Daiya Tiwari & Soni
Chartered Accountants
C-9, Shiv Valley, Near Shiv Mandir,
Bikaner – 334001 (Rajasthan)
Phone No. - *0151 – 2525575* Fax No. *0151-2203184*
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INDEPENDENT AUDITOR'S REPORT

To the Members of Rangsutra Crafts India Limited Report

on the Audit of the Financial Statements **Opinion**

We have audited the accompanying financial statements of Rangsutra Crafts India Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the statement of Profit and Loss(Including Other Comprehensive Income), the 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its comprehensive income (comprising of profit and other comprehensive income), 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 there under, 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

We draw attention to the financial statements, which describes the uncertainties and the impact of COVID-19 pandemic on the company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

DAIYA TIWARI & SONI
BIKANER
CHARTERED ACCOUNTANTS

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexure to Board's Report, Company's annual return 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 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, 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.

In preparing the financial statements, the Management and Board of 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 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

A Further description of the auditor's responsibilities for the audit of the financial statements is included in **Annexure A**. This description forms part of our auditor's report.

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 Companies Act, 2013, we give in the **Annexure B** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 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 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 C".
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 which would impact its financial position.
    ii. The Company did not have any long-term contracts including derivative contracts 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.

Place: Bikaner
Date: 23th September, 2020

UDIN: 20082385AAAACN4917

For Daiya Tiwari & Soni
Chartered Accountants
(FRN No. – 0004268C)

DAIYA TIWARI & SONI * CHARTERED ACCOUNTANTS * BIKANER

(CA Brij Gopal Daiya)
(Partner)
(M. No. 082385)

Daiya Tiwari & Soni
Chartered Accountants
C-9, Shiv Valley, Near Shiv Mandir,
Bikaner – 334001 (Rajasthan)
Phone No. - *0151 – 2525575* Fax No. *0151-2203184*
Email – dts.incometax@gmail.com
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ANNEXURE -A OF INDEPENDENT AUDITOR'S REPORT

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.

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.

DAIYA TIWARI & SONI BIKANER CHARTERED ACCOUNTANTS

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.

Place: Bikaner
Date: 23th September, 2020

UDIN: 20082385AAAACN4917

For Daiya Tiwari & Soni
Chartered Accountants
(FRN No. – 004268C)

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

(CA Brij Gopal Daiya)
(Partner)
(M. No. - 082385)

Daiya Tiwari & Soni
Chartered Accountants
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Annexure "B" to the Auditor's Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2020, we report that:

1. **In respect of its fixed assets:**
   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 its fixed assets by which fixed assets are verified in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
   c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

2. **In respect of its inventories:**
   a) The Physical verification of inventories has been conducted at reasonable intervals by the management. And as per the information and explanation given to us, no material discrepancies were noticed on physical verification

3. The company has **not** granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

4. 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 Act, with respect to the loans given, investments made, guarantees and securities given.

5. The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed there under.

6. The Central Government has not prescribed the maintenance of cost records under sub- section (1) of section 148 of the Companies Act, 2013 for any of **products** of the company.

DAIYA TIWARI & SONI BIKANER CHARTERED ACCOUNTANTS

7. **In respect of statutory dues:**

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or Service tax or Goods and Services tax or duty of Customs or duty of Excise or Value added tax which have not been deposited with the appropriate authorities on account of any dispute.

8. In our opinion and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to a financial institution or bank, Government during the year.

9. In our opinion and according to the information and explanations given to us, the Company did not raise any 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

10. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. 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.

13. 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 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year

15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

16. According to the information and explanations given to us ,the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934



Place: Bikaner
Date: 23th September, 2020

UDIN: 20082385AAAACN4917

DAIYA TIWARI & SONI BIKANER CHARTERED ACCOUNTANTS

For Daiya Tiwari & Soni
Chartered Accountants
(FRN No. – 004268C)

(CA Brij Gopal Daiya)
(Partner)
(M.No. - 082385)

Daiya Tiwari & Soni
Chartered Accountants
C-9, Shiv Valley, Near Shiv Mandir,
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"Annexure: C" to the Independent Auditor's Report

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 Rangsutra Crafts India Ltd. ("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 with reference to financial statements 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". 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 Companies Act, 2013.

Auditors' Responsibility

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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.

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

DAIYA TIWARI & SONI BIKANER CHARTERED ACCOUNTANTS

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 Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls With Reference to Financial Statements

A company's internal financial control 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 control 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 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 with Reference to Financial Statements

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 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

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".

Place: Bikaner
Date: 23th September, 2020

UDIN: 20082385AAAACN4917

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

For Daiya Tiwari & Soni
Chartered Accountants
(FRN No. – 004268C)

(CA Brij Gopal Daiya)
(Partner)
(M. No. – 082385

RANGSUTRA CRAFTS INDIA LIMITED
BALANCE SHEET AS PER IND AS AT 31ST MARCH,2020

	NOTES	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
ASSETS			
NON-CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	3A	1,09,91,547	67,38,760
INTANGIBLE ASSETS	3B	2,44,563	2,32,846
FINANCIAL ASSETS			
LOANS	4	8,41,339	16,70,573
OTHER FINANCIAL ASSETS	5	1,18,40,806	1,20,76,985
DEFERRED TAX ASSETS (NET)	6	8,68,186	6,58,863
OTHER NON-CURRENT ASSETS	7	87,257	5,844
TOTAL NON-CURRENT ASSETS		**2,48,73,697**	**2,13,83,870**
CURRENT ASSETS			
INVENTORIES	8	4,55,13,412	2,50,01,288
FINANCIAL ASSETS			
TRADE RECEIVABLES	9	3,66,14,471	2,96,73,686
CASH AND CASH EQUIVALENTS	10	39,95,504	9,24,617
BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS	11	74,754	33,795
CURRENT TAX ASSETS (NET)	12	15,40,004	14,16,740
OTHER CURRENT ASSETS	13	1,39,03,272	80,49,049
TOTAL CURRENT ASSETS		**10,16,41,418**	**6,50,99,176**
TOTAL ASSETS		**12,65,15,116**	**8,64,83,046**
EQUITY AND LIABILITIES			
EQUITY			
EQUITY SHARE CAPITAL	14	63,31,800	63,31,800
OTHER EQUITY	15	1,18,76,047	1,42,86,974
TOTAL EQUITY		**1,82,07,847**	**2,06,18,774**
LIABILITIES			
NON-CURRENT LIABILITIES			
PROVISIONS	16	27,13,791	14,49,612
TOTAL NON-CURRENT LIABILITIES		**27,13,791**	**14,49,612**
CURRENT LIABILITIES			
FINANCIAL LIABILITIES			
BORROWINGS	17	3,45,80,072	4,40,76,820
TRADE PAYABLES	18		
- Total Outstanding Dues of micro enterprises and small enterprises		14,52,721	9,13,863
- Total Outstanding Dues of creditors other than micro enterprises and small enterprises		1,79,86,074	94,76,302
OTHER FINANCIAL LIABILITIES	19	3,74,279	20,77,276
OTHER CURRENT LIABILITIES	20	4,96,28,254	50,72,079
PROVISIONS	21	15,72,078	27,98,320
TOTAL CURRENT LIABILITIES		**10,55,93,478**	**6,44,14,660**
TOTAL EQUITY AND LIABILITIES		**12,65,15,116**	**8,64,83,046**
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
CONTINGENT LIABILITIES AND COMMITMENTS	36		
OTHER NOTES	31-39		

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR DAIYA TIWARI & SONI
Chartered Accountants
Firm Registration Number: 004268C

DAIYA TIWARI & SONI * BIKANER * CHARTERED ACCOUNTANTS

BRIJ GOPAL DAIYA
PARTNER
Membership Number: 082385

Place: Bikaner
Date: 23rd September, 2020

UDIN: 20082385AAAACN4917

ON BEHALF OF THE BOARD OF DIRECTORS

SUMITA GHOSE
Managing Director
DIN: 01016426
Place: New Delhi
Date: 23rd September, 2020

DULICHAND SOLANKI
Director
DIN: 07157982
Place: Bikaner
Date: 23rd September, 2020

RAHUL JOHN NOBLE SINGH
Chief Financial Officer
Place: New Delhi
Date: 23rd September, 2020

