited

1 Statement of Significant Accounting Policies

x. Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note).

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

y. Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

z. Government Grant:

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the Statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate and are deducted from the related expenses.

Government grants relating to the purchase of property, plant and equipment are included in non- current liabilities/current liabilities as deferred income and are credited to the Statement of profit and loss on a straight-line basis over the expected lives of the related assets and presented within other income.

III. Critical accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Useful life of Property, Plant and Equipment including intangible asset: Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Taxes: The Company provides for tax considering the applicable tax regulations and based on probable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized.

Defined benefit plans (gratuity benefits): The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter subject to frequent changes is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables in India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Export benefits receivables are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount or such assets may not be recoverable. If any such indications exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Provisions and Contingent liabilities are reviewed at each balance sheet date and adjusted to reflect best estimate.

Estimate with respect to uncertainties related to Covid 19. (Refer Note 45)

Silver Spark Apparel Limited
Notes to the consolidated financial statements

2A Property, Plant and Equipment	(Rs. in lakhs)									
	Land Freehold	Buildings	Leasehold Improvements	Plant & equipment	Furniture & fixtures	Vehicles	Office equipment	Total	Capital Work in Progress	
Balance as at 31st March, 2018	86.68	2,866.68	298.90	17,385.15	279.20	283.35	100.24	21,300.20	1,855.44	1,855.44
Additions	-	63.16	464.09	2,836.55	111.07	123.30	17.47	3,615.64	2,436.03	2,436.03
Disposals	-	-	-	8.63	-	10.22	-	18.85	3,615.64	3,615.64
Capitalised during the year										
Balance as at 31st March, 2019	86.68	2,929.84	762.99	20,213.07	390.27	396.43	117.71	24,896.99	675.83	675.83
Additions	-	10.10	42.89	2,675.32	42.36	58.29	53.98	2,882.94	2,359.29	2,359.29
Additions from Celebration Apparel Ltd. Under slump sale	-	-	-	1,257.92	27.66	23.83	13.83	1,323.24	-	-
Disposals	-	-	-	-	-	-	-	-	2,882.94	2,882.94
Balance as at 31st March, 2020	86.68	2,939.94	805.88	24,146.31	460.29	478.55	185.52	29,103.17	152.18	152.18
Accumulated Depreciation										
Balance as at 31st March, 2018	-	377.71	157.64	2,226.00	66.23	89.54	69.82	2,986.94	-	-
Additions	-	127.31	94.63	1,163.14	52.49	60.61	10.86	1,509.04	-	-
Disposals	-	-	-	1.40	-	7.95	-	9.35	-	-
Balance as at 31st March, 2019	-	505.02	252.27	3,387.74	118.72	142.20	80.68	4,486.63	-	-
Additions from Celebration Apparel Ltd. Under slump sale	-	-	-	381.34	17.79	18.94	8.58	426.66	-	-
Additions	-	105.78	148.84	1,357.47	64.51	75.66	19.72	1,771.98	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	-	610.80	401.11	5,126.55	201.02	236.80	108.98	6,685.27	-	-
Net Block										
Balance as at 31st March, 2019	86.68	2,424.82	510.72	16,825.33	271.55	254.23	37.03	20,410.36	675.83	675.83
Balance as at 31st March, 2020	86.68	2,329.14	404.77	19,019.76	259.27	241.75	76.54	22,417.90	152.18	152.18

- (a) Refer Note 34 For information on property, plant and equipment pledged as security by the Company.
(b) Refer to note 36 for disclosure of contractual commitments for the acquisition of property, plant and equipment .
(c) Refer Note 44A for Tangible Assets acquired from Celebration Apparel Limited under Business transfer agreement.

Silver Spark Apparel Limited
Notes to the consolidated financial statements

2B Right-of-use Asset

(Rs in lakhs)

	Buildings	Total
Gross Carrying Amount :		
Balance as at 31st March, 2019	-	-
Additions	885.61	885.61
Disposals	-	-
Balance as at 31st March, 2020	885.61	885.61
Accumulated Depreciation:		
Balance as at 31st March, 2019	-	-
Depreciation for the year	253.41	253.41
Eliminated on disposal of assets	-	-
Balance as at 31st March, 2020	253.41	253.41
Net Carrying Amount :		
Balance as at 31st March, 2019	-	-
Balance as at 31st March, 2020	632.21	632.21

Silver Spark Apparel Limited
Notes to the consolidated financial statements

3 Other Intangible assets	(Rs. in lakhs)		
	Computer Software	Total	Intangible assets under development
Gross Block			
Closing Gross Carrying Amount		-	
Balance as at 31st March, 2018	118.82	118.82	-
Additions	79.20	79.20	114.48
Disposals	-	-	-
Capitalised during the year	-	-	5.97
Balance as at 31st March, 2019	198.02	198.02	108.51
Additions	612.85	612.85	504.34
Disposals	-	-	612.85
Capitalised during the year	-	-	-
Balance as at 31st March, 2020	810.87	810.87	-
Accumulated Depreciation			
Balance as at 31st March, 2018	42.95	42.95	-
Additions	18.90	18.90	-
Disposals	-	-	-
Balance as at 31st March, 2019	61.85	61.85	-
Additions	63.27	63.27	-
Disposals	-	-	-
Balance as at 31st March, 2020	125.12	125.12	-
Net Block			
Balance as at 31st March, 2019	136.17	136.17	108.51
Balance as at 31st March, 2020	685.75	685.75	-

(a) Other than internally generated.

(b) Balance useful life as on 31st March 2020 is 2.5 years for addition in Computer Software.

Silver Spark Apparel Limited
Notes to the consolidated financial statements

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
4 Other Financial assets		
(Unsecured, considered good)		
Deposits with others	514.23	349.08
Margin money deposits with bank*	297.36	292.78
*(Held as lien by bank against bank guarantee)		
Total	811.59	641.86

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
5 Other non-current assets		
Capital advances	139.75	388.30
Prepaid Expenses - Deferred cost	12.73	101.30
Total	152.48	489.60

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
6 Inventories		
Raw Materials	7,926.13	5,713.43
Raw Materials - In Transit	201.55	1,523.37
Work-in-progress	194.36	293.27
Finished goods	5,860.99	3,998.52
Stock-in-trade - In Transit	249.09	-
Stores and Spares	310.92	210.69
Loose Tools	6.83	13.82
Accumulated cost on Conversion contracts		
Completed	232.94	464.37
In Process	4.15	41.45
Total	14,986.96	12,258.92

Write-down of inventories to net realisable value amounted to Rs. 204.40 laksh as at March 31, 2020 and Rs. 40.0 lakhs as at March 31, 2019. These write-downs were recognised as an expense during the year and included in changes in value of inventories of work-in-progress, stock-in-trade and finished goods in statement of profit and loss.

Silver Spark Apparel Limited
Notes to the consolidated financial statements

7 Trade receivables

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Considered good		
Unsecured		
Related parties [Refer note 39]	4,136.98	2,221.92
Other parties [Refer note 46]	8,131.93	7,389.47
Considered doubtful		
Other parties	13.76	13.76
Less: Allowance for bad and doubtful debts	(13.76)	(13.76)
Total	12,268.90	9,611.39

The movement in Allowance for bad and doubtful debts is as follows:

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Balance as at beginning of the year	13.76	5.03
Allowance for bad and doubtful debts during the year	-	8.73
Trade receivables written off during the year	-	-
Balance as at the end of the year	13.76	13.76

Refer note 40 for information about credit risk and market risk of trade receivables.

8 Cash and cash equivalents

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	11.96	0.90
Balances with Banks		
In current accounts	178.81	350.55
Total	190.77	351.45

9 Bank Balances other than cash and cash equivalents

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Margin Money Deposits (Held as lien by bank against bank guarantee)	13.51	1.54
Total	13.51	1.54

10 Loans

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Loans to employees	7.77	30.52
Total	7.77	30.52

Silver Spark Apparel Limited
Notes to the consolidated financial statements

11 Other financial assets

(Rs. in lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Unsecured		
Considered good		
Export benefit receivables	246.95	292.53
Interest receivable	34.06	9.53
Interest Subsidy receivable	92.24	28.68
Advances to related parties	-	301.31
Derivative financial instruments	-	110.08
Export benefits receivable, considered doubtful	63.47	-
Less: Allowance for bad and doubtful assets	(63.47)	-
Total	373.25	742.13

12 Other current assets

(Rs. in lakhs)

	As at 31st March, 2020	As at 31st March, 2019
Export incentive receivable, considered good	1,517.35	1,670.15
Advances to Suppliers	784.52	421.35
Balances with government authorities, considered good	2,338.16	1,762.64
Prepaid expenses - Deferred Cost	7.60	10.09
Prepaid expenses	189.28	156.56
Other advances	28.09	15.25
Other assets	0.13	7.25
Export incentive receivable, considered doubtful	217.28	39.99
Less: Allowance for bad and doubtful assets	(217.28)	(39.99)
Balances with government authorities, considered doubtful	22.05	-
Less: Allowance for bad and doubtful assets	(22.05)	-
Total	4,865.13	4,043.29

Silver Spark Apparel Limited
Notes to the consolidated financial statements

13 Equity Share capital

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Authorised		
4,00,00,000 [31st March, 2019: 4,00,00,000] Equity Shares of Rs.10 each		
1,00,00,000 [31st March, 2019: 1,00,00,000] Preference Shares of Rs.100 each		
Issued, subscribed and fully paid up		
8,964,300 [31st March, 2019: 8,964,300] Equity Shares of Rs.10 each	896.43	896.43
	896.43	896.43

a) Reconciliation of number of shares

	(Rs. in lakhs)			
	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
Equity Shares :				
Balance as at the beginning of the year	89,64,300	896.43	89,64,300	896.43
Add: Share Issued during the year	-	-	-	-
Add : Conversion of preference shares into equity share (Refer note below)	-	-	-	-
Balance at the end of the year	89,64,300	896.43	89,64,300	896.43

b) Rights, preferences and restrictions attached to shares

Equity shares: The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c) Shares held by Parent and subsidiaries of Parent in aggregate

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Equity Shares of Rs. 10 each held by:		
8,964,300 Equity shares [March 31, 2019: 8,964,300 shares] held by Raymond Limited	89,64,300.00	89,64,300.00

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2020		As at 31st March, 2019	
	%	No. of Shares	%	No. of Shares
Equity shares held by Raymond Limited	100	89,64,300.00	100	89,64,300.00

Silver Spark Apparel Limited
Notes to the consolidated financial statements

14 Other equity	Reserves and Surplus				(Rs. in lakhs)
	Capital Reserve	Securities Premium Reserve	Retained Earnings	Exchange Differences	Total
Balance as at 31st March, 2018	115.96	3,803.55	9,414.77	(477.28)	12,857.00
Profit for the year	13.53	-	(931.40)	-	(917.87)
Exchange differences on translating the financial statements of a foreign operation	-	-	-	(311.34)	(311.34)
Securities Premium on issue of Equity Shares	-	-	-	-	-
Other Comprehensive Income for the year (Re-measurement of defined benefit plans)	-	-	(7.34)	-	(7.34)
Total Comprehensive Income for the year	13.53	-	(938.74)	(311.34)	(1,236.55)
Balance as at 31st March, 2019	129.49	3,803.55	8,476.03	(788.62)	11,620.45
Profit for the year	-	-	(1,338.77)	-	(1,338.77)
Lease adjustments	-	-	(84.55)	-	(84.55)
Exchange differences on translating the financial statements of a foreign operation	-	-	-	(1,463.09)	(1,463.09)
Securities Premium on issue of Equity Shares	-	-	-	-	-
Capital reserve on purchase of assets of Celebration Apparel Ltd. Under slump sale (Refer Note 44A)	436.82	-	-	-	436.82
Other Comprehensive Income for the year (Re-measurement of defined benefit plans)	-	-	6.95	-	6.95
Total Comprehensive Income for the year	436.82	-	(1,416.37)	(1,463.09)	(2,442.65)
Balance as at 31st March, 2020	566.31	3,803.55	7,059.66	(2,251.71)	9,177.81

Silver Spark Apparel Limited
Notes to the consolidated financial statements

15 Non-Current Borrowings

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Secured		
Term Loan From banks	5,802.66	7,838.20
	5,802.66	7,838.20
Unsecured		
Loans from Holding Company - Raymond Limited (*)	966.33	1,707.96
Total	966.33	1,707.96
Grand Total	6,768.99	9,546.16

16 Lease Liabilities

	As at	As at
	31st March, 2020	31st March, 2019
Lease Liabilities	546.63	-
Total	546.63	-

Nature of Security and terms of repayment for Long Term secured

Nature of Security

Terms of Repayment

(i) Term loan amounting to Rs. Nil (Rs. 56.13 lakhs March 31,2019) is secured by way of First Pari Passu charge on the entire moveable properties of the Company. Repayable in 32 quarterly installments commencing from 30th March, 2013 and last installment due on 30th March, 2020. Rate of interest as at year end 10.50% (March 31, 2019 :9.95 % p.a.)**

(ii) Term loan amounting to Rs. Nil (Rs. 1.79 lakhs March 31,2019) is secured by way of First Pari Passu charge on the entire moveable properties of the Company. Repayable in 32 quarterly installments commencing from 30th March, 2013 and last installment due on 30th March, 2020. Rate of interest as at year end 10.50% (March 31,2019 :9.95 % p.a.)**

(iii) Term loan amounting to Rs. 238 lakhs (Rs. 374.00 lakhs March 31,2019) is secured by first and exclusive charge on the moveable assets acquired out of the loan. Repayable in 20 quarterly installments commencing from 18th October, 2016 and last installment due on 18th October, 2021. Rate of interest as at year end 10.50% (31st March,2019 :9.95% p.a.)

(iv) Term loan amounting to Rs. 45.50 lakhs (Rs. 71.50 lakhs March 31,2019) is secured by first and exclusive charge on the moveable assets acquired out of the loan. Repayable in 20 quarterly installments commencing from 18th October, 2016 and last installment due on 18th October, 2021. Rate of interest as at year end 10.50% (31st March, 2019 :9.95% p.a.)

(v) Term loan amounting to Rs. 8261.15 Lakhs (Rs. 7555.58 Lakhs March 31, 2019) is Secured by way of guarantee from Silver Spark Apparel Limited, India and short fall guaranteed by Raymond Limited, India. Repayable in 12 quarterly installments with first installment commencing from 22nd August, 2019 and last installment due on 22nd March, 2023. Rate of interest as at year end 4.20% - 5.32% (31st March, 2019 : 4.20% - 5.32%).

* Unsecured Loan from holding company - Raymond Limited, is due for repayment on 30th April 2021 amounting to Rs 466.33 Lacs, 5th May 2021 amounting to Rs 300 Lacs and 5th May 2021 amounting to Rs 200 Lacs. Rate of Interest as at year end 10.50% p.a for Rs.766.33 lacs and 8.50% p.a. for loan amounting to Rs. 200 Lacs (Previous Year10.50% p.a. and 8.50% p.a. respectively.).

** Rate of interest is without considering interest subsidy under TUF scheme.

Note: Installment of loans falling due within next twelve months aggregating Rs. 2,741.99 Lakhs (Rs. 961.47 Lakhs March 31,2019) have been grouped under current maturities of long term debt. (Refer Note 21)

Term loan from banks is net of unamortised loan processing cost amounting to Rs. 0.50 lakhs (Rs. 0.86 lakhs March 31,2019)

Silver Spark Apparel Limited
Notes to the consolidated financial statements

17 Other Non-current Liability

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Govt. Grant relating to assets	797.83	751.57
Total	797.83	751.57

Note:

- Under the Government Scheme, the Company is entitled to subsidy, on its investment in the property plant and equipment, on fulfilment of the conditions stated in those Scheme. The subsidy being Government Grant is accounted as stated in the Accounting policy on Government Grant (Refer Note 1(z)). The Government Grant shown above represents unamortised amount of the subsidy referred to above, with the corresponding adjustment to the carrying amount of property, plant and equipment.
- Export Promotion Capital Goods (EPCG) scheme allows import of certain capital goods including spares at concessional duty subject to an export obligation for the duty saved on capital goods imported under EPCG scheme. The duty saved on capital goods imported under EPCG scheme being Government Grant, is accounted as stated in the Accounting policy on Government Grant (Refer Note 1(z)). The Government Grant shown above represents unamortised amount of the duty saved referred to above. Export obligation to be fulfilled subsequent to the reporting date, within the period allowed under the Scheme is disclosed in Note 36.
- During the year ended 31st March 2019, the company has repaid Government grant worth Rs. 19,25,568. Consequently, balance of plant & machinery and government grant liability are reduced to that extent. Due to this, depreciation on asset and deferred government grant income both are reduced by Rs. 11,207. Hence it does not have any impact on the Statement of profit and loss.

18 Current Borrowings

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Secured		
(a) Loans repayable on demand from banks (Secured against first pari-passu charge on Stock, Receivables and Plant & Machinery)	9,448.84	5,058.87
Unsecured		
(a) Loan repayable on demand from bank	2,816.04	3,138.08
(b) Loan repayable on demand from related parties [Refer note 39]	1,500.00	-
Total	13,764.88	8,196.95

The carrying amount of financial and non-financial assets as security for secured borrowings are disclosed in Note 41

19 Lease Liabilities

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Lease Liabilities	208.79	-
Total	208.79	-

Silver Spark Apparel Limited
Notes to the consolidated financial statements

20 Trade payables

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Trade payables* [Refer note (a) below]		
Amounts due to related parties [Refer note 39]	11,277.63	9,066.21
Others [Refer note 46]	5,857.17	4,971.78
Amounts due to Small enterprise and micro enterprise	25.48	61.96
Total	17,160.29	14,099.95

*Includes Provision for Expenses

Refer note 40 for information about liquidity risk and market risk of trade payables

(a) Dues to Small enterprise and micro enterprise

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
a) The principal amount remaining unpaid to any supplier at the end of the year	25.48	61.96
b) Interest due remaining unpaid to any supplier at the end of the year	1.80	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	1.80	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

21 Other financial liabilities

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Current maturities of long-term debt from banks (Refer Note 40)	2,741.99	961.47
Interest accrued but not due on borrowings	73.40	79.39
Salary and Wages payable	3,085.36	2,239.76
Derivative financial instruments	100.24	-
Payable to related parties [Refer note 39]	321.56	347.60
Total	6,322.55	3,628.22

22 Other Current Liabilities

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Advance from customers	650.29	26.15
Statutory Dues	417.75	298.21
Govt Grant relating to assets	57.35	57.35
Total	1,125.39	381.71

23 Provisions

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Provision for Gratuity [Refer Note 38]	636.47	244.14
Provision for Leave Entitlement	552.19	395.49
Total	1,188.66	639.63

Silver Spark Apparel Limited
Notes to the consolidated financial statements

24 Revenue from Operations

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of Products		
Manufactured & Traded goods	57,213.78	51,406.90
Sales of Services		
(i) Job Work	6,778.57	2,940.76
Other operating revenue		
(i) Export Incentives, etc	2,020.21	1,759.01
(ii) Process waste sale	15.95	30.82
Total	66,028.51	56,137.49

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price :

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract Price	66,089.41	56,137.49
Less :		
Performance linked incentives / Discounts	60.90	-
	66,028.51	56,137.49

25 Other income

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income	42.05	26.78
Profit on sale of fixed asset	-	0.97
Provision no longer required / Credit balances written back	-	5.12
Government Grant	59.14	58.13
Other non-operating income	2.67	4.76
Exchange Fluctuation - Others	553.03	-
Total	656.89	95.76

Silver Spark Apparel Limited
Notes to the consolidated financial statements
26 Cost of materials consumed

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Raw materials consumed		
Opening Stock	5,713.66	4,227.84
Purchases	39,130.52	31,196.65
Less : Closing Stock	7,926.13	5,713.66
Total	36,918.05	29,710.83

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
27 Purchase of Stock in Trade		
Purchase of Stock in Trade	111.11	2.90
Total	111.11	2.90

28 Changes in inventories of finished goods, Stock-in-Trade and work-in progress

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening inventories		
Finished goods	3,998.52	4,773.49
Work-in-progress	293.27	316.17
Accumulated cost of conversion contracts	505.82	214.23
	4,797.61	5,303.89
Closing inventories		
Finished goods	5,860.99	3,998.52
Work-in-progress	194.36	293.27
Stock-in-trade	-	-
Accumulated cost of conversion contracts	237.09	505.82
	6,292.44	4,797.61
Add: Inventories transferred from Celebration Apparel Ltd. under slump sale (Refer Note 44A)	711.12	-
Total	(783.71)	506.28

29 Employee benefits expense

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries and wages	14,665.32	11,518.45
Contribution to provident funds and other funds	971.77	624.72
Defined benefit plan expense [Refer note 38]	272.25	176.57
Workmen and Staff welfare expenses	1,134.02	908.13
Total	17,043.36	13,227.87

Silver Spark Apparel Limited
Notes to the consolidated financial statements
30 Finance costs

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense on Term Loans (Net of interest subsidy under TUF Scheme of Rs.1.70 Lakhs (Previous year Rs.8.39 Lakhs))	988.74	1,079.62
Interest expense on bank overdraft/ short term borrowings	234.36	80.15
Interest on Lease Liability	80.12	-
Total	1,303.22	1,159.77

31 Depreciation and amortization expense

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on Property, Plant and Equipment [Refer note 2A]	1,771.98	1,509.04
Amortization on Intangible assets [Refer note 3]	63.27	18.90
Depreciation on Right of use Assets [Refer note 2B]	253.41	-
Total	2,088.66	1,527.94

32 Other Expenses

32A. Manufacturing and Operating Costs

(Rs. in lakhs)

	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spare parts	1,138.75	965.26
Power and fuel	1,035.29	889.44
Job work charges	113.64	100.08
Repairs to buildings	83.39	35.29
Repairs to machinery	118.46	140.89
Other Manufacturing and Operating expenses	790.68	726.37
Total	3,280.21	2,857.33

Silver Spark Apparel Limited
Notes to the consolidated financial statements

32B. Other expenses

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Rent (Refer note 37)	283.06	283.24
Insurance	276.79	157.56
Repairs & Maintenance Others	36.45	0.64
Rates and Taxes	96.15	55.02
Advertisement Expenses	-	63.00
Commission to selling agents	491.68	551.00
Freight, Octroi, etc	2,096.91	1,776.85
Legal and Professional Expenses	791.00	392.40
Travelling & Conveyance	4.99	6.33
Sales Promotion expenses	0.89	0.72
Director Fees	15.00	9.50
Exchange Fluctuation - Others	-	410.83
Expenditure toward Corporate Social Responsibility (CSR) activities	-	66.60
Security Charges	241.75	224.17
IT Outsource Cost	68.42	91.99
Provision for doubtful other advances	22.05	-
Provision for MEIS receivable	217.28	39.99
Provision for Duty Drawback receivable	63.47	-
Corporate facility charges	548.73	448.00
Guarantee Commission	32.57	-
Bad Debts/Advances/Claims written off	205.86	-
Provision for doubtful debts	-	8.73
Miscellaneous Expenses	2,389.45	2,402.23
Total	7,882.50	6,988.80

Silver Spark Apparel Limited
Notes to the consolidated financial statements

33 Income Taxes

Tax expense recognised in the Statement of Profit and Loss

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax		
Current year	668.32	1,232.66
Total current tax	668.32	1,232.66
Deferred tax		
Origination and reversal of temporary difference	(184.03)	(53.21)
Change in tax rates	(303.52)	
Total deferred income tax expense/(credit)	(487.55)	(53.21)
Total income tax expense/(credit)	180.77	1,179.45

A reconciliation between the statutory income tax rate applicable to the

	(Rs. in lakhs)	
Reconciliation of effective tax rate	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit before Tax	(1,158.00)	251.53
Enacted income tax rate in India	25.170%	34.944%
Income tax expenses as per enacted rate	(291.47)	87.89
Differences due to:		
Income not considered for tax purpose	-	(21.80)
Loss of subsidiary on which deferred tax asset is not recognised	775.76	1,102.44
Stock reserve on inter company transactions	-	-
Reversal of excess asset created on tax loss	-	-
Income tax incentives	-	-
Share issuance expenses	-	-
Expenses not deductible for tax purpose	-	60.60
Differences on account of change in applicable rate of tax	(303.52)	(34.11)
Others	-	(15.57)
	180.77	1,179.45
Effective tax rate*	0%	468.91%

*The difference in effective tax rate is on account of loss of foreign subsidiary on which deferred tax has not been created

Silver Spark Apparel Limited
Notes to the consolidated financial statements

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2020:

Particulars	Movement of Deferred Tax Liabilities during the year ended March 31, 2019 and March 31, 2020:				(Rs. in lakhs)	
	As at 31st March, 2019	Credit/(charge) in statement of Profit and Loss	Credit/(charge) on additions from Celebration Apparel Ltd. Under slump sale	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2020	
Provision for post retirement benefits and other employee benefits	511.07	101.77	-	-	612.84	
Provision for doubtful debts and advances	3.30	76.21	-	-	79.51	
Expenses allowable for tax purposes when paid	51.67	21.52	-	-	73.19	
Temporary difference in Leases	-	(23.98)	-	-	(23.98)	
Depreciation	(1,689.80)	8.22	(127.27)	-	(1,808.85)	
Change in tax rates	-	314.18	-	-	314.18	
Fair value gains/losses	(10.97)	-	-	0.01	(10.96)	
	(1,134.73)	497.92	(127.27)	0.01	(764.08)	

Movement of Deferred Tax Assets during the year ended March 31, 2019 and March 31, 2020:

Particulars	Movement of Deferred Tax Assets during the year ended March 31, 2019 and March 31, 2020:				(Rs. in lakhs)	
	As at 31st March, 2019	Credit/(charge) in statement of Profit and Loss	Credit/(charge) on additions from Celebration Apparel Ltd. Under slump sale	Credit/(charge) in Other Comprehensive Income	As at 31st March, 2020	
Expenses allowable for tax purposes when paid	66.29	-	-	-	66.29	
Depreciation	(147.27)	-	-	-	(147.27)	
Fair value gains/losses	418.47	-	-	-	418.47	
Deferred tax on acquisition of R&A Logistics INC.	11.76	-	-	-	11.76	
Temporary difference in Leases	-	3.96	-	-	3.96	
Change in tax rates	-	(10.66)	-	-	(10.66)	
Fair value gains/losses	(3.48)	-	-	-	(3.48)	
	345.77	(6.70)	-	-	339.07	

1. Pursuant to the introduction of the Section 115BAA of the Income Tax Act, 1961 inserted by the Taxation Laws (Amendment) Ordinance, 2019, the Company has elected to exercise the option to adopt the new tax rates. Consequential impact of the re-measurement of deferred tax assets / liabilities has been recognized as at 01st April 2019 amounting to Rs. 303.52 lakhs.

Silver Spark Apparel Limited
Notes to the consolidated financial statements

34 Assets Pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are: **(Rs. in lakhs)**

	As at	As at
	31st March, 2020	31st March, 2019
Current Assets		
Cash and cash equivalents	27.27	29.21
Receivables	12,834.84	8,273.78
Inventories	12,372.42	10,026.70
Total Current assets pledged as security	25,234.53	18,329.69
Non-Current Assets		
<u>Immovable Assets</u>		
Land	-	85.71
Building	-	2,072.00
<u>Movable Assets</u>		
Plant and Machinery	9,357.08	7,347.57
Furniture & fixtures	60.44	26.82
Vehicles	165.49	151.20
Office equipment	20.82	14.18
Total non-current assets pledged as security	9,603.83	9,697.48
Total assets pledged as security	34,838.36	28,027.17

Silver Spark Apparel Limited
Notes to the consolidated financial statements

35 Contingent liabilities and commitments (to the extent not provided for)

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
i) Contingent Liabilities		
Claims against the Company not acknowledged as debts in respect of past disputed liabilities.		
(a) ESIC	8.36	8.36
(b) Disputed Excise/Custom Duty	293.82	293.82
(c) Disputed demands in respect of Income-tax, etc. (Interest thereon not ascertainable at present) #	66.73	51.08
	368.91	353.26

Future Cash Flows in respect of above are determinable only on receipt of judgements/decision pending with various authorities/forum.

The income tax authorities carried out search and seizure operations on the premises of the Company in the financial year 2011-12. On the basis of notice received under section 153 A of the IT Act, 1961, the Company had submitted returns of income and also provided the necessary details / informations.

The company has filed appeal with ITAT for Assessment Year 2009-10 to 2012-13, for the demand of disallowances of depreciation and related expenses to the extent of Rs. 13.70 lakhs.

Demand has been raised of Rs. 37.3 Lakhs and 15.65 Lakhs by Commissioner Appeal for Assessment Year 2014-15 and Assessment Year 2017-18 respectively

The Company did not have any contingent assets as at the year end.

36 Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	(Rs. in lakhs)	
	As at	As at
	31st March, 2020	31st March, 2019
Property, plant and equipment	290.73	3,089.66
	290.73	3,089.66
Less: Capital advances	139.75	388.30
Net Capital commitments	150.98	2,701.36

(b) Other Commitments

Guarantees given by the Company's Bankers / Bonds / Letter of Undertaking executed by the Company to Government Authorities for purchase under concessional duty / exemption scheme in respect of (net of obligation fulfilled):

- Capital Goods	509.34	75.58
- Raw Materials	2,442.71	2,869.08
Total Other Commitments	2,952.05	2,944.66
Total Commitments	3,103.03	5,646.02

(Rs. in Lakhs)

37 Lease

1 The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount
Short-term leases	823.24
Leases of low value assets	-
Variable lease payments	-
Total	823.24

2 Additional profit or loss and cash flow information

Particulars	Amount
Income from subleasing ROU	-
Total cash outflow in respect of leases in the year	124.16

3 The undiscounted maturity analysis of lease liabilities at 31 March 2020 is as follows:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Lease payments	Finance Charge	Lease payments	Finance Charge
Within 1 year	564.05	54.63	291.09	70.88
1-2years	460.80	32.09	298.83	29.43
2-3years	350.52	8.77	283.91	16.18
3-4years	-	-	235.69	3.46
4-5years	-	-	-	-
5-10years	-	-	-	-
10-25years	-	-	-	-
Over 25years	-	-	-	-
Total	1,375.37	95.49	1,109.52	119.95

4 The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised at 1 April 2019:

Particulars	Amount	Amount
Total operating lease commitments disclosed at 31 March 2019		1,109.52
Recognition exemptions:		
Leases of low value assets	-	-
Leases with remaining lease term of less than 12 months	-	-
Variable lease payments not recognised	-	-
Other minor adjustments relating to commitment disclosures	-	-
Operating lease liabilities before discounting		1,109.52
Discounted using incremental borrowing rate		158.91
Operating lease liabilities		950.60
Reasonably certain extension options		-
Finance lease obligations		-
Total lease liabilities recognised under Ind AS 116 at 1 April 2019		950.60

Silver Spark Apparel Limited
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38 Post retirement benefit plans

As per Actuarial Valuation as on 31st March, 2020 and 31st March, 2019 and recognised in the financial statements in respect of Employee Benefit Schemes (Gratuity):

A. Defined contribution plan:

The Company has defined contribution plan. Contributions are made to provident fund for employees at the rate of 1.2% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual or constructive obligation. The expense recognised during the year towards defined contribution plan is Rs.962.84 Lakhs (31st March 2019: Rs.624.72 Lakhs).

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Present value of plan liabilities	1,079.92	786.29
Fair value of plan assets	443.45	542.15
Plan liability net of plan assets	636.47	244.14

	(Rs. in lakhs)			
	Defined benefit plans		Year ended 31st March, 2019	
	As at 31st March, 2020	As at 31st March, 2019	Plan Assets	Plan Liabilities
As at 1st April	542.15	786.29	545.33	682.64
Current service cost	-	251.58	-	165.75
Obligation taken over during the year	-	-	-	-
Return on plan assets excluding amounts included in net	80.47	-	(6.65)	-
Difference in fair value of plan assets	-	-	-	-
Interest cost	43.39	64.06	43.68	54.50
Actuarial (gain)/loss arising from changes in financial assumptions	-	(33.92)	-	21.60
Actuarial (gain)/loss arising from experience adjustments	(72.54)	107.45	-	(9.77)
Employer contributions	70.50	153.07	1.44	-
Transferred in/Acquisitions	-	-	-	-
Benefit paid directly by the employer	(220.52)	(248.61)	(41.65)	(64.93)
Benefit payments	443.45	1,079.92	542.15	(63.50)
As at 31st March				786.29

The liabilities are based as per the plan participants as follows:

The weighted average duration of the defined benefit plans is 10 years (2018-19 : 9 Years)

The Company expects to contribute Rs. 675.50 to the funded plans in financial year 2020-21 (2019-20 : 343.65)

D. Statement of Profit and Loss

	(Rs. in lakhs)	
	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses:		
Current service cost	251.58	165.75
Total	251.58	165.75
Finance cost/(income)	20.67	10.82
Net impact on the Profit / (Loss) before tax	272.25	176.57
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	80.47	(6.65)
Actuarial gains/(losses) arising from changes in financial assumptions	33.92	(21.60)
Experience gains/(losses) arising on pension plan and other benefit plan liabilities	(107.45)	9.77
Net impact on the Other Comprehensive Income before tax	6.94	(18.48)

Silver Spark Apparel Limited
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E. Assets

(Rs. in lakhs)		
	As at 31st March, 2020	As at 31st March, 2019
Unquoted Insurer managed funds	443.45	542.15
Total	443.45	542.15

F. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post-retirement medical benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date. The significant actuarial assumptions were as follows:

	As at 31st March, 2020	As at 31st March, 2019
Financial Assumptions		
Discount rate	6.56%	7.67%
Salary Escalation Rate	0% - 7.50%	7.50%

G. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	(Rs. in lakhs)			
	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Change in assumption	Increase in assumption by 1%	Decrease in assumption by 1%	Change in assumption
Discount rate	1%	(87.89)	102.46	1%
Salary Escalation Rate	1%	100.47	(79.21)	1%
Attrition Rate	1%	(21.07)	24.06	4%
		(61.23)	68.93	(61.24)
		(26.01)	26.17	70.98

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

H. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

	(Rs. in lakhs)	
	As at 31st March, 2020	As at 31st March, 2019
Year ending 31 March,		
1st following year	62.26	45.87
2nd following year	72.10	52.87
3rd following year	83.52	62.91
4th following year	90.65	72.82
5th following year	93.98	79.36
Thereafter	447.72	358.34

Silver Spark Apparel Limited
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39 Related Party Disclosures as per Ind As-24

Ownership Interest
31st March 2020

1. Relationship

a) Holding Company
Raymond Limited.