RANGSUTRA CRAFTS INDIA LIMITED
STATEMENT OF PROFIT AND LOSS AS PER IND AS FOR THE YEAR ENDED 31ST MARCH, 2020

	NOTES	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
INCOME			
REVENUE FROM OPERATIONS	22	19,88,66,020	15,16,16,828
OTHER INCOME	23	63,26,325	90,39,511
TOTAL INCOME		**20,51,92,345**	**16,06,56,339**
EXPENSES			
COST OF MATERIALS CONSUMED	24	12,24,28,736	7,87,80,194
PURCHASES OF STOCK-IN-TRADE	25	3,51,75,025	2,22,47,847
(INCREASE)/DECREASE IN INVENTORIES	26	(1,31,74,014)	20,47,672
EXCISE DUTY		-	-
EMPLOYEE BENEFITS EXPENSE	27	2,49,57,605	2,00,10,434
FINANCE COSTS	28	44,01,368	38,66,044
DEPRECIATION AND AMORTISATION EXPENSE	3A & 3B	21,47,451	10,18,762
OTHER EXPENSES	29	2,84,00,982	2,13,29,205
TOTAL EXPENSES		**20,23,37,153**	**14,93,00,158**
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		28,55,192	**1,13,56,180**
EXCEPTIONAL ITEMS		-	-
PROFIT BEFORE TAX		**28,55,192**	**1,13,56,180**
TAX EXPENSE			
CURRENT TAX	30	(12,58,960)	(22,06,898)
DEFERRED TAX	30	1,05,392	10,65,343
PROFIT FOR THE YEAR		**17,01,624**	**1,02,14,625**
OTHER COMPREHENSIVE INCOME/(LOSS)			
A. ITEMS THAT WILL NOT BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
ACTUARIAL GAIN/(LOSS) ON PROVISION FOR GRATUITY		(3,99,736)	1,28,805
INCOME TAX RELATING TO ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS		1,03,931	(33,489)
B. ITEMS THAT WILL BE RECLASSIFIED TO STATEMENT OF PROFIT AND LOSS			
INCOME TAX RELATING TO ITEMS THAT WILL BE RECLASSIFIED TO PROFIT OR LOSS		-	-
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		**(2,95,805)**	**95,316**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**14,05,819**	**1,03,09,941**
EARNINGS PER EQUITY SHARE			
BASIC	37	2.69	16.13
DILUTED	37	2.69	16.13
CORPORATE INFORMATION & SIGNIFICANT ACCOUNTING POLICIES	1,2		
OTHER NOTES	31-39		

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR DAIYA TIWARI & SONI
Chartered Accountants
Firm Registration Number: 004268C

DAIYA TIWARI & SONI * BIKANER * CHARTERED ACCOUNTANTS

BRIJ GOPAL DAIYA
PARTNER
Membership Number: 082385

Place: Bikaner
Date: 23rd September, 2020

UDIN: 20082385AAAACN4917

ON BEHALF OF THE BOARD OF DIRECTORS

SUMITA GHOSE
Managing Director
DIN: 01016426
Place: New Delhi
Date: 23rd September, 2020

DULICHAND SOLANKI
Director
DIN: 07157982
Place: Bikaner
Date: 23rd September, 2020

RAHUL JOHN NOBLE SINGH
Chief Financial Officer
Place: New Delhi
Date: 23rd September, 2020

RANGSUTRA CRAFTS INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX BUT AFTER EXCEPTIONAL ITEMS	28,55,192	1,13,56,180
ADJUSTMENTS FOR NON-CASH ITEMS		
DEPRECIATION AND AMORTISATION	21,47,451	10,18,762
INTEREST EXPENSE	44,01,368	38,66,044
INTEREST INCOME	(8,48,387)	(9,25,395)
Profit on Sale of Fixed Assets	(98,723)	-
PROVISION FOR GRATUITY & LEAVE ENCASHMENT		-
REMEASUREMENT OF EMPLOYEE BENEFIT OBLIGATION	(3,99,736)	
MAT CREDIT WRITTEN OFF	22,810	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**80,79,976**	**1,53,15,591**
ADJUSTMENTS FOR CHANGES IN WORKING CAPITAL		
(INCREASE)/DECREASE IN TRADE RECEIVABLES	(69,40,785)	(2,23,66,916)
(INCREASE)/DECREASE IN INVENTORIES	(2,05,12,124)	20,97,911
(INCREASE)/DECREASE IN LOANS	(68,032)	(10,72,117)
(INCREASE)/DECREASE IN OTHER ASSETS	(59,35,636)	(43,39,064)
INCREASE/(DECREASE) IN TRADE PAYABLES	90,48,629	5,65,338
INCREASE/(DECREASE) IN OTHER FINANCIAL LIABILITIES	(17,43,956)	4,69,181
INCREASE/(DECREASE) IN OTHER LIABILITIES	4,45,56,175	(52,16,595)
INCREASE/(DECREASE) IN PROVISIONS	13,66,083	14,29,533
CASH GENERATED FROM/(USED IN) OPERATIONS	**2,78,52,329**	**(1,31,17,138)**
TAXES (PAID) / RECEIVED (NET OF WITHHOLDING TAXES)	(18,37,914)	(5,35,742)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**2,60,14,416**	**(1,36,52,880)**
B. CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	(64,53,063)	(32,50,893)
PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	1,39,830	-
INVESTMENTS IN BANK DEPOSITS (WITH ORIGINAL MATURITY OVER 3 MONTHS)	2,36,179	(10,58,115)
INTEREST RECEIVED	8,48,387	9,25,395
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(52,28,667)**	**(33,83,613)**
C. CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS/PAYMENTS FROM SHORT-TERM BORROWINGS	(1,14,96,877)	2,00,25,100
Dividend	(38,16,746)	-
INTEREST PAID	(44,01,368)	(38,66,044)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**(1,97,14,991)**	**1,61,59,056**
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**10,70,758**	**(8,77,437)**
CASH & CASH EQUIVALENTS - OPENING BALANCE	8,47,797	17,25,234
CASH & CASH EQUIVALENTS - CLOSING BALANCE	**19,18,555**	8,47,797
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	**10,70,758**	**(8,77,437)**

NOTES:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" set out in the Ind AS - 7 "Statements of Cash Flows".

2. Figures in bracket indicate cash outflow.

3. Previous year figures have been regrouped and recast wherever necessary to conform to current year's classification.

4. Cash and cash equivalents at the end of the year consist of cash on hand and balance with banks as follows:

	31ST MARCH 2020 (Amount in Rs.)	31ST MARCH 2019 (Amount in Rs.)
CASH ON HAND	1,43,836	2,11,286
BALANCE WITH BANKS		
- IN CURRENT ACCOUNTS	38,51,668	7,13,331
- IN DEPOSIT WITH ORIGINAL MATURITIES UPTO THREE MONTHS	-	-
BANK OVERDRAFTS USED FOR CASH MANAGEMENT PURPOSE	(20,76,949)	(76,820)
TOTAL CASH AND CASH EQUIVALENTS	**19,18,555**	**8,47,797**

Effective 1st 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. The adoption of the amendment did not have any material impact on the financial statements.

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR DAIYA TIWARI & SONI
Chartered Accountants
Firm Registration Number: 004268C

DAIYA TIWARI & SONI * BIKANER * CHARTERED ACCOUNTANTS

BRIJ GOPAL DAIYA
PARTNER
Membership Number: 082385

UDIN: 20082385AAAA

ON BEHALF OF THE BOARD OF DIRECTORS

SUMITA GHOSE
Managing Director
DIN: 01016426

DULICHAND SOLANKI
Director
DIN: 07157982

RAHUL JOHN NOBLE SINGH
Chief Financial Officer

RANGSUTRA CRAFTS INDIA LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH,2020

A. EQUITY SHARE CAPITAL

PARTICULARS	NOTE	AMOUNT IN RS.
BALANCE AS AT 1ST APRIL, 2018	14	63,31,800
Changes in Equity Share Capital during the year		-
BALANCE AS AT 31ST MARCH, 2019		63,31,800
Changes in Equity Share Capital during the year		-
BALANCE AS AT 31ST MARCH, 2020		63,31,800

B. OTHER EQUITY

(Amount in Rs.)