100%

b) Fellow subsidiary Companies with whom transactions have taken place during the year :

Raymond Apparel Limited
Celebrations Apparel Limited
Everblue Apparel Limited
Colorplus Realty Limited (Formerly known as Colorplus Fashions Limited)
Raymond (Europe) Limited
Raymond Luxury Cottons Limited.
Raymond Lifestyle International DMCC, UAE
Ring Plus Aqua Limited
J K Files

c) Key Management Personnel and their enterprises where transactions have taken place:

Silver Soaps Private Limited
Avani Agricultural Farms Private Limited
Shri Gautam Hari Singhania
Shri Ram Krishna Bhatnagar
Shri Vipin Agarwal
Smt. Rashmi Mundada
Shri Akshat Chechani
Shri Sandeep kumar Garg resignation w.e.f. 8th February 2019
Shri R. A. Prabhudesai resignation w.e.f. 12th February 2020
Shri R. Narayanan resignation w.e.f. 12th February 2020
Shri Bibek Agarwala resignation w.e.f. 03rd March 2020

d) Trust

Silver Spark Apparel Limited Employees Gratuity Fund

List of subsidiaries included in consolidation-
Name

1. Silver Spark Apparel Limited- India - Holding Company
2. Dress Master Apparel Private Limited- India
3. Silver Spark Middle East (FZE) - The United Arab Emirates
4. Silver Spark Apparel Ethiopia PLC - Ethiopia
5. R & A Logistics, INC (w.e.f. 31st August, 2018) - The United States of America

2. Transactions carried out with related parties referred in 1 above, in ordinary course of business:

(Rs. In Lakhs)

Nature of Transactions	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above
Income				
<i>Job Work charges</i>				
Raymond Limited	798.51 (1018.42)			
Raymond Apparel Limited		- (-)		
Celebrations Apparel Limited		994.54 (22.41)		
Raymond (Europe) Limited		130.81 (-)		
<i>Sales</i>				
Raymond Limited	1.91 (37.30)			
Raymond (Europe) Limited		5246.84 (6743.31)		
Raymond Apparel Limited		3001.27 (2564.46)		
<i>Compensation for rejection</i>				
Raymond (Europe) Limited		- (-)		
<i>Export Script Sales</i>				
Raymond Limited	1508.15 (1157.85)			
J K Files		61.02 (-)		
<i>Others reimbursement</i>				
Raymond Limited	24.97 (115.61)			
Celebrations Apparel Limited		396.21 (281.61)		
Raymond Apparel Limited		- (0.34)		
Everblue Apparel Limited		- (0.02)		
Raymond Luxury Cottons Limited.		- (23.48)		
Raymond (Europe) Limited		- (10.98)		
Professional Fees				
Purchase				
Raymond Limited	13,907.02 (13,736.75)			
Raymond Apparel Limited		98.94 (73.38)		
Raymond Luxury Cottons Limited.		602.27 (2.29)		
Celebrations Apparel Limited		219.51 (79.11)		
	(-)			

Nature of Transactions	Referred in 1 (a) above	Referred in 1 (b) above	Referred in 1 (c) above	Referred in 1 (d) above
Expenses				
<i>Rent</i>				
Raymond Limited	35.88			
Avani Agricultural Farms Private Limited	(35.56)		37.80	
Celebrations Apparel Limited		34.23	(37.80)	
		(-)		
<i>Job Work charges</i>				
Everblue Apparel Limited		-		
		(0.72)		
<i>Deputation of staff</i>				
Raymond Limited	44.33			
	(37.80)			
<i>Commission</i>				
Raymond (Europe) Limited		176.20		
		(66.29)		
<i>Compensation for rejection</i>				
Raymond (Europe) Limited		52.46		
		(-)		
<i>Corporate facility expenses</i>				
Raymond Limited	540.75			
	(448.00)			
<i>Others reimbursement</i>				
Raymond Limited	502.67			
	(13.35)			
Raymond Lifestyle International DMCC		208.66		
		(4.80)		
Celebrations Apparel Limited		-		
		(230.77)		
Directors sitting fees:				
Gautam Hari Singhania	-	-	3.00	-
			(2.00)	
R.A.Prabhudesai	-	-	4.00	
			(2.50)	
R.Narayanan	-	-	4.00	
			(2.50)	
Rashmi Mundada	-	-	4.00	
			(2.50)	
Remuneration				
Sandeep Kumar Garg resignation w.e.f. 8th February 2019	-	-	-	
			(67.47)	
Paid to Trust - Employees Gratuity Fund contribution				20.00
				(1.44)
Finance				
<i>Advances given</i>				
Raymond Lifestyle International DMCC, UAE		-		
		(-)		
<i>Advances repaid</i>				
Raymond Lifestyle International DMCC, UAE		-		
		(3.32)		
<i>Unsecured Loan taken</i>				
Raymond Limited	2000.00			
	(500.00)			
Ring Plus Aqua Limited		1500.00		
		(-)		
<i>Unsecured Loan repaid</i>				
Raymond Limited	3707.96			
	(500.00)			
<i>Interest Expense</i>				
Raymond Limited	117.90			
	(181.55)			
Ring Plus Aqua Limited		66.37		
		(-)		

Previous year's figures are in bracket.

(Rs. in Lakhs)

	31st March'20	31st March'19
Outstandings :		
Payable		
Holding Company		
Raymond Limited	9,591.95	8,832.03
Fellow Subsidiaries		
Raymond (Europe) Limited	214.63	224.49
Celebrations Apparel Limited	-	2.94
Raymond Apparel Limited	242.40	6.01
Raymond Luxury Cottons Limited.	1168.91	-
Ring Plus Aqua Limited	59.73	-
Everblue Apparel Limited	-	0.74
Receivable		
Holding Company		
Raymond Limited	374.70	157.65
Fellow Subsidiaries		
Raymond (Europe) Limited	1232.43	1521.62
Raymond Apparel Limited	1848.50	542.65
Celebrations Apparel Limited	686.94	-
Loans taken		
Holding Company		
Raymond Limited	500.00	1707.96
Advances given		
Holding Company		
Raymond Limited	466.33	8.11
Fellow Subsidiaries		
Raymond Lifestyle International DMCC, UAE	-	220.59
Celebrations Apparel Limited	-	51.41
Raymond Luxury Cottons Limited.	-	21.19
Advances received		
Holding Company		
Raymond Limited	-	53.12
Raymond (Europe) Limited	321.56	294.06
Ring Plus Aqua Limited	1500.00	-
Deposit Given		
Avani Agricultural Farms Private Limited	50.00	50.00

40 Financial risk management objectives and policies

The groups financial risk management is an integral part of how to plan and execute its business strategies. The groups financial risk management policy is set by the Managing Board.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The group manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Exposure to interest rate risk

Particulars	(Rs. in lakhs)	
	As at 31st March '20	As at 31st March '19
Borrowings bearing variable rate of interest	20,809.53	16,996.62

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax

	(Rs. in lakhs)	
	2019-2020	2018-2019
50 bp increase- decrease in profits	(105.20)	(58.53)
50 bp decrease- Increase in profits	105.20	58.53

Market Risk- Foreign currency risk.

The Group operates internationally and portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Derivative instruments and unhedged foreign currency exposure

(a) Derivative outstanding as at the reporting date

Particulars	(Foreign Currency in lakhs)					
	As at 31st March, 2020		As at 31st March, 2019			
Forward contracts to sell USD	USD	30.17	USD	93.33		
Forward contracts to sell EUR	EUR	-	EUR	6.58		
Forward contracts to sell GBP	GBP	39.34	GBP	-		
Forward contracts to sell EUR/USD	EUR	-	EUR	-		
Forward contracts to sell GBP/USD	GBP	-	GBP	-		

(b) Particulars of unhedged foreign currency exposures as at the reporting date:

Particulars	(Foreign Currency in lakhs)					
	USD	EURO	HKD	JPY	GBP	AED
Trade payables	56.50	0.52	-	200.35	0.48	1.59
Trade receivable	71.79	8.80	-	278.35	-	-

As at 31st March, 2019

Particulars	(Foreign Currency in lakhs)					
	USD	EURO	HKD	JPY	GBP	SGD
Trade payables	16.19	1.61	0.36	29.62	-	0.07
Trade receivable	-	0.36	-	96.21	-	-

Foreign Currency Risk Sensitivity

A change of 1% in Foreign currency would have following Impact on profit before tax

	(Rs. in lakhs)			
	2019-2020		2018-2019	
	1% Increase	1% decrease	1% Increase	1% decrease
USD	27.13	(27.13)	(16.78)	16.78
EURO	6.86	(6.86)	(0.97)	0.97
HKD	-	-	(0.03)	0.03
JPY	0.54	(0.54)	0.42	(0.42)
GBP	(0.45)	0.45	-	-
AED	(0.33)	0.33	-	-
SGD	-	-	(0.03)	0.03
Increase / (decrease) in profit or (loss)	33.75	(33.75)	(17.39)	17.39

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Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

The group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the group compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the group. The group categorizes a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the group continues engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Ageing of Account receivables

	(Rs. in lakhs)	
	As at 31st March'20	As at 31st March'19
Not due	1,525.31	6,675.31
0-3 months	6,004.73	2,595.38
3-6 months	3,501.49	75.30
6 months to 12 months	1,089.91	144.35
beyond 12 months	147.46	121.05
Total	12,268.90	9,611.39

Movement in provisions of doubtful debts

	(Rs. in lakhs)	
	As at 31st March'20	As at 31st March'19
Opening provision	13.76	5.04
Add:- Additional provision made	-	8.72
Less:- Provision write off/ reversed	-	-
Closing provisions	13.76	13.76

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Liquidity Risk

Liquidity risk is defined as the risk that the group will not be able to settle or meet its obligations on time, or at a reasonable price. The group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity patterns of borrowings

	(Rs. in lakhs)			
	As at 31st March'20			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	2,685.29	6,825.69	-	9,510.98
Short term borrowings	13,764.88	-	-	13,764.88
Expected interest payable	246.16	103.57	-	349.73
Total	16,696.33	6,929.26	-	23,625.59

	(Rs. in lakhs)			
	As at 31st March'19			
	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long term debt)	961.47	9,546.16	-	10,507.63
Short term borrowings	8,196.95	-	-	8,196.95
Expected interest payable	339.48	215.77	-	555.25
Total	9,497.90	9,761.93	-	19,259.83

Maturity patterns of other Financial Liabilities

	(Rs. in lakhs)				
	Overdue	0-3 months	3-6 months	6 months to 12 months	Total
Trade Payable	11,415.02	4,833.11	905.21	6.95	17,160.29
Lease liabilities	-	14.34	65.33	129.12	755.42
Other Financial liability (Current and Non Current)	-	1,979.19	-	1,601.36	3,580.55
Total	11,415.02	6,826.64	970.54	546.63	21,496.26

	(Rs. in lakhs)				
	Overdue	0-3 months	3-6 months	6 months to 12 months	Total
Trade Payable	8,804.57	5,190.40	104.78	0.20	14,099.95
Other Financial liability (Current and Non Current)	294.06	1,413.88	-	958.81	2,666.75
Total	9,098.63	6,604.28	104.78	959.01	16,766.70

Silver Spark Apparel Limited
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41 Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial Assets and Liabilities as at 31st March'2020	Current		Total	Routed through P & L			Routed through OCI			Carrying at amortised cost	Total Amount
	Non Current			Level 1	Level 2	Level 3	Total	Level 1	Level 2		
Financial Assets											
Trade Receivables	-	12,268.90	12,268.90	-	-	-	-	-	-	-	12,268.90
Cash and cash equivalents	-	190.77	190.77	-	-	-	-	-	-	-	190.77
Bank Balances other than Cash and Cash Equivalents	-	13.51	13.51	-	-	-	-	-	-	-	13.51
Loans	-	7.77	7.77	-	-	-	-	-	-	-	7.77
Other financial asset	811.59	373.25	1,184.84	-	-	295.76	-	-	-	-	889.08
	811.59	12,854.20	13,665.79	-	-	295.76	-	-	-	-	13,370.03
Financial Liabilities											
Borrowings	6,768.99	13,764.88	20,533.87	-	-	-	-	-	-	-	20,533.87
Trade Payables	-	17,160.29	17,160.29	-	-	-	-	-	-	-	17,160.29
Other Financial Liabilities	-	6,222.31	6,222.31	-	-	-	-	-	-	-	6,222.31
Mark to market on derivative financial instruments*	-	100.24	100.24	-	100.24	-	-	-	-	-	100.24
	6,768.99	37,247.72	44,016.71	-	100.24	-	-	-	-	-	43,916.47
											44,016.71

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Financial Assets and Liabilities as at 31st March'2019	Current		Total	Routed through P & L			Routed through OCI			Carrying at amortised cost	Total Amount	
	Non Current			Level 1	Level 2	Level 3	Level 1	Level 2	Level 3			Total
Financial Assets												
Trade Receivables	-	9,611.39	9,611.39	-	-	-	-	-	-	9,611.39	9,611.39	
Cash and cash equivalents	-	351.45	351.45	-	-	-	-	-	-	351.45	351.45	
Bank Balances other than Cash and Cash Equivalents	-	1.54	1.54	-	-	-	-	-	-	1.54	1.54	
Loans	-	30.52	30.52	-	-	-	-	-	-	30.52	30.52	
Other financial asset	641.86	632.05	1,273.91	-	-	227.04	-	-	-	1,046.87	1,273.91	
Mark to market on derivative financial instruments*	-	110.08	110.08	-	110.08	-	-	-	-	-	110.08	
	641.86	10,737.03	11,378.89	-	110.08	227.04	-	-	-	11,041.77	11,378.89	
Financial Liabilities												
Borrowings	9,546.16	8,196.95	17,743.11	-	-	-	-	-	-	17,743.11	17,743.11	
Trade Payables	-	14,099.95	14,099.95	-	-	-	-	-	-	14,099.95	14,099.95	
Other Financial Liabilities	-	3,628.22	3,628.22	-	-	-	-	-	-	3,628.22	3,628.22	
	9,546.16	25,925.12	35,471.28	-	-	-	-	-	-	35,471.28	35,471.28	

* Fair value has been considered based on confirmation from bank

Fair value of financial assets and liabilities measured at amortised cost -

Financial Assets and Liabilities	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Financial Assets				
Trade Receivables	12,268.90	12,268.90	9,611.39	9,611.39
Cash and cash equivalents	190.77	190.77	351.45	351.45
Bank Balances other than Cash and Cash Equivalents	13.51	13.51	1.54	1.54
Loans	7.77	7.77	30.52	30.52
Other financial asset	889.08	889.08	1,046.87	1,046.87
	13,370.03	13,370.03	11,041.77	11,041.77
Financial Liabilities				
Borrowings	20,533.87	20,533.87	17,743.11	17,743.11
Trade Payables	17,160.29	17,160.29	14,099.95	14,099.95
Other Financial Liabilities	6,222.31	6,222.31	3,628.22	3,628.22
	43,916.47	43,916.47	35,471.28	35,471.28

Note - The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

42 Capital risk management

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

43 Segment Information

The Group's business activity falls within a single primary business segment of manufacture of trousers and jackets. Accordingly, the group is a single segment group in accordance with Indian Accounting Standard 108 "Operating Segment". The Group has disclosed the segment information based on the location of customer and asset.

Summary of Segment Revenue and Segment assets

Particulars	(Rs. in lakhs)					
	India		Rest of the world		Total	
	Current year	Previous year	Current year	Previous year	Current year	Previous year
Segment Revenue *	1,367.69	4,694.87	64,660.82	51,442.63	66,028.51	56,137.50
Carrying cost of total segment assets**	45,124.14	37,457.44	13,822.14	13,441.25	58,946.28	50,898.69
Carrying cost of segment Non Current assets**@	16,540.91	13,889.35	8,548.42	8,979.56	25,089.33	22,868.91
Additions to Property, plant and equipments including Intangible Assets**	3,339.77	910.64	156.02	2,783.97	3,495.79	3,694.61

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset.

Further the company meets the quantitative threshold as mentioned in Ind AS 108 and hence separate information has been disclosed below.

Reporting of Customers contributing to revenue more then 10%.

Name of Customer	Revenue	
	31st March, 2020	31st March, 2019
Tailored Brands	11,917.30	969.75
JCpenney Purchasing Corporation	11,004.19	9,475.35
PeerlessClothing Inc.	5,950.32	9,087.95
Raymond (Europe) Limited	5,377.65	6,590.78
Express	5,200.98	9,539.91
Others	24,541.91	18,683.92
Total	63,992.35	54,347.66

Note:

During the subsequent period, one of Company's largest foreign customers has declared bankruptcy and is expected to reorganize and resume its operations. The Company has receivable from that customer is Rs. 1605.29 Lacs as on 31st March, 2020 against which Rs. 1173.59 Lacs has been received subsequent to the Balance Sheet date and balance receivable amount will be adjusted by the bankruptcy court in negotiations with that customer's creditors. The magnitude of the adjustment at this time can't be determined. However, the Company has taken insurance cover to the extent of Rs. 8 Crs thorough Export Credit Guarantee corporation to mitigate any credit loss.

Silver Spark Apparel Limited
Notes to the consolidated financial statements

44A

Business transfer agreement

During the current year, the Company had entered into a Business Transfer Agreement (BTA) with Celebration Apparel Limited (Both parties are wholly owned subsidiaries of same Holding companies i.e. Raymond Limited) for purchase of garmenting business by way of slump sale on going concern basis, with effect from 1st December, 2019 for a lump sum consideration of INR 5.00 Lacs. The Company had discharged the consideration in cash.

Accordingly, the Company has capitalised the tangible and intangible fixed asset at fair value and other assets and liabilities at book value in its books of account. The shortage of consideration paid over the value of assets and liabilities was recognised as gain on purchase of assets and liabilities on slump sale and has been transferred to reserve. The summary of assets and liabilities taken over and recognised pursuant to the BTA, is as under:

Particulars	Rs. in lakhs
Tangible Assets	896.58
Capital Work in progress	9.91
Current Assets	3,124.80
Other Current Assets	450.48
Other Financial assets	141.36
Loan from Holding Companies	(966.33)
Other current liabilities & Provisions	(2,778.19)
Other financial liabilities	(212.59)
Other Non-current liabilities	(96.94)
Net Assets Acquired	569.09
Total Consideration	(5.00)
Gain on Purchase of Assets on Slump Sale (Gross)	564.09
Deferred Tax Liabilities on Tangible Assets transferred (Refer Note 33)	(127.27)
Net Gain on Purchase of Assets on Slump Sale (Capital Reserve)	436.82

44B

At their Meeting held on October 18, 2019, the Board of Directors of the Company had approved a Scheme of arrangement ("Scheme"), which comprises of demerger of Garmenting business Undertaking of Dress Master Apparel Private Limited (a wholly-owned subsidiary of Company) with Silver Spark Apparel Limited. The Scheme was approved by the Hon'ble NCLT, Mumbai Bench on February 27, 2020. However due to the COVID-19 outbreak and subsequent nation-wide lockdown, the Certified True Copy of the Order approving the Scheme was not made available by Hon'ble NCLT, Mumbai. The Scheme contemplates the Effective Date as the date on which the Certified True Copy of the Order is filed with the Registrar of Companies. Pending receipt of the Certified True Copy of the Order and consequent filing with the Registrar of Companies, the Company has not given effect of the Scheme in the consolidated financial statements for the year ended March 31, 2020.

45

In March 20, the WHO declared COVID-19 to be pandemic. Consequent to this, Government of India declared national lockdown on March 24, 2020, which has impacted business activities of the Company. The Company has assessed the impact of this pandemic on its business operations and has considered all relevant internal and external information available up to the date of approval of these Consolidated Financial Statements, in determination of the recoverability and carrying value of property, plant, equipments, and other intangible assets and in relation to other financial statements captions. In the case of Inventory, Management has performed the year-end inventory verification at each of its locations after the year end due to COVID 19 pandemic.

The impact of covid-19 pandemic on the overall economic environment being uncertain may affect the underlying assumptions and estimates used to prepare Company's financial statements, which may differ from that considered as at the date of approval of these Consolidated Financials Statements. As the situation is unprecedented the lockdown is gradually lifting, the Company is closely monitoring evolving situation to future economic conditions. The company has resumed its business activities on gradual basis in line with guideline issued by the Government Authorities. The Company is adhering to all COVID-19 guidelines for employees and customers.

46

The Company has initiated the process of obtaining Balance confirmations and is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management is of the opinion the balances outstanding are correct and does not expect any material differences in the balances that would be affecting the current year's financial statements on receipt of the balance confirmations post the balance sheet date.

Silver Spark Apparel Limited
Notes to the consolidated financial statements

47 Earnings per share

	Year ended 31st March, 2020	Year ended 31st March, 2019
Earnings Per Share		
Profit/(Loss) for the year (Rs. in lakhs)	(1,338.77)	(931.40)
Weighted average number of equity shares outstanding (nos.)	89,64,300	89,64,300
Earnings Per Share (Rs. per equity share of Rs. 10 each)		
-Basic	(14.93)	(10.39)
-Diluted	(14.93)	(10.39)

As per our Report of even date

For Chaturvedi & Shah LLP

Chartered Accountants

Firm Registration Number : 101720W/ W100355

For and on behalf of the Board of Directors

Sd/-
Vipin Agarwal

Sd/-
Ram Krishna Bhatnagar
Director
DIN: 02313614

Director
DIN: 02963480

Sd/-
Lalit R. Mhalsekar
Partner
Membership No. 103418
Place: Mumbai
Date: 24th June, 2020

Sd/-
Akshat Chechani
Company Secretary
Place: Mumbai
Date: 24th June, 2020

Jaykayorg S.A.

Neuchâtel

Report of the statutory auditors to the
General Meeting
on the financial statements 2019



Report of the statutory auditors

on the limited statutory examination to the General Meeting of Jaykayorg S.A. Neuchâtel

As statutory auditors, we have examined the financial statements of Jaykayorg S.A., which comprise the balance sheet, profit and loss statement and notes, for the year ended 31 December 2019. The audit fieldwork was completed on 27 March 2020.

These financial statements are the responsibility of the Board of Directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered appropriate in the circumstances. However, the testing of the operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

PricewaterhouseCoopers SA



Roberto Di Grazia
Audit expert
Auditor in charge



Mike Montandon
Audit expert

Neuchâtel, 7 May 2020

Enclosures:

- Financial statements (balance sheet, profit and loss statement and notes)
- Proposed appropriation of available earnings

*PricewaterhouseCoopers SA, Rue des Epancheurs 6, case postale, CH-2001 Neuchâtel, Switzerland
Téléphone: +41 58 792 67 00, Téléfax: +41 58 792 67 10, www.pwc.ch*

PricewaterhouseCoopers SA is a member of the global PricewaterhouseCoopers network of firms, each of which is a separate and independent legal entity.

Balance sheet as at 31 December
(in Swiss francs)

Assets	2019	2018
Current assets		
Cash and cash equivalents	167'390	441'015
Trade receivables - <i>due from direct / indirect investments</i>	636'564 636'564	324'413 324'413
Total current assets	803'954	765'428
Non-current assets		
Financial assets - <i>Long-term receivables from group companies</i> <i>Long-term investments with a quoted market price</i>	2'679'979 1'000'000 1'679'979	2'773'249 1'121'212 1'652'037
Investments	275'500	275'500
Property, plant and equipment	2'274	3'799
Total non-current assets	2'957'753	3'052'548
Total assets	3'761'707	3'817'976
Liabilities	2019	2018
Short-term liabilities		
Trade payables - <i>due to direct / indirect investments</i>	0 0	78'955 78'955
Accrued expenses and deferred income	9'230	12'183
Total short-term liabilities	9'230	91'138
Total liabilities	9'230	91'138
Shareholders' equity		
Share capital	50'000	50'000
Legal reserves	25'000	25'000
Statutory retained earnings	4'488'533	4'488'533
Loss brought forward	-836'700	-853'072
Profit for the year	25'644	16'372
Total shareholders' equity	3'752'477	3'726'838
Total liabilities	3'761'707	3'817'976

**Profit and loss statement for the financial year
ended 31 December
(in Swiss francs)**

	2019	2018
Commission received	445'862	426'748
Commission paid	-88'745	0
Staff costs	-65'794	-72'101
Other operating expenses -	-359'242	-327'193
<i>Marketing costs</i>	-171'035	-154'989
<i>Consultancy and development cost</i>	-146'364	-117'475
<i>Directors fees, accounting and audit</i>	-41'843	-54'728
Depreciation and valuation adjustments to fixed assets	-1'520	-2'536
Operating Result	-69'440	24'919
Financial income -	102'808	54'546
<i>Profit on investment</i>	9'955	9'801
<i>Interest income</i>	59'999	44'745
<i>Exchange profit</i>	32'854	0
Financial expenses -	-7'724	-63'092
<i>Bank Charges</i>	-7'724	-8'060
<i>Exchange loss</i>	0	-55'032
Profit before taxes	25'644	16'372
Profit for the year	25'644	16'372

**Notes to the 2019 financial statements
(in Swiss francs)**

1 Accounting principles applied in the preparation of the financial statements

These financial statements have been prepared in accordance with the provisions of commercial accounting as set out in the Swiss Code of Obligations (Art. 957 to 963b SCO, effective since 1 January 2013). Significant balance sheet items are accounted for as follows:

Trade receivables

Trade receivables and other short-term receivables are carried at their nominal value. There is no value correction on this part.

Loans are confirmed with confirmation statements as of December 31, 2019.

Recognition of revenue

Commission received are resulting of payments from the entity of Raymond Europe Limited.

The commissions are used to finance the activity of Jaykayorg AG which is to create new commercial opportunities for the Group Raymond. The commission received in 2019 are used to cover the costs of the activity.

Non-current assets and leases

Property, plant and equipment is carried at cost or manufacturing cost less depreciation. Assets held under finance leases are carried at the lower of the fair value of the asset and the present value of the minimum lease payments. The related outstanding finance lease obligations are presented under liabilities.

Depreciation is calculated on the basis of the following useful lives and in accordance with the following methods:

Property, plant and equipment	Useful life	Method
Computers	5 years	40% degressive
Vehicles and machinery	5 years	40% degressive

Long-term investments with a quoted market price

Long-term investments have a quoted market price and are priced according to historical value less amortization as per art 960a para 2. of SCO.

Foreign currencies

Monetary and non-monetary items in foreign currency are translated into Swiss francs at the following exchange rates:

Foreign currency	2019 profit and loss statement	Balance sheet as at 31.12. 2019
GBP	1.3063	1.2835
USD	1.0120	0.9778
EUR	1.1510	1.0960

The exchange rates used for balance sheet items are the rates prevailing on December 31; the exchange rates used for transactions conducted during the course of the year and for items in the profit and loss statement are average rates for the 2019 financial year.

2 Details, analyses and explanations to the financial statements

The company Jaykayorg AG is located in Neuchâtel.

The number of full-time equivalents did not exceed 10 on an annual average basis.

Equity participations

Name and legal form	Registered office	2019		2018	
		Capital	Votes	Capital	Votes
PT. Jayka Files Indonesia	Sidoarjo	332'000 RPH	15.2	332'000 RPH	15.2

Pension liabilities

On 31 December 2019 there is no liability to the pension scheme as on 31 December 2018

Significant events occurring after the balance sheet date

Due to the epidemic of Coronavirus in Switzerland and around the world since January 2020, the activity of Jaykayorg SA will undergo a certain slowdown. So far, we are not in a position to quantify its impact and financial consequences with certainty. At present, this situation casts no doubt on the company's going concern.

Jaykayorg AG, Neuchâtel

**Retained earnings carried forward
(in Swiss francs)**

	2019	2018
Retained earnings at the beginning of the period	3'651'833	3'635'461
Profit for the year	25'644	16'372
Retained earnings available to the general meeting	3'677'477	3'651'833

**Motion of the board of directors on the
allocation of retained earnings
(in Swiss francs)**

	2019 Motion of the board of directors	2018 Decision of the shareholders' meeting
Retained earnings available to the general meeting	3'677'477	3'651'833
Carried forward	3'677'477	3'651'833

RAYMOND (EUROPE) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

RAYMOND (EUROPE) LIMITED

COMPANY INFORMATION

Directors	V. P. Singhania G. H. Singhania M. Mishra
Company secretary	M. Mishra
Registered number	00427594
Registered office	Barratt House 341-349 Oxford Street London W1C 2JE
Independent auditors	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 7-10 Chandos Street London W1G 9DQ

RAYMOND (EUROPE) LIMITED

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RAYMOND (EUROPE) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their Annual Report, together with the financial statements and auditor's report of Raymond (Europe) Limited, (the "Company") for the year ended 31 December 2019.

Business review

During the year the Company sought to position itself for future growth opportunities for longer term value for the Shareholders.

Long term relationships with major customers remain strong and this allied to further enhancements should help the Company achieve its desired returns.

The directors consider that the results for the year and the state of the Company's affairs at the year end, as shown in the financial statements, to be satisfactory.

Principal risks and uncertainties

COVID-19

Due to the COVID-19 disruption, our customers are not trading at their full capacity and it is anticipated that our turnover will reduce during the pandemic. Whilst, this poses a challenge for the company in the short-term, the company has taken adequate steps to reduce cost by using the job retention scheme and arranging favourable paying terms with certain creditors to manage the cashflow. In addition, the company has substantial loan facilities available to manage any shortfall in the cashflow.

The long term trading condition still looks favourable, as we have strong client base and it is anticipated that the turnover will gradually increase once the pandemic is over. We anticipate there will be changes in customer habits towards spending on suits, but we do not anticipate a considerable shift to change our business model. In addition, we anticipate change to the supply chain structure as more business will reduce the risk of sourcing from one supplier, which will benefit the company to grow its customer base.

Foreign Exchange Risk

Foreign currency risk exposures arises primarily from trade receivables, trade payables and intercompany loans denominated in Euros and US Dollars.

Trade receivables

Trade receivables are managed in respect of credit and cash flow risk by regular review of customers' credit rating, continual communication with customers and regular monitoring of amounts outstanding and the age of debt.

Trade payables

Trade payables liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Financial key performance indicators

The key performance indicators of the company are turnover and gross profit margin. A brief analysis of these is shown below:

	2019	2018	Variance
	£	£	%
Turnover	10,046,639	11,243,782	(10.06)
Gross profit margin	11.80%	12.68%	

RAYMOND (EUROPE) LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

This report was approved by the board on 8 June 2020 and signed on its behalf.

Sd/-

.....

M. Mishra
Director

RAYMOND (EUROPE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £25,851 (2018 - £57,695).

Future Developments

Due to the epidemic of Coronavirus in the U.K. and around the world since January 2020, the activity of Raymond (Europe) Ltd will undergo a certain slowdown. So far, we are not in a position to quantify its impact and financial consequences with certainty. We believe that the company is in good financial position to weather the impact of this disruption and at present this situation casts no doubt on the company's going concern.

Directors

The directors who served during the year were:

V. P. Singhania
G. H. Singhania
M. Mishra

Engagement with employees

Enter text here - user input

RAYMOND (EUROPE) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Simmons Gainsford LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 June 2020 and signed on its behalf.

Sd/-
M. Mishra
Director

RAYMOND (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAYMOND (EUROPE) LIMITED

Opinion

We have audited the financial statements of Raymond (Europe) Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

RAYMOND (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAYMOND (EUROPE) LIMITED (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

RAYMOND (EUROPE) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RAYMOND (EUROPE) LIMITED
(CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.

Atulya Mehta FCCA (Senior statutory auditor)

for and on behalf of

Simmons Gainsford LLP

Chartered Accountants
Statutory Auditors

7-10 Chandos Street
London
W1G 9DQ

Date: 8 June 2020

RAYMOND (EUROPE) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover	4	10,046,639	11,243,782
Cost of sales		(8,860,752)	(9,818,084)
Gross profit		<u>1,185,887</u>	<u>1,425,698</u>
Distribution costs		(322,265)	(496,943)
Administrative expenses		(755,621)	(791,439)
Operating profit	5	<u>108,001</u>	<u>137,316</u>
Interest receivable and similar income	9	24	38
Interest payable and expenses	10	(75,141)	(65,156)
Profit before tax		<u>32,884</u>	<u>72,198</u>
Tax on profit	11	(7,033)	(14,503)
Profit for the year		<u><u>25,851</u></u>	<u><u>57,695</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 11 to 22 form part of these financial statements.

RAYMOND (EUROPE) LIMITED
REGISTERED NUMBER: 00427594

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	12	528	600
		<u>528</u>	<u>600</u>
Current assets			
Stocks	13	893,022	1,356,905
Debtors: amounts falling due after more than one year	14	68,357	78,292
Debtors: amounts falling due within one year	14	3,425,548	3,436,269
Cash at bank and in hand	15	504,920	706,879
		<u>4,891,847</u>	<u>5,578,345</u>
Creditors: amounts falling due within one year	16	(3,486,214)	(4,086,424)
Net current assets		<u>1,405,633</u>	<u>1,491,921</u>
Total assets less current liabilities		<u>1,406,161</u>	<u>1,492,521</u>
Creditors: amounts falling due after more than one year	17	(778,783)	(890,994)
Net assets		<u><u>627,378</u></u>	<u><u>601,527</u></u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		626,378	600,527
		<u><u>627,378</u></u>	<u><u>601,527</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 June 2020.

.....
Sd/-

M. Mishra
Director

The notes on pages 11 to 22 form part of these financial statements.