PARTICULARS	RESERVES AND SURPLUS			OTHER COMPREHENSIVE	TOTAL
	GENERAL RESERVE	SECURITIES PREMIUM RESERVE	RETAINED EARNINGS	REMEASUREMENTS OF THE NET DEFINED BENEFIT PLANS (NET OF TAX)	
BALANCE AS AT 1ST APRIL, 2018	16,08,820	42,06,475	(19,55,367)	1,17,105	39,77,033
Profit for the year	-	-	1,02,14,625		1,02,14,625
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	95,316	95,316
BALANCE AS AT 31ST MARCH, 2019	16,08,820	42,06,475	82,59,258	2,12,421	1,42,86,974
Profit for the year	-	-	17,01,624	-	17,01,624
Dividend paid			(31,65,900)		
Dividend Tax Paid			(6,50,846)		
Remeasurements of the net defined benefit plans (net of tax)	-	-	-	(2,95,805)	(2,95,805)
BALANCE AS AT 31ST MARCH, 2020	16,08,820	42,06,475	61,44,136	(83,384)	1,18,76,047

The accompanying notes are an integral part of the Financial Statements

"As per our Report of even date"

FOR DAIYA TIWARI & SONI
Chartered Accountants
Firm Registration Number: 004288C

DAIYA TIWARI & SONI * BIKANER * CHARTERED ACCOUNTANTS

BRIJ GOPAL DAIYA
PARTNER
Membership Number: 082385

Place: Bikaner
Date: 23rd September, 2020
UDIN: 20082385AAAACN4917

ON BEHALF OF THE BOARD OF DIRECTORS

SUMITA GHOSE
Managing Director
DIN: 01016426
Place: New Delhi
Date: 23rd September, 2020

DULICHAND SOLANKI
Director
DIN: 07157982
Place: Bikaner
Date: 23rd September, 2020

RAHUL JOHN NOBLE SINGH
Chief Financial Officer
Place: New Delhi
Date: 23rd September, 2020

RANGSUTRA CRAFTS INDIA LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH2020

3B. INTANGIBLE ASSETS

(Amount in Rs.)

Gross Carrying Value	Computer Software	Trade Marks	Website Development Expenses	Total Intangible Assets
As at April 1, 2018	**6,61,967**	**86,163**	**59,199**	**8,07,329**
Add: Additions made during the year	1,85,000	-	-	1,85,000
Less: Disposals / Adjustments during the year	-	-	-	-
As at March 31, 2019	**8,46,967**	**86,163**	**59,199**	**9,92,329**
Add: Additions made during the year	1,50,000	-	-	**1,50,000**
Less: Disposals / Adjustments during the year	-	-	-	-
As at March 31, 2020	**9,96,967**	**86,163**	**59,199**	**11,42,329**
Accumulated Amortization				
As at April 1, 2018	5,86,138	34,576	29,894	6,50,608
Add: Amortization expense for the year	75,554	20,113	13,208	1,08,875
Less: On Disposals / Adjustments during the year	-	-	-	-
As at March 31, 2019	**6,61,692**	**54,689**	**43,102**	**7,59,483**
Add: Amortization expense for the year	1,19,980	11,048	7,255	1,38,283
Less: On Disposals / Adjustments during the year	-	-	-	-
As at March 31, 2020	**7,81,672**	**65,737**	**50,357**	**8,97,766**
Net Carrying Value				
As at March 31, 2020	**2,15,295**	**20,426**	**8,842**	**2,44,563**
As at March 31, 2019	1,85,275	31,474	16,097	2,32,846



RANGSUTRA CRAFTS INDIA LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

3A. PROPERTY, PLANT AND EQUIPMENT

(Amount in Rs.)

Gross Carrying Value	Land	Buildings	Plant & Machinery	Furniture and Fixtures	Office Equipments	Computers	Total Tangible Assets
As at April 1, 2018	28,19,158	2,72,657	9,86,893	12,18,596	17,25,730	8,25,424	78,48,456
Add: Additions made during the year	-	-	3,48,320	13,07,849	10,93,327	3,16,397	30,65,893
Less: Disposals / Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2019	28,19,158	2,72,657	13,35,213	25,26,445	28,19,057	11,41,821	1,09,14,351
Add: Additions made during the year	-	-	**30,58,374**	**22,27,527**	**6,13,116**	**4,04,045**	63,03,063
Less: Disposals / Adjustments during the year	-	-	-	-	**41,108**	-	41,108
As at March 31, 2020	**28,19,158**	**2,72,657**	**43,93,587**	**47,53,972**	**33,91,065**	**15,45,866**	**1,71,76,306**
Accumulated Depreciation							
As at April 1, 2018	-	97,985	4,13,042	7,96,342	11,99,454	7,58,882	32,65,705
Add: Depreciation charge for the year	-	17,005	1,36,256	2,48,216	3,57,482	1,50,928	9,09,887
Less: On Disposals / Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2019	-	1,14,990	5,49,298	10,44,558	15,56,936	9,09,810	41,75,592
Add: Depreciation charge for the year	-	**15,348**	**4,80,251**	**5,38,887**	6,72,345	3,02,337	20,09,168
Less: On Disposals / Adjustments during the year	-	-	-	-	-	-	-
As at March 31, 2020	-	**1,30,338**	**10,29,549**	**15,83,445**	**22,29,281**	**12,12,147**	**61,84,760**
Net Carrying Value							
As at March 31, 2020	**28,19,158**	**1,42,319**	**33,64,038**	**31,70,527**	**11,61,784**	**3,33,719**	**1,09,91,547**
As at March 31, 2019	28,19,158	1,57,667	7,85,915	14,81,887	12,62,121	2,32,011	67,38,760



4 NON-CURRENT LOANS
(Unsecured, Considered Good)

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Security Deposits	7,41,218	6,75,186
MAT Credit Entitlement	1,00,121	9,95,387
	8,41,339	16,70,573

5 OTHER NON-CURRENT FINANCIAL ASSETS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Deposits with original maturity of more than twelve months*	1,18,40,806	1,20,76,985
	1,18,40,806	1,20,76,985

*Includes a fixed deposit under lien against overdraft facility from Axis Bank.

6 DEFERRED TAX ASSETS (NET)

The balance comprises temporary differences attributable to:	Increase/(Decrease) (Amount in Rs.)	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Property, Plant and Equipment and Intangible Assets	2,09,323	8,68,186	6,58,863
Provision for Retirement Benefits	-	-	-
Other Timing Differences	-	-	-
	2,09,323	8,68,186	6,58,863

7 OTHER NON-CURRENT ASSETS
(Unsecured, Considered Good)

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Prepaid Lease Rentals	87,257	5,844
	87,257	5,844

8 INVENTORIES

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Raw Materials-Garment Fabrics	1,54,17,018	80,78,909
Finished Goods	1,54,56,041	1,36,63,656
Stores and Spares	1,46,40,353	32,58,724
	4,55,13,412	2,50,01,288

- As per inventory taken and valued by the Management.

9 TRADE RECEIVABLES
Unsecured

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Considered Good	3,66,14,471	2,96,73,686
Having significant increase in Credit Risk	-	-
	3,66,14,471	2,96,73,686
Less: Allowance for Credit Losses	-	-
	3,66,14,471	2,96,73,686

10 CASH AND CASH EQUIVALENTS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Balances with Banks		
In Current Accounts	38,51,668	7,13,331
Cash on Hand	1,43,836	2,11,286
	39,95,504	9,24,617

11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Earmarked Balances with Banks		
Unpaid Dividend	74,754	33,795
	74,754	33,795



NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

12 CURRENT TAX ASSETS (NET)

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Balance at the beginning	14,16,740	8,80,998
Less: Current Tax payable for the year	-	-
Add: Taxes paid	1,23,264	5,35,742
Add: Tax provision of earlier years written back		
Advance Income Tax (Net of Provision for Tax)	15,40,004	14,16,740

13 OTHER CURRENT ASSETS

(Unsecured, Considered Good)	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Prepaid Lease Rentals	28,841	12,170
Other Prepaid Expenses	1,09,227	65,380
Advance to Supplier	51,53,145	52,20,116
Advance Sales Tax	23,373	23,495
Goods and Service Tax (GST) Input Credit	85,88,687	27,27,888
	1,39,03,272	80,49,049

15 OTHER EQUITY

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Summary of Other Equity Balance		
General Reserve	16,08,820	16,08,820
Securities Premium Reserve	42,06,475	42,06,475
Retained Earnings	61,44,136	82,59,258
Other Comprehensive Income	(83,384)	2,12,421
	1,18,76,047	1,42,86,974

Nature and purpose of reserves:

a) General Reserve

This reserve represents appropriation of Profits after dividend from Retained Earnings. The same can be utilized by the Company in accordance with the provisions of the Companies Act, 2013.

b) Securities Premium Reserve

The amount received in excess of face value of equity shares is recognised in Securities Premium Reserve.

c) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

16 NON-CURRENT PROVISIONS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Provision for Employee Benefits		
- Gratuity*	23,55,440	13,24,874
- Leave Encashment*	3,58,351	1,24,738
	27,13,791	14,49,612

*Based on actuarial valuation as on the given dates.