RAYMOND (EUROPE) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1,000	600,527	601,527
Comprehensive income for the year			
Profit for the year	-	25,851	25,851
At 31 December 2019	<u>1,000</u>	<u>626,378</u>	<u>627,378</u>

The notes on pages 11 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	1,000	542,832	543,832
Comprehensive income for the year			
Profit for the year	-	57,695	57,695
At 31 December 2018	<u>1,000</u>	<u>600,527</u>	<u>601,527</u>

The notes on pages 11 to 22 form part of these financial statements.

RAYMOND (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Raymond (Europe) Limited is a private company limited by share capital, incorporated in England and Wales, registered number 00427594. The address of the registered office is Barratt House, 341-349 Oxford Street, London, W1C 2JE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Raymond Limited as at 31 March 2020 and these financial statements may be obtained from Plot No. 156, No. 2, Village Zadagon, Ratnagiri 415612, (Maharashtra), India..

RAYMOND (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Commission income is recognised only when the customer has paid for the goods supplied and the cash is received.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

RAYMOND (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

RAYMOND (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 6 years
Fixtures, fittings and equipment	- 4 - 10 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

4. Turnover

An analysis of turnover by class of business is as follows:

	2019 £	2018 £
Clothing wholesale	9,061,653	9,847,140
Commissions receivable	984,986	1,396,642
	<u>10,046,639</u>	<u>11,243,782</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	7,349,395	7,155,466
Rest of Europe	770,865	1,640,044
Rest of the world	1,926,379	2,448,272
	<u>10,046,639</u>	<u>11,243,782</u>

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	5,808	6,516
Other operating lease rentals	126,428	120,728
	<u>126,428</u>	<u>120,728</u>

6. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	15,500	15,500
	<u>15,500</u>	<u>15,500</u>

Fees payable to the Company's auditor and its associates in respect of:

All other services	1,898	2,711
	<u>1,898</u>	<u>2,711</u>

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2019 £	2018 £
Wages and salaries	274,514	274,500
Social security costs	25,725	26,967
Cost of defined contribution scheme	3,345	2,117
	<u>303,584</u>	<u>303,584</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Management	1	1
Marketing	2	2
Administrative	6	7
	<u>9</u>	<u>10</u>

8. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	<u>100,000</u>	<u>100,000</u>

The highest paid director received remuneration of £100,000 (2018 - £100,000).

9. Interest receivable

	2019 £	2018 £
Other interest receivable	<u>24</u>	<u>38</u>

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	27,942	28,429
Other interest payable	47,199	36,727
	75,141	65,156

11. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	6,777	14,091
	6,777	14,091
Deferred tax		
Origination and reversal of timing differences	256	412
	256	412
Taxation on profit on ordinary activities	7,033	14,503

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	32,884	72,198
	32,884	72,198
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	6,247	13,718
Effects of:		
Capital allowances for year in excess of depreciation	(256)	(409)
Disallowed Expenses	786	782
Deferred Tax	256	412
Total tax charge for the year	7,033	14,503

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation (continued)

Factors that may affect future tax charges

The Finance Act 2016 announced that the proposed reduction in the main corporation tax rate from 2020 would be 17%. However, the government has indicated that this reduction will not occur although the necessary legislation has yet to be enacted.

12. Tangible fixed assets

	Motor vehicles £	Fixtures, fittings & equipment £	Total £
Cost or valuation			
At 1 January 2019	43,885	98,176	142,061
At 31 December 2019	43,885	98,176	142,061
Depreciation			
At 1 January 2019	43,885	97,576	141,461
Charge for the year on owned assets	-	72	72
At 31 December 2019	43,885	97,648	141,533
Net book value			
At 31 December 2019	-	528	528
At 31 December 2018	-	600	600

13. Stocks

	2019 £	2018 £
Raw materials and consumables	251,644	96,847
Goods for resale	641,378	1,260,058
	893,022	1,356,905

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Debtors

	2019 £	2018 £
Due after more than one year		
Trade debtors	43,613	53,548
Other debtors	24,744	24,744
	<u>68,357</u>	<u>78,292</u>
	<u><u>68,357</u></u>	<u><u>78,292</u></u>
	2019 £	2018 £
Due within one year		
Trade debtors	2,742,595	2,718,036
Amounts owed by group undertakings	323,980	552,385
Other debtors	185,181	105,937
Prepayments and accrued income	169,999	55,862
Deferred taxation	3,793	4,049
	<u>3,425,548</u>	<u>3,436,269</u>
	<u><u>3,425,548</u></u>	<u><u>3,436,269</u></u>

15. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	504,920	706,879
Less: bank overdrafts	(689,858)	(650,027)
	<u>(184,938)</u>	<u>56,852</u>
	<u><u>(184,938)</u></u>	<u><u>56,852</u></u>

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	689,858	650,027
Trade creditors	1,613,459	2,364,502
Amounts owed to group undertakings	39,229	-
Corporation tax	(1,471)	1,752
Other taxation and social security	306,418	273,740
Other creditors	19,345	8,501
Accruals and deferred income	819,376	787,902
	3,486,214	4,086,424

17. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	778,783	890,994
	778,783	890,994

18. Deferred taxation

		2019 £
At beginning of year		4,049
Charged to profit or loss		(256)
At end of year		3,793

The deferred tax asset is made up as follows:

	2019 £	2018 £
Accelerated depreciation	3,793	4,049
	3,793	4,049

RAYMOND (EUROPE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	85,640	82,840
Later than 1 year and not later than 5 years	27,613	110,453
	<u>113,253</u>	<u>193,293</u>

20. Related party transactions

The company has taken advantage of the exemptions available in Financial Reporting Standard 102, whereby it has not disclosed transactions with the immediate parent company or any wholly owned subsidiary undertaking of the group.

Included in other debtors there is the amount of £474 (2018: £NIL) which directors owe to the company.

21. Controlling party

The company regards Raymond Limited, a company incorporated in India, as its immediate and ultimate parent undertaking for the current and preceding year. The financial statement in which the results of the company are consolidated are available to the public at the following address:

Plot No. 156
H. No. 2
Village Zadgaon
Ratnagiri 415612
(Maharashtra)
India

RAYMOND (EUROPE) LIMITED

DETAILED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2019

RAYMOND (EUROPE) LIMITED

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Turnover		10,046,639	11,243,782
Cost Of Sales		(8,860,752)	(9,818,084)
Gross profit		<u>1,185,887</u>	<u>1,425,698</u>
Gross profit %		11.8 %	12.7 %
Less: overheads			
Selling and distribution expenses		(322,265)	(496,943)
Administration expenses		(755,621)	(791,439)
Operating profit		<u>108,001</u>	<u>137,316</u>
Interest receivable		24	38
Interest payable		(75,141)	(65,156)
Tax on profit on ordinary activities		(7,033)	(14,503)
Profit for the year		<u>25,851</u>	<u>57,695</u>

RAYMOND (EUROPE) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Turnover		
Sales - Domestic	7,349,395	7,155,466
Sales - Other EU	656,931	1,323,863
Sales - Rest of world	1,055,327	1,367,811
Commissions receivable - Other EU	113,934	316,181
Commissions receivable - Rest of world	871,052	1,080,461
	<u>10,046,639</u>	<u>11,243,782</u>
	2019 £	2018 £
Cost of sales		
Opening stocks and work in progress	1,356,905	976,508
Closing stocks and work in progress	(893,022)	(1,356,905)
Purchases	7,534,564	8,953,406
Commissions payable	710,159	1,219,008
Discount allowed	152,146	26,067
	<u>8,860,752</u>	<u>9,818,084</u>
	2019 £	2018 £
Selling and distribution expenses		
Promotion	168,547	215,694
Commission	805	13,475
Carriage	152,913	267,774
	<u>322,265</u>	<u>496,943</u>

RAYMOND (EUROPE) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Administration expenses		
Directors salaries	100,000	100,000
Staff salaries	174,514	174,500
Staff national insurance	25,725	26,967
Staff pension current service costs (DC)	3,345	2,117
Motor running costs	5,331	4,080
Entertainment	4,959	4,997
Hotels, travel and subsistence	162,350	195,853
Printing and stationery	4,086	3,757
Telephone and fax	6,808	7,874
Computer costs	11,068	11,402
Trade subscriptions	5,634	7,490
Legal and professional	3,096	5,154
Auditors' remuneration	15,500	15,500
Auditors' remuneration - non-audit	1,898	2,711
Bank charges	7,040	15,153
Difference on foreign exchange	5,808	6,516
Sundry expenses	15,602	11,804
Rent - operating leases	126,428	120,728
Rates	45,337	44,859
Light and heat	2,714	1,740
Cleaning	1,969	1,930
Insurances	24,393	24,165
Repairs and maintenance	1,944	1,546
Depreciation - office equipment	24	405
Depreciation - fixtures and fittings	48	191
	755,621	791,439
	755,621	791,439
	2019 £	2018 £
Interest receivable		
Bank interest receivable	24	38
	24	38
	24	38

RAYMOND (EUROPE) LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Interest payable		
Bank overdraft interest payable	27,942	28,429
Other interest	47,199	36,727
	<u>75,141</u>	<u>65,156</u>
	<u><u>75,141</u></u>	<u><u>65,156</u></u>

Raymond Lifestyle (Bangladesh) Pvt. Ltd
AS AT 31ST MARCH, 2020

	Particulars	Note No.	As at 31st March, 2020 (taka.)
I	ASSETS		
1	Non-current Assets		
	(a) Property, Plant and Equipment	-	-
	(b) Financial Assets		
	(i) Investments	-	-
	(ii) Others financial assets	-	-
2	Current assets		
	(a) Financial Assets		
	(i) Investments	-	-
	(ii) Cash and cash equivalents	1	5,034,700
	(b) Assets for Current Tax (Net)		480,000
	TOTAL ASSETS		5,514,700
II	EQUITY AND LIABILITIES		
1	Equity	2	
	a) Equity share capital		4,999,990
	b) Other equity		
	(i) Reserves & Surplus		-
	(ii) Other Reserves (OCI)		-
	(iii) Loss for the year		(2,474,507)
2	Liabilities		
	Current liabilities		
	(a) Financial Liabilities		
	(i) Other financial liabilities	-	-
	(b) Other Current Liabilities	3	2,989,217
	(i) Statutory Dues		-
	TOTAL LIABILITIES		5,514,700
	Significant Accounting Policies	-	

For Raymond Lifestyle (Bangladesh) Private Limited

Sd/-
Director

Raymond Lifestyle (Bangladesh) Pvt. Ltd
Statement of Profit and Loss for the period ended 31st March, 2020

	Particulars	Note No.	Period ended 31st March, 2020
I	Revenue from operations		-
	Other income		-
	Total Income		-
II	Expenses:		
	Cost of materials consumed		-
	Purchases of stock-in-trade		-
	Employee benefits		-
	Finance costs		-
	Depreciation and amortisation		-
	Other expenses		2,474,507
	Total expenses		2,474,507
III	Loss before tax (I - II)		(2,474,507)
IV	Tax expense		
	Current tax		-
	Deferred tax charge/(credit)		-
V	Profit after tax for the period (III - IV)		(2,474,507)
VI	Other Comprehensive Income for the year		
	<u>Items that will not be reclassified to Profit and Loss</u>		
	i) Changes in Fair Value of FVOCI equity instrument		-
	ii) Gain on Sale of FVOCI equity instrument		-
			-
VII	Total Comprehensive Income for the year (V+VI)		(2,474,507)
VIII	Earnings per equity share		
	Basic		
	Diluted		
	Significant Accounting Policies		

As per our Report of even date
For Raymond Lifestyle (Bangladesh) Private Limited

Sd/-
Director

Raymond Lifestyle International DMCC
DUBAI - U.A.E.

Liquidation Statement of Affairs
As at November 7, 2019

Liquidator's Report on

Raymond Lifestyle International DMCC
DUBAI - U.A.E.
Licence Number - DMCC-185130

Raymond Lifestyle International DMCC (Under Liquidation), Dubai, U.A.E has appointed our firm as the Liquidator of the Company. Accordingly in our capacity as the Liquidator we have performed the Liquidation duties and report as follows:

- 1 The Company was put into Liquidation vide a Resolution passed in the meeting of the Shareholders held on April 30, 2019.
- 2 The Liquidation Statement of Affairs as on November 7, 2019 duly signed by the Director is attached herewith.
- 3 The principal activities of the Company was Trading in Textiles, Gifts, Perfumes & Cosmetics, Hand Bags & Leather Products, and Readymade Garments as approved by the Implementing Rules and Regulations of the DMCC.
- 4 As on the Date of Liquidation there were no assets and liabilities in the books of the Company.
- 5 Company has closed the both the bank accounts of "Bank of Baroda" and "Standard Chartered Bank" as per closure certificate dated 15.9.2019 and 01.10.2019 respectively.
- 6 There are no claims outstanding to employees.
- 7 Till Liquidation of the company, there were no creditors for the company and no claim from any creditor.
- 8 The shareholder have confirmed if any claims arise after Liquidation the same will be settled by them in their personal / corporate capacity.
- 9 As there are no other assets available for distribution or any further claims against the Company, the Liquidation proceedings have hereby been closed.
- 10 The Company may now make an application to the DMCC for Deregistration and cancellation of their license.

Based on the procedures performed, the attached Liquidation Financial Statements give a true and fair view of the financial position of Raymonds Lifestyle International DMCC as of November 07, 2019 and its financial performance from April 01, 2019 till November 07, 2019 in accordance with International Financial Reporting Standards for Small and Medium Enterprises.

for Parag Parekh and Co, Chartered Accountants

Parag Pratap Parekh
Ministry of Economy Registration No 449
Dubai, United Arab Emirates
November 7, 2019

Raymond Lifestyle International DMCC
 DUBAI - U.A.E.
 (On completion of Liquidation Proceedings)
 (Licence no. DMCC-185130)

REALISATION AND LIQUIDATION STATEMENT
 April 1, 2019 to November 7, 2019

	After Liquidation As At 07.11.2019 (AED)	Before Liquidation Year Ending 31.03.2019 (AED)
Revenue	-	12,56,457
Cost of Revenue	-	(3,89,397)
Gross Profit	-	<u>8,67,060</u>
Expenses		
Administrative Expenses	1,00,896	2,76,912
Office Rent	15,000	1,72,129
Personnel Costs	3,31,707	12,55,090
Interest on Due to Related Party Balances	-	61,776
Depreciation	1,653	1,033
Due from Related Party Written Off	2,93,988	-
Sub Total	<u>7,43,244</u>	<u>17,66,940</u>
Other Income		
Due to Related Party & Other Payables Written back	14,77,269	-
Net Profits / (Losses) taken to Balance Sheet	<u>7,34,025</u>	<u>(8,99,880)</u>

On behalf of the Sole Shareholder, the Director acknowledges and approves the contents of this statements.

Digitally signed by Mr. Gautam Hari Singhania
 DN: cn=Mr. Gautam Hari Singhania, o=Raymond Lifestyle International DMCC, ou=Raymond Lifestyle International DMCC, email=gautam@raymondlifestyle.com, c=AE
 Date: 2019.11.07 12:20:51 +0500

Mr. Gautam Hari Singhania
 Director
 November 7, 2019

Raymond Lifestyle International DMCC
 DUBAI - U.A.E.
 (On completion of Liquidation Proceedings)
 (Licence no. DMCC-185130)

STATEMENT OF CHANGES IN EQUITY
 April 1, 2019 to November 7, 2019

	Share Capital (AED)	Accumulated Losses (AED)
Balance as at 1.4.2019	8,00,000	(15,23,485)
Transfer from Realisation and Liquidation Statement	-	7,34,025
Transfer of Accumulated Losses to Equity	(7,89,460)	7,89,460
Balance at 7.11.2019	<u>10,540</u>	<u>-</u>

On behalf of the Sole Shareholder, the Director acknowledges and approves the contents of this statements.

Digitally signed by GAUTAM HARI SINGHANIA
 DN: c=IN, o=Personal, cn=GAUTAM HARI SINGHANIA,
 serialNumber=705349955268d819a39f99105d812b95c9d4008,
 14584879640834c5367c3, postalCode=400026,
 2.5.4.20=02163f09b628abb107be25453d7084cd4d8e194a7096
 8502aa3196685e, st=Haryana
 Date: 2019.11.11 12:31:39 +05'30'

Mr. Gautam Hari Singhania
 Director
 November 7, 2019

R&A LOGISTICS, INC.
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2020

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Gerald Schneider Certified Public Accountant PC
232 Madison Ave New York NY 10016

Independent Auditors' Report

To the Board of Directors
R&A Logistics, Inc.
New York, New York

We have audited the accompanying financial statements of R&A Logistics, Inc., which comprise the balance sheet as of March 31, 2020, and the related statements of operations and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of R&A Logistics, Inc. as of March 31, 2020, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Gerald Schneider Certified Public Accountants PC
New York, New York
May 22, 2020

R&A LOGISTICS, INC.
BALANCE SHEET
MARCH 31, 2020

ASSETS

Current Assets

Cash in bank	\$ 75,752
Accounts Receivable	\$ 2,686,265
Accounts Receivable - Related Party	\$ 307,568
Prepaid Expenses	\$ 5,810
Prepaid Rent	<u>\$ 43,750</u>

Total Current Assets \$ 3,119,144

Fixed and Other Assets

Fixed assets net of accumulated depreciation	\$ 560,652
Advances to Capital Goods Supplier	\$ 50,000
Security Deposit	<u>\$ 87,069</u>

Total Fixed and Other Assets \$ 697,722

Total Assets \$ 3,816,866

LIABILITIES & SHAREHOLDERS' EQUITY

Liabilities

Accounts Payable	\$ (37,160)
Accounts Payable - Related Party	\$ (3,313,595)
Accrued Expenses	\$ (35,016)
Short term loan - Related Party	<u>\$ (425,000)</u>

Total Liabilities \$ (3,810,772)

Shareholders' Equity

Equity Share Capital	\$ (1,700,300)
Retained Earnings	<u>\$ 1,694,206</u>

Total Shareholder's Equity \$ (6,094)

Total Liabilities & Shareholders' Equity \$ (3,816,866)

The accompanying notes are an integral part of this Audited Financial Statement.
See the Accountant's Audit Report.