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

17 SHORT TERM BORROWINGS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
SECURED		
Working Capital Term Loan (WCTL) from:		
Exim Bank*	2,39,64,148	2,40,00,000
SECURED		
Bank Overdraft from:		
Axis Bank**	20,76,949.49	76,820
SECURED		
Working Capital Term Loan (WCTL) from:		
Yunus Social Business Fund Bengaluru Private Limited***	85,38,975	2,00,00,000
	3,45,80,072	4,40,76,820

The Company has the following credit facilities taken from various banks carrying interest rate between 7.75% to 13.50% p.a.:

a). Maximum Borrowing Sanctioned Limits:

Exim Bank - Rs. 24 million.

Axis Bank - Rs. 2.5 million.

Yunus Social Business Fund Bengaluru Private Limited - Rs 20 million

b). Nature of Security provided to said banks is:

*Working capital limit is secured by first pari passu charge on all the current assets of the Company.

**Cash Credit (Hypothecation) limit is secured by hypothecation by way of first and exclusive charge over all present and future current assets of the Company stored or to be stored at the Company's godown or premise or wherever else the same may be. Later, Overdraft facility from Axis Bank is secured by way of lien of the fixed deposit amounting to Rs.40 lacs with the bank.

*** Working Capital Term Loan is secured by Second charge on all current assets of the company

c). Maturity date and terms of repayment

Bank Overdraft facilities are repayable on demand.

WCTL facilities - Rs 10 Million are payable in monthly installments in 18 months starting from April 2019. Rs 10 Million are repayable in monthly installments in 36 months starting from October 2020.

d) The Company has not defaulted on repayment of loan and interest during the year.

18 TRADE PAYABLES

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
For Goods and Services		
- Total Outstanding Dues of micro enterprises and small enterprises	14,52,721	9,13,863
- Total Outstanding Dues of creditors other than micro enterprises and small enterprises	1,79,86,074	94,76,302
	1,94,38,795	1,03,90,165

19 OTHER CURRENT FINANCIAL LIABILITIES

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Unpaid/Unclaimed Dividend*	74,754	33,795
Other Accruals	2,99,524	20,43,481
	3,74,279	20,77,276

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund.

20 OTHER CURRENT LIABILITIES

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Advance from Customers	4,90,68,710	32,43,686
Statutory Liabilities	5,59,544	18,28,393
	4,96,28,254	50,72,079

21 CURRENT PROVISIONS

	AS AT 31ST MARCH 2020 (Amount in Rs.)	AS AT 31ST MARCH 2019 (Amount in Rs.)
Provision for Employee Benefits		
- Gratuity*	5,76,760	5,21,432
- Leave Encashment*	83,077	36,501
Provision of Income Tax	9,12,241	22,40,387
	15,72,078	27,98,320

*Based on actuarial valuation as on the given dates

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

22 REVENUE FROM OPERATIONS

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Sale of Products (including excise duty)		
Traded	19,69,98,806	14,89,77,665
Other Operating Revenue		
Export Incentives*	17,99,032	26,30,704
Job Work Income	-	-
Discount on Purchase	68,182	8,459
	19,88,66,020	**15,16,16,828**

*Includes Duty Drawback.

23 OTHER INCOME

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Rental Income	3,64,776	86,850
Interest Income		
Bank Deposits	8,30,750	9,12,832
Leased Deposits measured at amortized cost	17,637	12,563
Others	-	-
Net Credit	-	-
Consultancy Fee Received	26,26,353	51,73,742
Leave Encashment Provision written back	(2,80,189)	61,035
Net Gain on Foreign Currency Transactions and Translations	-	-
Miscellaneous Income	1,25,846	-
Export Licence	26,41,153	27,92,489
	63,26,325	**90,39,511**

24 COST OF MATERIALS CONSUMED

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Raw Material and Other Components:		
Opening Stock	80,78,909	81,29,147
Add: Purchases	6,10,67,440	3,22,31,788
Add: Job Work Charges	4,88,80,658	3,91,76,253
Add: Freight Inward	27,88,525	13,50,418
Add: Other Direct Expenses	1,70,30,223	59,71,497
	13,78,45,755	**8,68,59,103**
Less: Closing Stock	1,54,17,018	80,78,909
	12,24,28,736	**7,87,80,194**

25 PURCHASES OF STOCK-IN-TRADE

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Purchase of Finished Goods -Traded	**3,51,75,025**	**2,22,47,847**
	3,51,75,025	**2,22,47,847**

DAYA TIWARI & SONS * BIKANER * CHARTERED ACCOUNTANTS *

NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

26 (INCREASE)/DECREASE IN INVENTORIES

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Opening Inventory		
Finished Goods-Traded	1,36,63,656	1,64,13,046
Stock in Process	32,58,724	25,57,006
	1,69,22,380	1,89,70,052
Closing Inventory		
Finished Goods-Traded	1,54,56,041	1,36,63,656
Stock in Process	1,46,40,353	32,58,724
	3,00,96,394	1,69,22,380
Total (Increase)/Decrease in Inventories	(1,31,74,014)	20,47,672

27 EMPLOYEE BENEFITS EXPENSE

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Salaries and Wages	2,25,85,377	1,82,56,330
Contribution to Provident and Other Funds	12,16,515	8,66,054
Defined Benefit Plan Expense (Refer Note No.35)	6,86,158	5,17,790
Staff Welfare Expense	4,69,555	3,70,260
	2,49,57,605	2,00,10,434

28 FINANCE COSTS

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Interest Expense		
Banking Facilities	44,01,368	38,66,044
	44,01,368	38,66,044

29 OTHER EXPENSES

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Rent	30,98,667	23,64,660
Legal and Professional Charges	60,39,432	43,73,065
Payment to Auditors*	85,000	85,000
Directors Remuneration	16,62,488	12,21,936
Postage, Telex and Telephones	2,57,349	2,47,044
Traveling and Conveyance	25,11,544	25,14,929
Consumable Office Supplies	5,98,627	5,52,252
Insurance	2,10,048	2,32,035
Power and Fuel	12,93,658	6,63,804
Repair and Maintenance		
Computers, Air Conditioners and Other Equipments	3,08,143	2,54,670
Others	21,45,600	12,90,379
Packing, Freight, Clearing and Forwarding	2,47,146	4,56,392
Charity & Donation	-	-
Bank Charges	1,12,863	1,10,333
MAT Credit Write Off	22,810	
Selling Expenses	68,90,873	57,21,176
Project Grant Expenses	3,13,424	24,770
Miscellaneous Expenses	6,03,311	12,16,760
	2,64,00,982	2,13,29,205

***Payments to Auditors#**		
Statutory Auditors		
As Audit Fee	50,000	50,000
As Tax Audit Fee	20,000	20,000
For Other Services	-	-
Taxation Matters	15,000	15,000
Total	85,000	85,000

DAYA TIWARI & SONS * CHARTERED ACCOUNTANTS * BIKANER

30 TAX EXPENSE

	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
(a) Tax expense recognised in Profit or Loss		
Cuurent Tax		
In respect of the current year	12,58,960	22,40,387
Adjustments/(credits) related to previous years (net)	-	-
Total (A)	12,58,960	22,40,387
Deferred Tax and MAT Credit Entitlement		
Orignation and reversal of temporary differences	(2,09,323)	(69,956)
MAT Credit Entitlement	-	(9,95,387)
Total (B)	(2,09,323)	(10,65,343)
Total (A+B)	10,49,637	11,75,044
(b) Amounts recognised in Other Comprehensive Income		
The tax (charge)/credit arising on income and expenses recognised in Other Comprehensive Income is as follows:		
On items that will not be reclassified to Profit or Loss		
Remeasurements gain/(loss) of the Defined Benefit Plans	(1,03,931)	33,489
Total	(1,03,931)	33,489
(c) Reconciliation of Effective Tax Rate		
The income tax expenses for the year can be reconciled to the accounting profit as follows:		
Profit before Exceptional Items and Tax	25,59,387	1,14,51,496
Tax using the Company's Domestic Tax Rate @ 26% (Prev Year 25.75%)	6,65,441	29,77,389
Reduction in tax rate		
Tax Effect of:		
Tax related to previous years		
Effect of tax related to expenses not deductible for income tax	593519	1,49,345
Effect of Brought Forward Losses		(18,90,442)
Effect for Deferred Tax		
Effect of tax due to different tax rate on certain items		
Effect due to Tax under Section 115JB of Income Tax Act	(2,09,323)	
Effect of income not taxable		
Rounding off Tax (including interest)		(61,248)
Income tax recognised in profit or loss	10,49,637	11,75,044