R&A LOGISTICS, INC.
STATEMENT OF OPERATIONS AND RETAINED EARNINGS
FOR THE YEAR ENDED MARCH 31, 2020

Net Sales	\$ 17,755,689
Cost of goods sold	<u>\$ 17,191,635</u>
Gross profit	\$ 564,054
Commission Income	\$ 1,181,956
Net Revenues	\$ 1,746,010
Depreciation Expense	\$ 161,213
Selling General and Administrative Expenses	\$ 2,110,084
Provision for Doubtful Debts	<u>\$ 35,614</u>
	<u>\$ 2,306,911</u>
Provision for Taxes	<u>\$ -</u>
(Loss) from operations	\$ (560,901)
Retained earnings - beginning of year	\$ (1,133,306)
Retained earnings - end of year	<u>\$ (1,694,206)</u>

The accompanying notes are an integral part of this Audited Financial Statement.
See the Accountant's Audit Report.

R&A LOGISTICS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

Cash Flows from Operating Activities:

Net (loss)	\$ (560,901)
Adjustments to reconcile net income (loss) to net cash used for operating activities:	
Depreciation	\$ 161,213
Changes in operating assets and liabilities:	
Accounts Receivable - Third Party	\$ (1,010,390)
Accounts Receivable - Related Party	\$ (201,380)
Inventory	\$ 127,267
Employee Advances	\$ 38,347
Prepaid Expenses	\$ 161,157
Security Deposit	\$ (2,670)
Accounts Payable - Third Party	\$ (36,796)
Accounts Payable - Related Party	\$ 1,291,032
Accrued Expenses	<u>\$ (70,394)</u>
Net cash provided by operating activities	<u>\$ 457,386</u>

Cash Flows from Investing Activities:

Advances to Capital Goods Supplier	\$ (50,000)
Purchases of Property and Equipment	<u>\$ (2,802)</u>
Net cash used for investing activities	<u>\$ (52,802)</u>
Increase (decrease) in cash and cash equivalents	\$ (156,317)
Cash and cash equivalents, beginning of year	<u>\$ 232,067</u>
Cash and cash equivalents, end of year	<u><u>\$ 75,750</u></u>

The accompanying notes are an integral part of this Audited Financial Statement.
See the Accountant's Audit Report.

R&A LOGISTICS, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 1 - Nature of Business and Summary of Significant Account Policies

Nature of Business

During the fiscal year ended March 31, 2020, the Company continued selling various types of men's garments, including suits, jackets, trousers, and shirts, to major U.S. clothing retailers. Also, the Company continued acting as an export sales agent for garment manufacturers and wholesalers, primarily its Indian parent company, Silver Spark Apparel Ltd.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits.

Accounts Receivable and Allowance for Doubtful Accounts

The Company sells its product to customers on an open credit basis. The Company's trade accounts receivable are due from such customers and are generally uncollateralized. Management provides an allowance for doubtful accounts based upon a review of existing receivables. Upon this review, management has established an allowance for doubtful accounts of accounts receivable as of March 31, 2020 of \$35,614.

Inventories

No inventories are maintained by the Company as of March 31, 2020.

Property and Equipment

Property and equipment are stated at cost and are being depreciated over their estimated service lives using the straight-line method for financial reporting and accelerated methods and statutory lives for income tax reporting purposes. Estimated service lives of property are as follows:

	<u>No. Years</u>
Leasehold improvements	5
Office furniture and equipment	5
Computer equipment	5

R&A LOGISTICS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Accounts Payable and Cost of Goods Sold

The Company purchases substantially all of the goods it sells from Silver Spark Apparel, Ltd and other affiliated companies. This is shown on the balance sheet as Accounts Payable - Related Parties. Other accounts payable are standard vendor accounts payable for operating expenses.

Income Taxes

Current income tax expense is provided at effective statutory rates, reduced by available tax credits. Operating results for the fiscal year ended March 31, 2020 produced a net operating loss (NOL) for federal and state tax purposes which can be applied against future years' taxable income. Management has omitted reporting of a deferred tax asset and current year tax benefit of \$622,273.

Subsequent Events

R&A Logistics, Inc. evaluated the effect subsequent events would have on the financial statements through April 30, 2020, which is the date the financial statements were available to be issued. The worldwide financial consequences of the COVID-19 virus has impacted the Company, its customers (see Note 6) and the industry in which it operates. Its customers have suspended purchases of goods and it cannot be determined when or how soon the retail industry in general or the specific customers of the Company will resume operating and purchasing goods from the Company.

As a direct consequence the company has temporarily closed its U.S. office as per instruction of the local authority, and is also negotiating with its landlord for rent concessions. Such concessions can not be determined at this time, however consistent with other New York tenants/landlords significant concessions are reasonable to be anticipated.

Note 2 - Transactions with Related Parties

The Company has participated in various transactions with Silver Spark Apparel, Ltd. (SSAL), of which R&A Logistics, Inc. is a wholly owned subsidiary. They have in prior and/or the current year participated in various transactions with Raymond, Ltd, Jaykayorg AG, Silver Spark Middle East FZE, and Raymond (Europe) Limited, which are all related through common ownership. The following is a summary of transactions and balances for the year ended March 31, 2020.

Accounts payable to SSAL	\$ 3,199,767
Accounts payable to Silver Spark Middle East FZE	\$ 113,827
Accounts receivable from SSAL	\$ 307,568
Consulting and commission income received from SSAL	\$ 1,181,956

R&A LOGISTICS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 3 - Revenue Recognition

R&A Logistics, Inc recognizes revenue when its products are shipped in accordance with accepted industry practices. At the time of shipment, products have transferred title, and cash or receivables can be measured with reasonable precision. Allowances for sales returns are recorded as a component of net sales in the year the allowances are recognized.

Note 4 - Lease Commitments

R&A Logistics, Inc leases office space under a noncancellable operating lease agreement. Annual rental expense under the arrangement was \$243,462.

The Company leases employee housing space under a noncancellable operating lease agreement. Annual rental expense under the arrangement was \$150,000 for FYE 2020.

Future minimum lease payments under the noncancellable operating leases as of March 31, 2020 are as follows:

2021	\$227,875
2022	\$227,875
2023	<u>\$227,875</u>
Total minimum lease payments	<u><u>\$683,625</u></u>

Note 5 - Shareholder's Equity

Common stock has no par value. There were 100,000 shares authorized with 24,000 shares issued and outstanding. The sole shareholder (SSAL) also contributed \$1,700,000 of additional paid-in capital in FYE March 31, 2019.

Note 6 - Major Customers

R&A Logistics, Inc had two major customers comprising all sales revenues and accounts receivable for the current fiscal year. The Company's commission and consulting revenue and related receivable all came from one customer, a related party (SSAL), during the year ended March 31, 2020.

During the subsequent period, the Company's largest customer has declared bankruptcy and is expected to reorganize and resume its operations. As a result the receivable from that customer of \$1,589,019 at March 31, 2020, against which \$1,366,357 has been received subsequent to the Balance Sheet date, and the balance receivable amount will

R&A LOGISTICS, INC.
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

be adjusted by the bankruptcy court in negotiations with that customer's creditors.
The magnitude of the adjustment at this time can't be determined.

R&A LOGISTICS, INC.
 SUPPLEMENTAL BALANCE SHEET SCHEDULES
 FOR THE YEAR ENDED MARCH 31, 2020

ACCOUNTS RECEIVABLE

Sundry Debtors - Domestic	\$	2,721,879
Provision for Doubtful Debts	\$	(35,614)
Total Accounts Receivable	\$	<u>2,686,265</u>

FIXED ASSETS NET OF ACCUMULATED DEPRECIATION

Computers	\$	37,198
Improvements to Leasehold Premises	\$	670,751
Furniture & Fixtures	\$	99,269
Less: Accumulated Depreciation Computers	\$	(9,772)
Accumulated Depreciation Leasehold Improvements	\$	(192,685)
Accumulated Depreciation Furniture & Fixtures	\$	(44,108)
Total Fixed Assets Net of Accumulated Depreciation	\$	<u>560,652</u>

R&A LOGISTICS, INC.
 SUPPLEMENTAL PROFIT AND LOSS SCHEDULES
 FOR THE YEAR ENDED MARCH 31, 2020

COST OF GOODS SOLD

Price / QtyVar - Trade Goods - Import	\$ 66,263.32
Traded Goods - Import	\$ 7,446,627.27
Jobwork	\$ 3,748,940.84
COGS Traded Goods - Import	\$ 3,067,214.94
Carriage Inwards	\$ 10,064.87
Job Work Charges - Local	\$ 2,814,561.32
Contract Labor Charges	\$ 37,962.47
Total Cost of Goods Sold	<u>\$ 17,191,635.03</u>

SELLING GENERAL AND ADMINISTRATIVE EXPENSES

Salaries

Basic Salary - Staff	\$ 961,522	
Staff Training Expenses	\$ 3,257	
Staff Welfare Expenses	<u>\$ 19,134</u>	
Total Salaries		\$ 983,913
Insurance		\$ 82,368
Legal Professional and Consulting		\$ 381,102
Bank Charges		\$ 46,293
Commission to Selling Agents		\$ 11,818
Office General		\$ 19,031
Postage & Courier		\$ 13,772
Printing & Stationary		\$ 11,756
Telephone		\$ 8,558
Repairs & Maintenance		\$ 49,468
Internet		\$ 23,102
Software & License Fees		\$ 1,315
Rates & Taxes		\$ 4,159
Rent Expense		\$ 393,462
Sales Promotion Expense		\$ 3,205
Sampling Charges		\$ 952
Travel Expense		\$ 75,809
Total General and Administrative Expenses		<u>\$ 2,110,084</u>

SILVER SPARK MIDDLE EAST FZE
P.O.Box 513549, SAIF Zone, U.A.E.

4rd Audited Financial Statements
Year Ended December 31, 2019

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Independent Auditor's Report to the Sole Shareholder of

SILVER SPARK MIDDLE EAST FZE
P.O.Box 513549, SAIF Zone, U.A.E.

Report on the Financial Statements

We have audited the accompanying financial statements of SILVER SPARK MIDDLE EAST FZE, SAIF Zone, U.A.E., which comprises the Statement of Financial Position as at December 31, 2019 and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and the fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium Sized Entities, and for such internal control as management determines is necessary to enable the presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of SILVER SPARK MIDDLE EAST FZE, SAIF Zone, U.A.E. as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities and comply with Sharjah Airport International Free Zone Authority's Implementing Regulations issued pursuant to Emiri Decree No. 2 of 1995 of H.H.Sheikh Sultan Bin Mohammed Al Qassimi, The Ruler of Sharjah.

Other Legal and Regulatory Requirements

As required by the Implementing Regulations, we further confirm that we have obtained all informations and explanations necessary for our audit and that proper books of accounts have been kept by the company. We are not aware of any violation of the above mentioned Regulations and the Articles of Association, which may have had a material effect on the business of the company or on its financial position.

These are separate (standalone) Financial Statements of the Subsidiary. Consolidated Financial Statements will be prepared by the Ultimate Parent Company including this Subsidiary and its step down subsidiary.

For Parag Parekh and Co. Chartered Accountants

Parag Pratap Parekh

MOE Registration No. 449
Dubai, United Arab Emirates
Dated : March 18, 2020

SILVER SPARK MIDDLE EAST FZE

P.O.Box 513549, SAIF Zone, U.A.E.

Statement of Financial Position**As at December 31, 2019**

All figures are expressed in Dirhams

	Note	As at 31.12.2019	As at 31.12.2018
Non - Current Assets			
Investment in Equity of Subsidiary	3	29,820,287	26,240,410
Due from Subsidiary (Long Term)	4	45,218,832	41,390,082
		<u>75,039,119</u>	<u>67,630,492</u>
Current Assets			
Inventory	5	12,234,578	9,367,176
Trade Debtors	8	6,006,572	4,478,866
Bank Balances		90,721	15,309
Advances and Prepayments		1,170,114	1,046,138
Due From Related Parties	8	724,888	1,304,691
Sub Total	CA	<u>20,226,873</u>	<u>16,212,180</u>
Current Liabilities			
Bank Borrowings	6	26,678,563	15,684,382
Trade Creditors	8	10,598,674	4,200,827
Accruals		547,326	86,900
Loan from Related Parties	8	5,408,795	0
Due To Related Parties	8	2,764,809	1,877,769
Sub Total	CL	<u>45,998,167</u>	<u>21,849,878</u>
Net Current Assets / Liabilities	CA-CL	-25,771,294	-5,637,698
Non Current liabilities			
Bank Borrowings	6	30,883,050	42,030,675
Net Assets		<u>18,384,775</u>	<u>19,962,119</u>
Shareholder's Equity			
Share Capital		16,350,000	16,350,000
Additional Share Capital		1,093,181	1,093,181
Accumulated Profits		941,594	2,518,938
Total		<u>18,384,775</u>	<u>19,962,119</u>

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgments underlying them. We also confirm that we have made available all relevant accounting records and information for their compilation. These financial statements were approved on March 18, 2020 and signed On Behalf of the Board by

Kiran Vasant Kalbag
Director

Auditor's Report Page - 2

SILVER SPARK MIDDLE EAST FZE

P.O.Box 513549, SAIF Zone, U.A.E.

Income Statement

Year ended December 31, 2019

All figures are expressed in Dirhams

	Note	Year Ended 31.12.2019	Year Ended 31.12.2018
Sales		49,396,412	22,074,125
Cost of Sales	7	-47,970,017	-19,153,086
Gross Profit	A	<u>1,426,395</u>	<u>2,921,039</u>
Expenses			
Administrative Costs		271,328	92,744
Salaries & Benefits		209,145	0
Finance Cost		1,446,617	485,497
Sub - total	B	<u>1,927,090</u>	<u>578,241</u>
Net (Loss) / Profit for the Year	A-B	<u>-500,695</u>	<u>2,342,798</u>
Exceptional Items			
Due From Related Party Written off	8iii	-1,076,649	0
Amount transfer to Shareholder's Equity		<u>-1,577,344</u>	<u>2,342,798</u>

Financial Statements were authorised on March 18, 2020

On Behalf of Board of Directors

Mr. Kiran Vasant Kalbag
Director

Auditor's Report Page - 2

SILVER SPARK MIDDLE EAST FZE

P.O.Box 513549, SAIF Zone, U.A.E.

Statement of Changes in Equity

Year ended December 31, 2019

All figures are expressed in Dirhams

	Share Capital	Additional Capital	Accumulated Profits	Total
Balance as at 1.1.2019	16,350,000	1,093,181	2,518,938	19,962,119
Transfer from Income Statement	0	0	-1,577,344	-1,577,344
Balance as at 31.12.2019	16,350,000	1,093,181	941,594	18,384,775
Balance as at 1.1.2018	150,000	16,200,000	176,140	16,526,140
Transfer from Income Statement	0	0	2,342,798	2,342,798
Transfer to Share Capital	16,200,000	-16,200,000	0	0
Capital introduced	0	1,093,181	0	1,093,181
Balance as at 31.12.2018	16,350,000	1,093,181	2,518,938	19,962,119

SILVER SPARK MIDDLE EAST FZE

P.O.Box 513549, SAIF Zone, U.A.E.