DAIYA TIWARI & SON * BIKANER * CHARTERED ACCOUNTANTS

NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

14 EQUITY SHARE CAPITAL

	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	No of Shares	*(Amount in Rs.)*	No of Shares	*(Amount in Rs.)*
AUTHORISED SHARE CAPITAL				
Equity Shares of Rs. 10/- each (31st March 2019: Rs.10/- each)*	11,00,000	1,10,00,000	11,00,000	1,10,00,000
		1,10,00,000		**1,10,00,000**
ISSUED, SUBSCRIBED & PAID UP				
	6,33,180	63,31,800	6,33,180	63,31,800
		63,31,800		**63,31,800**

*During the year ended 31st March 2018, the face value of equity shares of the Company has been sub-divided from Rs. 100/- each to Rs. 10/- each on 22nd January 2018

a). Terms/rights attached to Equity Shares

The company has one class of equity shares having a par value of Rs.10 per share (31st March 2019: 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. The Company declares and pays dividend in Indian Rupees.

b). The details of shareholders holding more than 5% shares as at 31st March 2020 and 31st March 2019 is set out below:

Name of shareholder	AS AT 31ST MARCH, 2020		AS AT 31ST MARCH, 2019	
	Shares held (No.)	Shares held (%)	Shares held (No.)	Shares held (%)
Equity Shares of Rs. 10/- each (31st March 2018: Rs.10/- each) fully paid up				
Fabindia Overseas Private Limited	2,04,500	32.30%	2,04,500	32.30%
Sumita Ghose	1,10,240	17.41%	1,49,070	23.54%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

c). The reconciliation of the number of shares outstanding as at 31st March 2020 and 31st March 2019 is set out below:

Particulars	AS AT 31ST MARCH, 2020	AS AT 31ST MARCH, 2019
Equity Shares of Rs. 10/- each (31st March 2019: Rs.10/- each) fully paid up		
Number of shares in the beginning	6,33,180	6,33,180
Add: Shares issued during the period	-	-
Number of shares at the end	6,33,180	6,33,180



31 Financial Instruments – Fair Value Measurement

Financial Instruments by Category

(Amount in Rs.)

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortized Cost	FVTPL	FVOCI	Amortized Cost
Financial Assets						
Loans (Non-Current)	-	-	8,41,339	-	-	16,70,573
Other Financial Assets (Non-Current)	-	-	1,18,40,806	-	-	1,20,76,985
Trade Receivables (Current)	-	-	3,66,14,471	-	-	2,96,73,686
Cash and Cash Equivalents (Current)	-	-	39,95,504	-	-	9,24,617
Bank Balances other than Cash and Cash Equivalents	-	-	74,754	-	-	33,795
Total	**-**	**-**	**5,33,66,875**	**-**	**-**	**4,43,79,657**
Financial Liabilities						
Borrowings (Current)	-	-	3,45,80,072	-	-	4,40,76,820
Trade Payables (Current)	-	-	1,94,38,795	-	-	1,03,90,165
Other Financial Liabilities (Current)	-	-	3,74,279	-	-	20,77,276
Total	**-**	**-**	**5,43,93,146**	**-**	**-**	**5,65,44,261**

Financial Instruments by category

Particulars	Total Carrying Value	
	31st March 2020	31st March 2019
Financial Assets		
Loans (Non-Current)	8,41,339	16,70,573
Other Financial Assets (Non-Current)	1,18,40,806	1,20,76,985
Trade Receivables (Current)	3,66,14,471	2,96,73,686
Cash and Cash Equivalents (Current)	39,95,504	9,24,617
Bank Balances other than Cash and Cash Equivalents	74,754	33,795
Total	**5,33,66,875**	**4,43,79,657**
Financial Liabilities		
Borrowings (Current)	3,45,80,072	4,40,76,820
Trade Payables (Current)	1,94,38,795	1,03,90,165
Other Financial Liabilities (Current)	3,74,279	20,77,276
Total	**5,43,93,146**	**5,65,44,261**

Fair Value Hierarchy:
Level 3 : All amortized cost financial assets and liabilities are classified as level 3 inputs.

Notes:

1. Trade receivables comprise amounts receivable from the sale of goods and services.
2. The Management considers that the carrying amount of trade and other receivables approximates their fair value.
3. Bank balances and cash comprise cash and short-term deposits held by the Company. The carrying amount of these assets approximates their fair value.
4. Loans (non-current) comprise of security deposits paid which have been discounted and the same approximates their fair value.
5. Trade and other payables principally comprise amounts outstanding for trade purchases and on-going costs. The Management considers that the carrying amount of trade payables approximates to their fair value.
6. Financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.



NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

32 Financial Risk Management

The Company has exposure to the following risks arising from financial instruments
(a) Credit Risk;
(b) Liquidity Risk; and
(c) Market Risk

Risk Management Framework
The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company activities. The Company's Board of Directors oversees how the management monitors compliance with Company's risk management policies and procedures, and review adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Credit Risk:
Credit risk is a risk that the counterparty will default on its contractual obligation resulting in financial loss to the Company. The credit risk for the Company primarily arises from credit exposures to trade receivables, deposits with landlords for properties taken on leases and other receivables including balances with banks.

The Company mitigates this risk by attempting to ensure appropriate credit worthiness of its customers.

The Company also carries credit risk on lease deposits with landlords for properties taken on leases, for which agreements are signed and property possessions timely taken for operations. The risk relating to refunds after premises shut down is managed through successful negotiations or appropriate legal actions, where necessary.

The Company's experience of delinquencies and customer disputes have been minimal.

(b) Liquidity Risk:
Liquidity risk is a risk that the Company may not be able to meet its financial obligations on a timely basis through its cash and cash equivalents, and funds available by way of committed credit facilities from banks.

Management manages the liquidity risk by monitoring rolling cash flow forecasts and maturity profiles of financial assets and liabilities. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents and additional undrawn financing facilities.

Maturities of Financial Liabilities
The table below summarises the maturity profile (remaining period of contractual maturity at the balance sheet date) of the Company's financial liabilities based on contractual undiscounted cash flows.

The details of the contractual maturities of financial liabilities as of 31st March 2020 are as follows:

(Amount in Rs.)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Short Term Borrowings	3,45,80,072	-	-	3,45,80,072
Trade Payables	1,94,38,795	-	-	1,94,38,795
Unpaid/Unclaimed Dividend	74,754	-	-	74,754
Other Accruals	2,99,524	-	-	2,99,524
	5,43,93,146	**-**	**-**	**5,43,93,146**

The details of the contractual maturities of financial liabilities as of 31st March 2019 are as follows:

(Amount in Rs.)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Short Term Borrowings	3,05,37,845	1,35,38,975	-	4,40,76,820
Trade Payables	1,03,90,165	-	-	1,03,90,165
Unpaid/Unclaimed Dividend	33,795	-	-	33,795
Other Accruals	20,43,481	-	-	20,43,481
	4,30,05,286	**1,35,38,975**	**-**	**5,65,44,261**

(c) Market Risk:
Market risk is the risk that changes in market place could affect the future cash flows to the Company. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables. The Company is not exposed to market risk related to foreign exchange rate risk as there are no receivables or payables in foreign currency.

DAIYA TIWARI & SONS
BIKANER
CHARTERED ACCOUNTANTS

NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

33 Capital Management

The Company's objectives when managing capital are to safeguard continuity as a going concern, provide appropriate return to shareholders and maintain a cost efficient capital structure. The capital includes issued equity capital, share premium and all other reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of Directors seek to maintain a balance of higher returns by sound capital composition and accordingly the Company does not have any long term borrowings as at 31st March 2020 and 31st March 2019. The Company has availed short term credit facilities from banks during the year ended 31st March 2020 and 31st March 2019.

The Company monitors capital on the basis of total debt to total equity on a periodic basis. The following table summarizes the capital of the Company:

(Amount in Rs.)

Particulars	As at 31st March 2020	As at 31st March 2019
Long Term Borrowings	-	-
Short Term Borrowings	3,45,80,072	4,40,76,820
Total Debt	**3,45,80,072**	**4,40,76,820**
Equity Share Capital	63,31,800	63,31,800
Other Equity	1,18,76,047	1,42,86,974
Total Equity	**1,82,07,847**	**2,06,18,774**
Debt-Equity Ratio	**1.90**	**2.14**

The Company's objective is to keep the debt equity ratio as low as possible which it has achieved in these years.

DAYA TIWARI & SON BIKANER CHARTERED ACCOUNTANTS

34 RELATED PARTY DISCLOSURES

As required by Ind AS - 24 "Related Parties Disclosures", the disclosure are as follows:

A. Related parties with whom the Company had transactions:

(i) Parties which have significant influence over the Company (either individually or with others)
- Fabinida Overseas Private Limited

(ii) Key Management Personnel (KMP) and their relatives

- Sumita Ghose	-	Managing Director
Other Directors		
- Rewata Ram Panwar	-	Director
- Pushpa Purohit	-	Director
- Vivek Rishi	-	Nominee Director
- Devendra Kumar Sharma (w.e.f. October 22, 2018)	-	Nominee Director
- Dipti	-	Director
- Dulichand Solanki	-	Director

B. Summary of the transactions with related parties is as follows :

(Amount in Rs.)

Nature of transaction	Entities which significantly influence the Company (either individually or with others)		Key Management Personnel, Other Directors and their relatives		TOTAL	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Sale of Goods	4,07,00,138	3,03,57,151	-	-	4,07,00,138	3,03,57,151
Remuneration (included under Salary and Wages)	-	-	16,62,488	12,21,936	16,62,488	12,21,936
Interest Received	4,825	4,825			4,825	4,825
Interest Paid	37,919	3,74,550	-	-	37,919	3,74,550
Reimbursement of Expenses Paid	20,190	31,654	1,08,303	2,66,385	1,28,493	2,98,039
Advance Received	10,00,000	61,00,000	-	-	10,00,000	61,00,000
Advance Received Paid Back	36,00,000	1,33,50,000	-	-	36,00,000	1,33,50,000

(Amount in Rs.)

Outstanding Balances	Entities which significantly influence the Company (either individually or with others)			Key Management Personnel and their relatives		
	2019-20	2018-19		2019-20	2018-19	
Outstanding Payables	1,09,809	26,00,000		42,935	5,692	
Outstanding Receivables	68,42,106	78,36,817		-	-	

Terms and conditions:
1. All transactions with these related parties are priced on an arm's length basis.
2. None of the balances outstanding are secured.
3. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

Compensation of Key Management Personnel
The remuneration of director and other member of Key Management Personnel during the year was as follows:

(Amount in Rs)

Particulars	2019-20	2018-19
Short-Term Benefits	16,62,488	12,21,936
Post-Employment Benefits	-	-
Other Long-Term Benefits	-	-
Share-Based Payments	-	-
Termination Benefits	-	-
Total compensation paid to key management p	**16,62,488**	**12,21,936**

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period related to key management personnel.



NOTES ANNEXED TO AND FORMING PART OF THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH,2020

C. Disclosure in respect of all related party transactions during the year as follows:

Particulars	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
Sale of Goods		
Fabindia Overseas Private Limited	4,07,00,138	3,03,57,151
Remuneration (included under Salary and Wages)		
Sumita Ghose	12,21,936	12,21,936
Remuneration to Dipti	4,40,552	
Interest Received		
Fabindia Overseas Private Limited	4,825	4,825
Interest Paid		
Fabindia Overseas Private Limited	37,919	3,74,550
Reimbursement of Expenses Paid		
Fabindia Overseas Private Limited	20,190	31,654
Sumita Ghose	1,08,303	2,66,385
Advance Received		
Fabindia Overseas Private Limited	10,00,000	61,00,000
Sumita Ghose	-	-
Advance Received Paid Back/ Adjusted		
Fabindia Overseas Private Limited	36,00,000	1,33,50,000
Sumita Ghose	-	-
Purchase of Goods		
Fabindia Overseas Private Limited	7,00,564	-

Particulars	2019-20 (Amount in Rs.)	2018-19 (Amount in Rs.)
Outstanding Receivable		
Fabindia Overseas Private Limited	68,42,106	78,36,817
Outstanding Payable		
Fabindia Overseas Private Limited	1,09,809	26,00,000
Sumita Ghose	42,935	5,692

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

35 EMPLOYEE BENEFITS

The Company has classified the various benefits provided to employees as under:-

(a) Contribution to Provident Fund (Defined Contribution Plan)
An amount of Rs. 12,16,515/- (Previous Year- Rs. 8,66,054/-) has been recognized as an expense in respect of the Company's contribution to Provident Fund deposited with the relevant authorities and has been shown under personnel expenses in the Statement of Profit and Loss.
The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(b) Contribution to Gratuity Fund (Defined Benefit Plan)
The Company has defined benefit gratuity plan (unfunded) wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Company on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2019. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

(c) Compensated Leave of Absence Plan (Other Long Term Benefit Plan)
The Company permits encashment of leave accumulated by their employees on retirement and separation. The liability for encashment of privilege leave is determined and provided on the basis of actuarial valuation performed by an independent actuary at the date of the balance sheet.

Actuarial valuation was done in respect of the aforesaid defined benefit plan and other long term benefit plan based on the following assumptions-

Economic Assumptions
The discount rate and salary growth rate are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

Discount Rate
The discounting rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & salary growth rate. For the current valuation a discount rate of 6.60 % p.a. (Previous Year 7.60% p.a.) compound, has been used in consultation with the employer.

Salary Growth Rate
The salary growth rate usually consists of at least three components, viz. seniority, regular increments and promotional increase and price inflation. The assumptions used are summarized in the following table:

	Gratuity (Unfunded)		Compensated Absences Earned Leave (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
Discount rate (per annum)	6.60%	7.60%	6.60%	7.60%
Future salary increase (per annum)	6.00%	6.00%	6.00%	6.00%
In Service Mortality	IALM (2012-14)	IALM (2006-08)	IALM (2012-14)	IALM (2006-08)
Retirement Age	58 years	58 years	58 years	58 years
Withdrawal rates : Ages/ withdrawal rate				
-upto 30 years	3.00%	3.00%	3.00%	3.00%
-upto 44 years	2.00%	2.00%	2.00%	2.00%
-above 44 years	1.00%	1.00%	1.00%	2.00%

(Amount in Rs.)

	Gratuity (Unfunded)		Compensated Absences (Unfunded)	
	2019-20	2018-19	2019-20	2018-19
1. Reconciliation of opening and closing balances of Defined Benefit Obligation				
Defined Benefit Obligation at the beginning of the year	**18,46,306**	14,79,929	1,61,239	2,22,274
Interest Cost	**1,40,319**	1,13,955	12,254	17,115
Current Service Cost	**5,45,839**	4,03,835	93,383	37,033
Benefits Paid	-	(22,608)	-	-
Actuarial (Gain)/Loss on obligation	**3,99,736**	(1,28,805)	1,74,552	(1,15,183)
Defined Benefit Obligation at the end of the year	**29,32,200**	**18,46,306**	**4,41,428**	**1,61,239**
2. Reconciliation of opening and closing balances of fair value of Plan Assets				
Fair value of Plan Assets at the beginning of the year	-	-	-	-
Expected return on Plan Assets	-	-	-	-
Employer Contribution	-	-	-	-
Benefits Paid	-	-	-	-
Actuarial Gain/(Loss) on plan assets	-	-	-	-
Fair value of plan assets at the end of the year	-	-	-	-
3. Reconciliation of fair value of Assets and Obligations				
Fair value of Plan Assets	-	-	-	-
Present value of Obligation	29,32,200	18,46,306	4,41,428	1,61,239
Amount recognized in Balance Sheet (Surplus/(Deficit))	**(29,32,200)**	**(18,46,306)**	**(4,41,428)**	**(1,61,239)**
4. Expenses recognized in Statement of Profit and Loss				
Current service cost	5,45,839	4,03,835	93,383	37,033
Net Interest Cost	1,40,319	1,13,955	12,254	17,115
Net actuarial (Gain)/Loss recognized in the period	-	-	1,74,552	(1,15,183)
Net Cost	**5,86,158**	**5,17,790**	**2,80,189**	**(61,035)**
5. Expenses recognized in Other Comprehensive Income				
Actuarial (Gain)/Loss for the year on Obligation	3,99,736	(1,28,805)	-	-
Actuarial (Gain)/Loss for the year on Plan Assets	-	-	-	-
Net (Income)/Expense in OCI	**3,99,736**	**(1,28,805)**	-	-

DAYA TIWARI & SONS * CHARTERED ACCOUNTANTS * BIKANER

6. Sensitivity Analysis of the Defined Benefit Obligation:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

(Amount in Rs.)