Cash Flow Statement

Year ended December 31, 2019

Year Ended	Year Ended
31.12.2019	31.12.2018

All figures are expressed in Dirhams

I Cash Flow from Operating Activities

Net Profit / (Loss)	-1,577,344	2,342,798
Finance Cost	1,446,617	485,497
Operating Profit Before changes in operating assets and liabilities	<u>-130,727</u>	<u>2,828,295</u>
Inventory	-2,867,402	-6,858,799
Trade Debtors	-1,527,706	-452,365
Advances and Prepayments	-123,976	1,338,222
Trade Creditors	6,397,847	3,437,980
Accruals	460,426	-194,570
Cash Generated From Operations	<u>2,208,462</u>	<u>98,763</u>
Finance Cost	-1,446,617	-485,497
Net Cash used in Operating Activities	<u><u>761,845</u></u>	<u><u>-386,734</u></u>

Cash Flow from Investing Activities

II Investment in Equity of Subsidiary	-3,579,877	-11,699,067
Due From Related party	579,803	314,709
Due From Subsidiary	-3,828,750	-19,323,451
Net Cash used in Investing Activities	<u><u>-6,828,824</u></u>	<u><u>-30,707,809</u></u>

III Cash Flow from Financing Activities

Import Financing	69,770	992,482
Term Loans	-2,063,585	18,621,255
Loan from Related Party	5,408,795	0
Due To Related party	887,040	-1,289,425
Net Cash from Financing Activities	<u><u>4,302,020</u></u>	<u><u>18,324,312</u></u>

Changes in Cash and Cash Equivalents	I+II+III	-1,764,959	-12,770,231
Cash and Cash Equivalents at the beginning		-12,396,011	374,220
Cash and Cash Equivalents at the end		<u><u>-14,160,970</u></u>	<u><u>-12,396,011</u></u>
		0	0

Supplemental Cash Flow Statement Information*Non-Cash Transactions*

Prepaid Guarantee Commission is accounted thru Increase in Additional Share Capital in Year 2018	0	1,093,181
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SILVER SPARK MIDDLE EAST FZE

P.O.Box 513549, SAIF Zone, U.A.E.

Accounting Policies and Explanatory Notes

Year ended December 31, 2019

1a Legal Status

SILVER SPARK MIDDLE EAST FZE is a company with limited liability pursuant to Emiri Decree No. 2 of 1995 of H.H.Sheikh Sultan Bin Mohammed Al Qassimi, The Ruler of Sharjah and Implementing Regulations issued there under by the Sharjah Airport International Free Zone Authority as per the Certificate of Incorporation No: 6015 dated September 10, 2015.

Sharjah Airport International Free Zone Authority has issued the following Licenses:

Activity	License No	Date of issue
Investment of Own Financial Resources	15857	10.09.2015
General Trading	19594	16.05.2018

As per the Amended Memorandum of Association dated May 20, 2018 and as per Share Certificate No. 6015 dated May 21, 2018, the following is the Sole Shareholder of the company.

	Nationality	Shares	Value
Silver Spark Apparel Limited	India	109	16,350,000

Share capital of the company is AED 16,350,000/- divided into 109 share of AED 150,000/-each.

1b Business Activities

The company is licensed to Invest its Own Financial Resources. The company has invested into the manufacturing project of its step down subsidiary Silver Spark Apparel Ethiopia PLC from which the company gets its Apparel manufactured on Job Work basis.

1c Management

As per the amended Memorandum & Article of Association dated February 18, 2019 the FZE will be managed by the Board of Directors viz, Vipin Agarwal and Kiran Vasant Kalbag.

2 Accounting Policies

The company prepares its financial statements in accordance with the International Financial Reporting Standards for Small and Medium Sized Entities. Management chooses and applies its accounting policies consistently to similar transactions and events, unless otherwise stated.

a Accounting Basis

These financial Statements are prepared under the accrual basis of accounting. Under the accrual basis, transactions and events are recognised when they occur (and not as cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

b Measurement Basis

These Financial Statements have been prepared on historical cost basis.

c Functional / Presentation Currency

The financial statements are prepared in UAE Dirhams, which is considered to be the company's principal trading currency.

d Investment in Subsidiaries (equity holding of 51% or more)

Section 9 - IFRS for SMEs - Consolidated and Separate Financial statements

A subsidiary is an entity controlled by the parent company. Control is said to exist when the parent has the power to govern the financial and operating policies of the entity so as to obtain economic benefits.

A parent prepares consolidated financial statements in which it consolidates its investments in subsidiaries in accordance with IFRS for SMEs.

When a parent prepares separate financial statements, they will account the investment in subsidiaries at cost less impairment or at fair value with changes in fair value recognised in the profit or loss, irrespective of whether the subsidiary is newly incorporated or acquired.

The Management has opted to account for the investment in Subsidiaries at Cost in these separate financial statements.

e Inventory (Section 13 -IFRS for SMEs)

Inventory have been valued at lower of cost and net realisable value. Cost of Raw material is determined by weighted average, and included all the expenses incurred in bringing the inventory to their present location and condition.

Net realisable value is the estimate of selling price in the ordinary course of business less selling expenses. At each reporting date, inventory is assessed for impairment due to damage and obsolescence to recognise the impairment loss in profit or loss.

f Trade Receivables

Trade receivables are carried at anticipated realisable value. A provision is made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

g Cash and Cash Equivalents

Cash and Cash Equivalents for the purpose of cash flow statement comprises of cash, bank overdraft, bank current and call accounts, fixed deposits free from lien with a maturity date of 3 months or less from the date of deposit.

Bank Balances	90,721	15,309
Bank Overdraft	-14,251,691	-12,411,320
	<u>-14,160,970</u>	<u>-12,396,011</u>

Notes:**6.1 Standard Chartered Bank, Dubai , UAE**

- i Facilities are obtained to finance the manufacturing project of the Subsidiary, Silver Spark Apparel Ethiopia PLC.
- ii USD 12,000,000 or AED 44,040,000/- Term Loans comprising various drawdowns has a Tenor of 5 years including 24 months moratorium for each draw down. 30% of the loan to be paid in 3rd and 4th Year and 40% of the loan to be paid in 5th year.
- iii Interest is charged at 2.50% per annum over 3 months Libor on term loans and on Working Capital facilities at 2% to 2.70% per annum over Libor.
- iv Facilities are secured by Corporate Guarantee of Parent Company Silver Spark Apparel Limited, India.
- v As the interest costs are to be borne by the Subsidiary for whom these loans are obtained, financial costs of these loans are NOT recognized in these financial statements. All the Interest charged by the bank are accounted as Investments in Additional Capital of Subsidiary.
- vi However Interest on Overdraft and Import Financing is accounted in these books as a Cost.

6.2 RBL Bank, India

Total Combined facility from A and B is INR 45 crore.

- A Letter of Credit Facility for INR 45 crores for the Purchase of Equipments by Subsidiary, Silver Spark Apparel Ethiopia PLC.
- B Letter of Credit Facility for INR 35 crores for the Purchase of raw material by Subsidiary, Silver Spark Apparel Ethiopia PLC with sublimits for Overdraft and working capital demand loans.
- C Facilities are secured by:
 - i First Pari Passu Charge on all present and future assets excluding share investment in Silver Spark Apparel Ethiopia PLC.
 - ii Negative Lien on the share investment and assets in Silver Spark Apparel Ethiopia PLC.
 - iii Shortfall undertaking from Raymonds Ltd, India backed by Board Resolution.
 - iv Corporate Guarantee of Parent Company Silver Spark Apparel Limited, India.

7 Cost of sales	31.12.2019	31.12.2018
Opening Stock of Raw Materials	9,012,983	1,911,790
Purchases of Raw Materials	29,059,735	18,775,515
Direct Expenses and Job Work Charges	19,718,262	7,478,764
Closing stock of Raw Materials	-9,820,963	-9,012,983
	<u>47,970,017</u>	<u>19,153,086</u>

8 Related Party

The concern in the normal course of business enters into transactions with other business enterprises that fall within the definition of Related Party contained in the IFRS for SMEs section 33. The concern believes that the terms of such transactions are not significantly different from those that could have been obtained from third parties.

Transactions and Balances with Related Parties:

	31.12.2019	31.12.2018
i Silver Spark Apparel Ltd, India		
Trade Debtors	3,121,387	1,633,391
Due to Related Party	2,643,023	1,877,769
Loan from Related Party (Interest Bearing)	5,408,795	0
Trade Payable	121,786	14,797
Sales	13,925,012	18,135,864
Purchase	121,786	67,627
Interest Cost	278,240	0
Guarantee Commission Expense	169,723	117,336
Guarantee Commission Prepaid Expense	806,122	975,845
ii Raymond Limited, India		
Trade Payable	7,542,281	584,565
Purchase	6,737,177	7,245,160
Goods in Transit (Asset)	2,413,616	354,193
iii Raymond Lifestyle International DMCC, Dubai,		
Due from Related Party	1,076,649	1,304,691
Less Written Off During the Year on its Liquidation	-1,076,649	0
Net Balance	<u>0</u>	<u>1,304,691</u>
Interest Earned	61,776	
iv Raymond America (RA Logistics Inc), USA		
Trade Debtors	1,096,424	2,845,475
Sales	23,793,957	2,845,475
v Silver Spark Apparel Ethiopia PLC		
Investments in Equity	29,820,287	26,240,410
Due from Subsidiary (Long Term)	45,218,832	41,390,082
Trade Payable	0	1,444,290
Due from Related Party	724,888	0
Job Work Charges	16,423,586	6,568,711

9 Foreign Currency Translation (Section 30 - IFRS for SMEs)

Foreign currency transactions are converted into U.A.E. Dirham's at the closing rate of exchange of the date of the transaction.

Foreign currency balances outstanding as on Statement of Financial Position date are reinstated into U.A.E. Dirham's at the rate of exchange prevailing on Statement of Financial Position date .

Foreign currency loss or gains arising are accounted to the Income Statement.

10 Financial Instruments (Section 11, 12 - IFRS for SMEs)

Financial Instruments means financial assets, financial liabilities and equity instruments.

Financial assets include Investments, cash, trade debtors, bank balances, deposits, advances and other receivables. Financial liabilities include bank borrowings, trade creditors, provisions and accruals, advances from customers, finance lease liabilities, other payables and employee terminal benefits.

a Fair Values

The fair values of the concern's financial assets and financial liabilities approximate to their carrying values.

b Credit Risk, Interest Rate Risk and Exchange Rate Risk Exposure.

i Credit Risk

Financial assets, which potentially expose the company to credit risk, comprise mainly of Investments in Subsidiary, Bank Current Accounts and Trade Debtors.

The investee company has commenced manufacturing operations from Year 2017 and the management does not foresee any significant risks in these Investments.

The company's bank accounts are placed with high credit quality financial institutions.

Customer Risk

During the year, 77% of sales are made to 2 Related Party Customers. (Previous year - 95% sale were made to 2 Related Party Customer).

Credit Risk

As at balance sheet date, top 3 parties represents 100 % of the outstanding trade debtors. (Previous year 2 customers - 100%).

Country-wise breakup of Trade Debtors in %:

	31.12.2019	31.12.2018
USA	18%	64%
India	52%	36%
Canada	30%	0%
	<u>100%</u>	<u>100%</u>

ii **Interest Rate Risk**

The Interest rates on bank facilities are based on a fixed margin over LIBOR. The management does not foresee any significant risk due to fluctuations in LIBOR.

iii **Exchange Rate Risk**

All business transactions are conducted in US Dollars to which the UAE Dirham is pegged and hence there are no significant exchange risks.

11 Bank Facilities*	Bank	Utilisation	Limits
Term Loan	SCB	42,030,675	44,040,000
Bank Overdraft (Sub Limit of LC and working capital)	SCB	14,251,691	18,350,000
Import Financing (Sub Limit of LC and working capital)	SCB	1,062,252	0
LC- Raw Materials & Overdraft, etc (sub limits)	RBL	0	23,217,418

Bankers

Standard Chartered Bank, Dubai, UAE*

RBL Bank, India *

RBL Bank, India Balances are subject to confirmation.

12 Purchase Commitments and Contingent Liabilities

	Bank	Balance
Letters of Credits	SCB	381,844

13 Significant Events Occurring After the Balance Sheet Date

There were no significant events occurring after the balance sheet date which require disclosure in the financial statements.

14 In the opinion of the management all the assets as shown in the financial statements are existing and realisable at the amounts shown against them. There are no liabilities against the concern, contingent or otherwise, not included in the above financial statements.



SILVERS SPARK APPAREL ETHIOPIA PLC

INDEPENDENT AUDITORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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Tesfaye Teferi Anbesse

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Chartered Certified Accountants

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Certified Audit Firm

P O Box 102297

E-mail: tesfayetef@gmail.com or teferi@ethionet.et

Tele: 0114672030; 0114671899; Mobile: 0911219104; Fax0114671962

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***4th Floor, Tibebe Building in front of Dream liner Hotel, Mesquel Flower,
Addis Ababa, Ethiopia***

AUDITORS' REPORT ON THE ACCOUNTS OF SILVERS SPARK APPAREL ETHIOPIA PLC

Opinion

We have audited the financial statements of Silver Spark Apparel Ethiopia PLC, which comprises the Balance Sheet as at 31 December 2019 and the Statement of Income and expense for the year then ended, and notes forming part of the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements presents fairly, in all material respects, financial position of the Company as at 31 December 2019 and its financial performance and its cash flows for the year then ended in accordance with the financial framework of the Company and applied consistently.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies adopted by the Company, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charges with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Tesfaye Teferi Anbesse
Certified Audit Firm

Addis Ababa

The notes to the accounts form part of the financial statements and should be read in conjunction.

SILVER SPARK APPAREL ETHIOPIA PLC
BALANCE SHEET
AS AT DECEMBER 31, 2019

	<u>Notes</u>	<u>Birr</u>	<u>Birr</u>	<u>2018</u> <u>Birr</u>
<u>ASSET EMPLOYED</u>				
Plant, Property and Equipment	2b, 3		312,972,195	314,765,527
Intangible asset	4		3,083,795	3,196,423
Pre-operating Expense	2d, 5		19,359,858	30,982,142
Other non-current asset	6		<u>6,297,100</u>	<u>5,734,803</u>
			341,712,948	<u>354,678,895</u>
<u>CURRENT ASSET</u>				
Inventory	7	18,406,638		22,258,552
Debtors and prepayments	2c, 2f, 8	13,877,963		15,939,976
Cash at bank	9	<u>1,744,249</u>		<u>311,489</u>
		<u>34,028,850</u>		<u>38,510,017</u>
<u>CURRENT LIABILITY</u>				
Trade payable	10	6,005,837		5,476,998
Service providers & other creditors	11	4,486,115		7,197,734
Provisions & Accruals	12	41,960,866		21,582,346
Related Party	2f, 13	<u>1,163,408</u>		<u>4,900,049</u>
		<u>53,616,226</u>		<u>39,157,127</u>
NET CURRENT LIABILITY			<u>(19,587,376)</u>	<u>(647,110)</u>
			<u>322,125,572</u>	<u>354,031,785</u>
<u>REPRESENTED BY</u>				
Capital	1		4,200,000	4,200,000
Share application money	14		156,137,405	153,330,778
Retained earnings (adverse)	15		<u>(227,274,123)</u>	<u>(135,776,204)</u>
			(66,936,718)	21,754,574
Silver Spark Middle East (FZE)	16		<u>389,062,290</u>	<u>332,277,211</u>
			<u>322,125,572</u>	<u>354,031,785</u>

The notes to the accounts form part of the financial statements and should be read in conjunction.

SILVER SPARK APPAREL ETHIOPIA PLC
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Notes</u>	<u>Birr</u>	<u>Birr</u>	<u>2018</u> <u>Birr</u>
EXPORT INCOME	17		132,332,067	49,655,726
COST OF GOODS SOLD	18		<u>(114,337,805)</u>	<u>(66,238,277)</u>
GROSS PROFIT/(LOSS)			17,994,262	(16,582,551)
OTHER INCOME	19		<u>250,626</u>	<u>137,544</u>
			18,244,888	(16,445,007)
<u>EXPENSES</u>				
Selling and distribution	20	10,996,192		5,391,172
Administrative	21	78,982,838		62,940,152
Financial Charges	22	<u>19,763,777</u>		<u>17,262,919</u>
			<u>(109,742,807)</u>	<u>(85,594,243)</u>
LOSS FOR THE YEAR			(91,497,919)	(102,039,250)
RETAINED EARNINGS (ADVERSE) BROUGHT FORWARD			<u>(135,776,204)</u>	<u>(33,736,954)</u>
RETAINED EARNINGS (ADVERSE) CARRIED FORWARD			<u>(227,274,123)</u>	<u>(135,776,204)</u>

The notes to the accounts form part of the financial statements and should be read in conjunction.

SILVER SPARK APPAREL ETHIOPIA PLC
STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Paid up capital</u> Birr	<u>Share Application</u> <u>Money</u> Birr	<u>Retained earnings</u> <u>(adverse)</u> Birr	<u>Total</u> Birr
Balance as at January 1, 2018	4,200,000	90,300,00	(33,736,954)	60,763,046
Addition	-	63,030,778	-	63,030,778
Loss for the year	-	-	<u>(102,039,250)</u>	<u>(33,736,954)</u>
Balance as at December 31, 2018	4,200,000	153,330,778	(135,776,204)	21,754,574
Addition	-	2,806,627	-	2,806,627
Loss for the year	-	-	<u>(91,497,919)</u>	<u>(91,497,919)</u>
Balance as at December 31, 2019	<u>4,200,000</u>	<u>156,137,405</u>	<u>(227,274,123)</u>	<u>(66,936,718)</u>

The notes to the accounts form part of the financial statements and should be read in conjunction.