Particulars	31st March 2020		31st March 2019	
	Increase by 1.00%	Decrease by 1.00%	Increase by 1.00%	Decrease by 1.00%
Impact of the change in Discount Rate (1.00% movement)	(26,00,954)	33,40,651	(16,68,605)	20,63,611
Impact of the change in Salary Increase Rate (1.00% movement)	33,45,554	(25,91,525)	20,68,647	(16,61,865)

Sensitivities due to mortality and withdrawals are not material and hence impact of change due to these are not calculated.

7. Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follow -

A). Interest Rate Risk - A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

B). Salary Escalation Risk - Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

C). Demographic Risk - The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

D). Liquidity Risk - This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

BAIYA TIWARI & SONS
BIKANER
CHARTERED ACCOUNTANTS

36 CONTINGENT LIABILITIES AND COMMITMENTS

A The Company has Nil contingent liabilities as at 31st March 2020 (31st March 2019: Nil).

B The Company has Nil capital and other commitments as at 31st March 2020 (31st March 2019: Nil).

37 EARNINGS PER EQUITY SHARE (EPS)

Basic EPS amounts has been calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts has been calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Profit/(Loss) for the year	17,01,624	1,02,14,625
Weighted average number of equity shares (Nos.)	6,33,180	6,33,180
Nominal value of equity shares	10	10
Earnings per equity share		
Basic	2.69	16.13
Diluted	2.69	16.13
Weighted average number of equity shares		
Number of shares considered as weighted average shares outstanding for Basic EPS	6,33,180	6,33,180
Add: Effect of dilutive potential equity shares	-	-
Number of shares considered as weighted average shares (including dilutive shares) outstanding for Diluted EPS	6,33,180	6,33,180

38 DUE TO MICRO, SMALL AND MEDIUM ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The principal amount and the interest due thereon remaining unpaid to any supplier	FOR THE YEAR ENDED 31ST MARCH 2020 (Amount in Rs.)	FOR THE YEAR ENDED 31ST MARCH 2019 (Amount in Rs.)
Principal amount due to micro and small enterprises	14,52,721	9,13,863
Interest due on above	-	-
Amount of interest paid by the buyer in terms of section 16 of the MSMED, along with the amounts of payments made to supplier beyond the appointed day	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-

39 OTHER NOTES

(a) Debit and credit balances of trade payables, trade receivables, loans and advances to the extent not confirmed are subject to confirmation and reconciliation with the parties.

(b) As per the requirement of Schedule III of the Act, the Board of Directors have considered the values of all assets of the Company other then fixed assets, and have come to a conclusion that these have a value on realization in the ordinary course of business which is not less than the value at which they are stated in the balance sheet.

(c) Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable.

"Signatures to Notes 1 to 39"

"As per our Report of even date"

FOR DAIYA TIWARI & SONI
Chartered Accountants
Firm Registration Number: 004268C

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

BRIJ GOPAL DAIYA
PARTNER
Membership Number: 082385

Place: Bikaner
Date: 23rd September, 2020
UDIN: 20082385AAAACN4917

ON BEHALF OF THE BOARD OF DIRECTORS

SUMITA GHOSE
Managing Director
DIN: 01016426
Place: New Delhi
Date: 23rd September, 2020

DULICHAND SOLANKI
Director
DIN: 07157982
Place: Bikaner
Date: 23rd September, 2020

RAHUL JOHN NOBLE SINGH
Chief Financial Officer
Place: New Delhi
Date: 23rd September, 2020

1. Corporate Information

RangsutraCrafts India Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956.

The Company is engaged in the business of sale of readymade garments and made up articles of textiles and home furnishing items, the said goods are not manufactured in the premises of the Company but are fabricated in the premises of job workers.

During the year, the Company has shifted from Trading to solely Contract Manufacturing of Finished Goods.

During the year, the Department of Economic Affairs, Ministry of Finance has issued the Foreign Exchange Management (Non-Debt Instruments) (Amendment) Rules, 2019 on 05th December 2019 where under FDI upto 100% has been allowed in contract manufacturing activity under the automatic route. Manufacturing activities may be either self-manufacturing by the investee entity or contract manufacturing in India through a legally tenable contract, whether on principal to principal or principal to agent basis. Prior to the introduction of the said rules, there was no separate provision related to FDI in contract manufacturing under the consolidated FDI policy. With the introduction of these rules, the Company's current activities are fully covered within the ambit of contract manufacturing for which FDI upto 100% is permissible under the automatic route. Accordingly, for the Company the main business activity code as per National Industrial Classification 2008 has been changed to 1401-Manufacturing of all types of textile garments and clothing accessories.

The standalone financial statements of the Company for the year ended 31st March, 2020 were approved and authorized for issue in accordance with the resolution of the Company's Board of Directors on 11th July, 2020.

2. Significant Accounting Policies

a) Basis of preparation of financial statements

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 Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements have been prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

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.

DAYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

b) Critical accounting judgments and key source of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make judgments,estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the management in the process of applying the Company's accounting policies and that have the significant effect on the amount recognized in the financial statements and/or key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Employee Benefits:

Provision for employee benefits in the nature of gratuity and unpaid leave balance is estimated on actuarial basis using a number of assumptions which include assumptions for discount rate, future salary increases, mortality rates, attrition rates for employees, return on planned assets, etc. Any changes in these assumptions will impact the carrying amount of these provisions. Key assumptions are disclosed in Note No. 39.

(ii) Income Tax:

Tax expense is calculated using applicable tax rates and tax laws that have been enacted or substantively enacted. In arriving at taxable profit and tax bases of assets and liabilities the Company adjudges taxability of amounts in accordance with tax enactments, case law and opinion of tax Counsel, as relevant. Where differences arise on tax assessment, these are booked in the period in which they are agreed or on final closure of assessment.

(iii) Decommissioning liability:

The liability for decommissioning costs is recognized when the Company has obligation to perform store/shop restoration activity.The recognition and measurement of decommissioning provisions involves the use of estimates and assumptions whichincludes the timing of handing over the licensed premises which would depend upon the lease period, the carpet area and pre-tax rate applied for discounting.

(iv) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected credit loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(v) Depreciation/ amortization, useful lives and residual value of Property, Plant and Equipment/ Intangible Assets:

Property, Plant and Equipment / Intangible Assets are depreciated / amortized over their estimated useful lives, after taking into account estimated residual value. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation / amortization to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation / amortization for future periods is revised if there are significant changes from previous estimates.

(vi) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

c) Operating Cycle

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 and Ind AS-1 — "Presentation of Financial Statements" based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents.

d) Property, Plant and Equipment

(i) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, if any. Cost comprises of all cost of purchase, construction and expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably, the cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

(ii) Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment, ifany. Cost comprises of all cost of purchase, construction and expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent expenditures relating to Property, Plant and Equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably, The cost and related accumulated depreciation are eliminated from the financial statements upon sale Of retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Repairs and maintenance costs are recognized in net profit in the Statement of Profit and Loss when incurred.

(iii) Depreciation on Property, Plant and Equipment has been charged on Straight Line method on the life of assets and in the manner prescribed in Schedule II to the Companies Act, 2013 on prorate basis from the date of additions and/or disposal.

TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

(iv) The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

(v) Cost of Property, Plant and Equipment not ready for intended use on the date of balance sheet aredisclosed as "Capital Work- in- Progress".

e) Intangible Assets

(i) Intangible assets are recognized if it is probable that the future economic benefits attributable to the assets will flow to the enterprise and cost of the asset can be measured reliably in accordance with the notified Ind AS— 38 on "Intangible Assets".

(ii) Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses (if any).

(iii) Intangible assets are amortizedon a straight-line basis over a period of ten years.

f) Impairment of Non-Financial Assets- Property, Plant and Equipment and Intangible Assets

The Company assesses at each reporting date as to whether there is any indication that any property. Plant and equipment and intangible assets may be impaired. If any such indication exists the recoverable amount (i.e. higher of fair value less cost of disposal and value in use) of the asset is estimated, or, when it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is estimated. If the recoverable amount of the asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized in the Statement of Profit and Loss.