SILVER SPARK APPAREL ETHIOPIA PLC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Note</u>	<u>Birr</u>	<u>Birr</u>
Operating activities			
Loss for the year			<u>(91,497,919)</u>
Adjustment for:			
Depreciation and amortization		35,511,155	
Interest		<u>17,410,669</u>	
Operating profit/(loss) before changes in operating assets & liabilities			52,921,824
Changes in operating assets and liabilities:			
Increase in other non-current assets		(562,297)	
Decrease in stock		3,851,914	
Decrease in debtors		2,062,013	
Increase in trade payable		528,839	
Decrease in service providers & other creditors		(2,711,619)	
Increase in provisions & Accruals		20,378,520	
Decrease in related Party		<u>(3,736,641)</u>	
			<u>19,810,729</u>
Net cash flows generated from operating activities			<u>(18,765,366)</u>
Investing activities			
Purchase of property and equipment		(21,710,729)	
Purchase of software		<u>(272,182)</u>	
Net cash flows used in investing activities			<u>(21,982,911)</u>
Financing activities			
Share application money		2,806,627	
Loan from SSME		56,785,079	
Interest on loan		<u>(17,410,669)</u>	
Net cash flows used in financing activities			<u>42,181,037</u>
Net increase in cash and cash equivalents			1,432,760
Cash and bank balances at January 1, 2019			<u>311,489</u>
Cash and cash equivalents at December 31, 2019			<u>1,744,249</u>

The notes to the accounts form part of the financial statements and should be read in conjunction.

SILVER SPARK APPAREL ETHIOPIA PLC
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. BACKGROUND

Silver Spark Apparel Ethiopia PLC was established on August 8, 2016 for the purpose of manufacturing of wearing apparel including sport wears. The initial share capital was Birr 4,200,000 divided in to 2000 shares of Birr 2,100 par value each.

The Company is located in Southern, Nations, Nationalities and Peoples' Region (Hawassa) town in Hawassa Industrial Park. It has been issued investment permit No EIA-IP/024382/08 on September 5, 2016.

The Company has obtained its Company license No EIA-OL/4304/2017 dated July 20, 2017. Following that, the Company has started operation from September 1, 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting-policies adopted and consistently applied by the Organization are the following: -

a) Basis of accounting

Accrual basis of accounting is adopted.

b) Fixed assets

Leasehold land is carried at historical cost. All other items of Fixed Assets are stated at historical cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation methods

i. For account preparation purpose

As per its accounting policy, the Company depreciates assets at the following rate:

Category	Method	Rate
Plant & equipment	Straight-line	6.33%
Furniture & fixtures	Straight-line	15%
Vehicles	Straight-line	15%
Office equipment	Straight-line	15%
Computers	Straight-line	20%

The notes to the accounts form part of the financial statements and should be read in conjunction.

ii. For tax purpose

As per the provision of Chapter 2 Article 36 to 41 of the Council of Ministers Regulation of the Federal Income Tax Proclamation No. 979/2016, taxpayers can determine depreciation deduction according to straight line method or diminishing value method, except for a Company intangible and a structural improvement, of depreciation provided the taxpayer has used the same method of depreciation in its financial accounts prepared in accordance with financial reporting standards, and that the same method of depreciation is used by the taxpayer for all depreciable assets owned by the taxpayer. The company has selected straight line depreciation method for new asset that are bought since establishment. This method is used for Company tax calculation purpose.

Category	Method	Rate
Plant & equipment	Straight-line	15%
Furniture & fixtures	Straight-line	15%
Vehicles	Straight-line	15%
Office equipment	Straight-line	15%
Computers	Straight-line	20%

Leasehold land is amortized over period of lease. Leasehold improvements are amortized over the period of lease or estimated useful lives whichever is lower.

Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

c) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months).

d) Pre operating expense (preliminary expenditures)

Pre operating expenses are stated at cost less accumulated amortization. Amortization is computed at a rate of 25% per annum on straight line basis, as per Income Tax Regulation No 410/2017, after the start of operation.

e) Company Intangibles

Company intangibles are stated at cost less accumulated amortization. Amortization of Company intangibles with a useful life of more than 10 years is computed at a rate of 10% per annum on straight line basis, as per Income Tax Regulation No 410/2017, after the start of operation. Company intangibles with useful life of less than 10 years are amortized over the useful life of the intangible.

The notes to the accounts form part of the financial statements and should be read in conjunction.

f) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognized in the period in which the results are known /materialized.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

The estimates and judgments that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

g) Provision, contingent liabilities and Contingent Assets

Provisions: Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent Assets: Contingent Assets are neither recognized nor disclosed in the financial statements.

h) Measurement of defined contribution

As per the Private Organization Employees Pension Proclamation No. 715/2011, the company is required to make a defined contribution of a percentage of the employees' basic monthly salary to the fund. This is reported as part of employees salary and benefit to the extent it is incurred. Any unpaid amount is shown as current liability.

i) Taxation

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits. As the Company is exempt for tax, tax liability is not calculated, and hence neither deferred tax asset nor differed tax liability is recognized.

The notes to the accounts form part of the financial statements and should be read in conjunction.

3. PLANT, PROPERTY AND EQUIPMENT

	<u>Balance at</u> <u>January 1, 2019</u> <u>Birr</u>	<u>Addition</u> <u>Birr</u>	<u>Transfer/ Reclassification</u> <u>Birr</u>	<u>Balance at</u> <u>December 31, 2019</u> <u>Birr</u>
<u>COST</u>				
Fencing	1,246,723	-	-	1,246,723
Plant & equipment	287,667,633	-	37,639,065	325,306,698
Furniture & fixtures	10,158,761	-	589,215	10,747,976
Vehicles	5,287,394	-	112,708	5,400,102
Office equipment	871,773	-	1,588,158	2,459,931
Computers	5,525,324	-	765,482	6,290,806
Capital Work In progress	<u>26,132,768</u>	<u>21,710,729</u>	<u>(40,694,628)</u>	<u>7,148,869</u>
	<u>336,890,376</u>	<u>21,710,729</u>	<u>-</u>	<u>358,601,105</u>
<u>ACCUMULATED DEPRECIATION</u>				
Fencing	26,327	69,714	-	96,041
Plant & equipment	17,908,901	19,609,802	-	37,518,703
Furniture & fixtures	1,767,815	1,560,408	-	3,328,223
Vehicles	945,997	807,961	-	1,753,958
Office equipment	118,051	274,569	-	392,620
Computers	<u>1,357,758</u>	<u>1,181,607</u>	<u>-</u>	<u>2,539,365</u>
	<u>22,124,849</u>	<u>23,504,061</u>	<u>-</u>	<u>45,628,910</u>
<u>NET BOOK VALUE</u>	<u>314,765,527</u>			<u>312,972,195</u>

4. INTANGIBLE ASSET

The balance represents cost of ERP software installed and being used in the Factory.

	<u>Birr</u>	<u>Birr</u>
Cost		3,599,043
Software obtained from SSAL		<u>272,182</u>
		3,871,225
<u>Less:</u> Previous year amortization	402,620	
Current year amortization	<u>384,811</u>	
		<u>787,431</u>
		<u>3,083,795</u>

The notes to the accounts form part of the financial statements and should be read in conjunction.

5. PREOPERATING EXPENSE

	<u>Balance as at</u> <u>December 31,2018</u> <u>Birr</u>	<u>Addition</u> <u>Birr</u>	<u>Balance as at</u> <u>December 31,2019</u> <u>Birr</u>
Cost	46,489,135	-	46,489,135
<u>Less: Amortization</u>	<u>15,506,993</u>	<u>11,622,284</u>	<u>27,129,277</u>
	<u>30,982,142</u>	<u>11,622,284</u>	<u>19,359,858</u>

6. OTHER NON-CURRENT ASSET

- i. The composition of the balance is as follows:

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Security Deposit	<u>6,297,100</u>	<u>5,734,803</u>
	<u>6,297,100</u>	<u>5,734,803</u>

- ii. The company signed a rental agreement with the Industrial Parks Development Corporation (IPDC) on December 22, 2016 for a rental of sheds in the Industrial Park in Hawassa. According to the agreement rental fee of US\$ 2 per square meter per month will be paid in the first 4years. The rent is agreed to be increased as indicated in the agreement from year 5 onwards. The term of the lease is for initial 15 years with renewal provision for 5 additional terms of 5 years each, making the total lease period 40 years. A park management company is hired by the lessor which will be responsible for maintenance and operations of the Industrial park and for which the company is required to make bi-annual fee in addition to the rental fee. The balance indicated above is the amount paid as deposit, equivalent to US\$ 198,000. The increment is exchange rate gain.

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7. INVENTORY

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Fabric, trims and consumables	4,990,394	5,505,194
Finished Goods	7,744,830	10,816,452
Work in progress	1,187,179	936,272
Spare parts and others	4,484,235	3,252,922
	18,406,638	20,510,840
Goods in transit	-	1,747,712
	<u>18,406,638</u>	<u>22,258,552</u>

8. DEBTORS AND PREPAYMENTS

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Trade debtors - Silver Spark Middle East (FZE)	-	11,062,628
Prepaid expenses	368,540	463,450
VAT Receivable	3,632,360	2,413,964
Advance to suppliers	1,609,106	1,999,934
Industrial Development Park Corporations	8,267,957	-
	<u>13,877,963</u>	<u>15,939,976</u>

9. CASH AT BANK

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Commercial Bank of Ethiopia - USD A/C - 1000175832843	663,425	122,842
Commercial Bank of Ethiopia - ETB A/C - 1000177893238	3,455	3,454
Commercial Bank of Ethiopia-HIP-1000206023361	16,667	(58,321)
Commercial Bank of Ethiopia - Ret B - USD A/C 1000215663397	173,041	277
Commercial Bank of Ethiopia USD A/C 1000215662717	873,484	193,256
Cash on hand	14,177	49,981
	<u>1,744,249</u>	<u>311,489</u>

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10. TRADE PAYABLE

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Silver Spark Middle East (FZE)	5,411,580	-
Ginchi Trading PLC	414,694	-
Atinafu Ayalew	161,257	216,314
Senait Alemu Bogele	13,073	157,597
Lewi General Trading	5,233	-
Shanghai Weishi Machinery Co Ltd.	-	1,608,269
Durkopp Addler AG	-	142,075
A-S-S Automated Sewing Systems	-	3,229,303
IIGM Private Limited	-	<u>123,440</u>
	<u>6,005,837</u>	<u>5,476,998</u>

11. SERVICE PROVIDERS & OTHER CREDITORS

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Panafric global plc.	1,685,443	2,359,531
Dita Transit & loss	869,015	453,026
Value Cargo PLC	750,914	1,631,118
Deneke Engidawork	227,732	-
M+R Logistics India Pvt Ltd	149,273	-
Siraaj Logistics and General Service	142,214	-
Logistics Service SARL	72,004	-
Haile & Alem international	61,309	177,687
ITL Ethiopia Labels Manufacturing PL	18,162	-
Eleni Molla Tesfaye	10,754	412,727
Freight system DWC LLC	-	538,974
Ecotech software Pvt.	-	339,489
Transys global forwarding plc	-	150,210
Le Havre Transit	-	122,782
Thermotech Engineers & Electors	-	89,798
Vijaya Energy Plus Pvt Ltd	-	28,841
Others	<u>499,295</u>	<u>893,551</u>
	<u>4,486,115</u>	<u>7,197,734</u>

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12. PROVISION & ACCRUALS

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Provision for Expenses	31,985,452	14,519,747
Salary and Wages payable	9,175,625	6,247,332
Withholding Tax	76,988	96,845
PAYE(Pay as You Earn) WHT Payable	295,274	127,888
Pension Fund (Employee) Contribution Payable	166,423	229,814
Pension Fund (Employer) Contribution Payable	<u>261,104</u>	<u>360,720</u>
	<u>41,960,866</u>	<u>21,582,346</u>

13. RELATED PARTY

- i. The balance is composed of the following:

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Silver Spark Apparel Ltd	1,163,408	4,900,049
	<u>1,163,408</u>	<u>4,900,049</u>

- ii. Silver Spark Apparel Limited, a company registered in India, is a 100% shareholder of Silver Spark Middle East (FZE), which in turn is a 99% owner of Silver Spark Apparel Ethiopia (SSAE) PLC. The balance represents value of capital goods supplied to SSAE PLC
- iii. Raymond Limited, a Company registered in India, is a 100% shareholder of Silver Spark Apparel Limited.

14. SHARE APPLICATION MONEY

Silver Spark Middle East (FZE), the current major shareholder, has a plan of increasing the shareholdings. Money has been paid towards the cost of the shares but the legal process to increase the capital has not been finalized.

15. SILVER SPARK MIDDLE EAST (FZE)

Silver Spark Middle East (FZE) is the major shareholder of the Company holding 1,990 shares of the total 2,000 shares. The funding for the operation of the Ethiopian Company comes mainly from it. The balance indicated is the total of expenditures paid by the shareholder on behalf of the Company.

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16. RETAINED EARNINGS (ADVERSE)

Article 543 of the Commercial Code of Ethiopia provides that where three-quarters of the paid up capital is lost, consultation with the members of the Company shall be made to both develop and communicate a plan to reverse the loss situation; or to decide dissolution of the company. As presented in the Statement of Financial Position, the accumulated loss of the Company has exceeded the Company's paid up capital. The company has a plan to increase its paid up capital through capitalization of payable to its shareholders.

17. EXPORT INCOME

The Company is fully engaged in 'Cut to Make (CM Mode)' activities where by raw materials are received from the parent Company; and only cutting, stitching and finishing of garment is made in the Company. The income earned is therefore from provision of these services, and does not include any sales of products. In the current year, the income earned was broken down as follows:

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
CM-Trousers	39,727,805	14,378,255
CM-Jackets	73,967,152	32,189,728
CM - Others	5,622,644	3,087,743
CM- Suits	<u>13,014,466</u>	<u>-</u>
	<u>132,332,067</u>	<u>49,655,726</u>

18. COST OF GOODS SOLD

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Manufacturing cost		
Opening raw materials	8,342,154	5,563,733
Purchase	13,665,396	11,715,704
Less: Ending raw materials	<u>(8,782,370)</u>	<u>(8,342,154)</u>
Materials consumed	13,225,180	8,937,283
Direct labor	42,774,267	26,323,311
Depreciation	23,888,872	18,516,887
Factory shed rent	18,476,886	11,827,763
Light & power	7,771,004	4,105,634
Repair and maintenance	5,240,537	4,914,811
Miscellaneous	<u>140,344</u>	<u>146,741</u>
	<u>98,291,910</u>	<u>65,835,147</u>
	111,517,090	74,772,430
Less: Decrease (Increase) in WIP	<u>(250,907)</u>	<u>(192,172)</u>
	111,266,183	74,580,258
Decrease (Increase) in finished products	<u>3,071,622</u>	<u>(8,341,981)</u>
	<u>114,337,805</u>	<u>66,238,277</u>

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19. OTHER INCOME

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Sale of Process Waste	250,626	133,906
Sale of Scrap	—	<u>3,638</u>
	<u>250,626</u>	<u>137,544</u>

20. SELLING EXPENSE

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Export expenses	7,729,323	3,005,932
Testing/Certification/Inspection Fees	2,002,918	1,189,007
Courier charge -Sample	<u>1,263,951</u>	<u>1,196,233</u>
	<u>10,996,192</u>	<u>5,391,172</u>

21. ADMINISTRATIVE EXPENSE

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Salaries & Wages	47,074,590	34,830,492
Rent	3,184,725	2,666,350
Per-operating expense – amortization	11,313,682	11,144,799
Travelling Expenses	4,873,077	4,067,200
Guest House Expenses	3,101,546	2,206,466
Insurance	1,855,243	1,594,745
Gardening & Park Maintenance	1,982,502	1,344,627
Printing And Stationery	1,256,709	1,306,351
Security Services	463,676	572,978
Communication	570,726	526,806
Car running & rental	646,532	514,790
IT outsourcing charges	323,879	489,037
Audit & professional Fees	585,831	466,643
Subscription	486,882	439,286
Housekeeping expense	796,956	411,047
Recruitment Expenses	32,573	55,315
Miscellaneous	<u>433,709</u>	<u>303,220</u>
	<u>78,982,838</u>	<u>62,940,152</u>

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22. FINANCIAL CHARGE

a) This balance is composed of the following:

	<u>Birr</u>	<u>2018</u> <u>Birr</u>
Term loan interest	17,410,669	14,160,221
Bank service charge	836,920	2,312,736
Revaluation gain or loss	<u>1,516,188</u>	<u>789,962</u>
	<u>19,763,777</u>	<u>17,262,919</u>

b) The machineries imported from abroad are financed by the Silver Spark Middle East (FZE) through term loan obtained from a bank there. That interest is charged to SSAE as the money is spent on its behalf.

23. TAX HOLIDAY

According to the Investment incentives and Investment Areas Reserved for Domestic Investors Council of Ministers Regulation No 270/2012, Manufacturing of Wearing Apparel (including Sports Wears) is entitled to Income tax exemption for 6 years. According to the same Regulation Article 7, the Company, as a company that exports more than 80% of its products, is entitled to income tax exemption for further four years after the expiry of the given holiday. Commencement of Income Tax exemption as per Article 11 of the regulation is the date of commencement of production. SSAE PLC has got an official exemption letter from Ethiopian Investment Commission, reference No HIP/Income/002 dated 24 Meskerem 2012 (October 5, 2019).

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