The impairment loss recognized in the prior accounting period is reversed if there has **been** a change in the estimate of recoverable amount.

9) **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial Assets

Financial assets include investments, trade receivables, advances, security deposits and cash and cash equivalents.

Initial Recognition and Measurement

All financial assets are initially recognized at fair value, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition of financial assets, which are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition of financial assets. Purchase and sale of financial assets are recognized using trade date accounting.



Subsequent Measurement

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset is measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Profit and Loss (FVTIDL)

A financial asset which is not classified in any of the above categories is measured at fair value through profit and loss.

Equity Investments

All equity investments are measured at fair value. with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

Impairment of Financial Assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort, Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(ii) Financial Liabilities

Financial liabilities primarily comprise of trade

payables. Initial Recognition and Measurement

All financial liabilities are recognized at fair value and in case of loans, net of directly attributable cost. Fees of recurring nature are directly recognized in the Statement of Profit and Loss as finance cost.

Subsequent Measurement

Financial liabilities arecarried at amortized cost using the effective interest method, for trade and other Payables maturing within one year from the balance sheet date. The carrying amounts approximate fair Value due to the short maturity of these instruments.



(iii) De-recognition of Financial Instruments

The Company derecognizes **a** financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind-AS 109 "Financial Instruments".

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

(iv) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise 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.

h) Inventories

Inventories (including stock-in-transit) are stated at lower of cost and net realizable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present Location and condition.Net realizable value represents the estimated selling price less all estimated costs necessary to make the sale.

i) Foreign Currencies Transactions and Translations

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupee.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains and losses resulting from such translations are included in net profit in the Statement of Profit and Loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income or Statement of Profit or Loss are also recognized in Other Comprehensive Income or Statement of Profit or Loss, respectively).

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

j) Revenue RecognitionRevenue Recognition

Effective April 1, 2018 the Company has adopted Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. the Company has adopted Ind AS 115using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. April 1, 2018, Accordingly, the comparative amounts of revenue and the corresponding contract assets and liabilities have not been retrospectively adjusted. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

(i) Revenue is measured at fair value of the consideration received or receivable, after deduction of any tradediscounts, volume rebates and any taxes or duties collected on behalf of the government such as Goodsand Services Tax, etc. Revenue is recognized on satisfaction of performanceobligation upon transfer of control of promised goods or services to customers in an amount thatreflects the consideration the Company expects toreceive in exchange for those goods or services.

(ii) Sales of Goods:

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The Company considers, whether there are otherpromises in the contract in which there are separateperformance obligations, to which a portion of thetransaction price needs to be allocated(e.g., warranties, customer loyalty points),In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any).

(iii) <u>Export Benefits</u>

Revenue from export benefits arising from Dutyentitlement pass book (DEPB scheme) and duty drawbackschemeare recognized as and when the same are processed and admitted by the concerned authorities and are received during the year.

(iv) Consultancy and receipts from projects,as disclosed under miscellaneous income, are based on services provided and invoices raised during the year.

(v) In case of operating leases, rental income is accounted for on accrual basis.

(vi) Insurance claims/Government Claims, as disclosed under miscellaneous income, are accounted for as and when processed and accepted by the Insurance Companies/Government Authorities.

(vii) Dividend income from investments is recognized when the Company's right to receive payment is established.

(viii) Interest income is accounted for by using effective interest rate (EIR) method. EIR 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 assets. When calculating the EIR, the Company estimates the expected cash flow by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

DAYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

k) Employee Benefits

(i) Short-Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services.

(ii) Post-Employment Benefits

Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

The Company makes specified monthly contribution towards Provident Fund. The Company'scontribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The liability in respect of gratuity is calculated using the Projected Unit Credit Method and spread over the period during which the benefit is expected to be derived from employees' services.The fair value of any plan assets is deducted from the present value of the defined benefit obligation to determine the amount of deficit or surplus. The net defined benefit liability / (asset) is determined as the amount of the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The net defined benefit liability / (asset) is recognized in the balance sheet.

Defined benefit costs are recognised as follows:

a) Service cost in the Statement of Profit and Loss
b) Net interest on the net defined benefit liability (asset) in the Statement of Profit and Loss
c) Remeasurement of the net defined benefit liability / (asset) in Other Comprehensive Income

Compensated Leave of Absence

Accrual for leave encashment benefit is based on actuarial valuation as on the date of balance sheet in pursuance of the Company's leave rules.

l) Share-Based Payments

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity.



At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in the Statement of Profit and Loss such that the cumulative expenses reflects the revised estimate, with a corresponding adjustment to the Stock Option Outstanding Account.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

m) Tax Expenses

The income tax expense or credit for the period is the taxpayable on the current period's taxable income based onthe applicable income tax rate adjusted by changes indeferred tax assets and liabilities attributable to temporarydifferences and to unused tax losses. Tax expense comprises current and deferredtax. Tax is recognized in the Statement of Profit and Loss, except to the extent that it relates to items recognized in the Other Comprehensive Income or in Equity. In which case, the tax is also recognized in Other Comprehensive Income or Equity.

CurrentTax

Currenttax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the Balance Sheet date.

Deferred Tax

Deferredtax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Deferred tax assets are recognized for the future tax consequences to the extent it is probable that futuretaxable profits will be available against which the deductible temporary differences can be utilized.

Minimum Alternative Tax

Minimum Alternative Tax credit is recognized as an 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 reviewedat each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extentthere is no longer a convincing evidence to the effect that the Company will pay normal income tax duringthe specified period.

n) **Earnings Per Equity Share**

Basic earnings per equity share are computed by dividing the net profitor loss attributable to the equity shareholders of the Company by the weighted average number of equities shares outstanding during the period.

Diluted earnings per equity share are computed by dividing the net profit or loss attributable to the equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

o) **Provisions**

Provisions are recognized when the company has a present obligation (Legal or constructive) as a result of past event, is possible that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These estimates are reviewed at each reporting date and adjusted to reflectthe current best estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

p) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, cheques on hand, cash in transit, balance with banks in current accounts, balance in deposit accounts 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. Bank overdrafts are shown under Short Term Borrowings in the Balance Sheet.

q) **Dividend Distribution**

The final dividend on shares is recorded as a liability on the date of approval by the shareholders, and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

r) **Leases**

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

Finance Lease

Assets acquired under finance lease are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.Leased assets are depreciated over the useful life/ lease term of the asset.

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

Operating Lease

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of time pattern in which economic benefits from the leased assets are consumed.

s) Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either -

-In the principal market for the asset or liability, or

-In the absence of a principal market, in the most advantageous market for the asset or liability,

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy classifies the inputs used to measure fair value into three levels, which are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilitiesthat the entity can access at the measurement date.

Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3- Unobservable inputs for the asset or liability.

For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

t) Borrowing Costs

Borrowing Cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, as defined in Ind AS-23 — "Borrowing Costs" are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.All other borrowing costs are recognized in the Statement of Profit andLoss in the period in which they are incurred.

u) Recent Accounting pronouncements Standards issued but not yet effective

On 30th March 2020, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2020 and Companies (Indian Accounting Standards) Second Amendment Rules, 2020, notifying Ind-AS 116 'Leases' and amendments to certain Ind-AS. The Standard amendments are applicable to the Company with effect from 1st April 2020.

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS

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 lease accounting model for lessee and requires the lessee to recognizeright of use assets and lease liabilities for all leases with a term of more thantwelve months, unless the underlying asset is low value in nature.

As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

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 right-of-use asset,

Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The standard has no impact on the actual cash flows of the Company, However, operating lease payments currently expensed as operating cash outflows will instead be capitalised and presented as financing cash outflows in the statement of cash flows.

The Company is currently evaluating the impacton account of implementation of Ind AS 116 whichmight have significant impact on key Profit &Lossand Balance Sheet ratio i.e. earnings before interest,tax, depreciation and amortisation (EBITDA), assetcoverage, debt equity, interest coverage, etc.

Other Amendment

The MCA has notified below amendments which are effective 1st April 2019:

a) Appendix C to Ind AS 12, Income taxes
b) Amendments to Ind AS 103, Business Combinations
c) Amendments to Ind AS 109, Financial Instruments
d) Amendments to Ind AS 111, Joint Arrangements
e) Amendments to Ind AS 19, Employee Benefits
f) Amendments to Ind AS 23, Borrowing Costs
g) Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Application of above standards are not expected to have any significant impact an the Company's financial statements.

DAIYA TIWARI & SONS BIKANER CHARTERED ACCOUNTANTS