

## INDEPENDENT AUDITORS' REPORT

To the Members of Banswara Syntex Ltd.

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the Standalone Ind AS financial statements of **Banswara Syntex Ltd** ('the company') which comprise the balance sheet as at **31st March 2020**, and the statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

#### Basis for Opinion

We conducted our audit of the Standalone Ind As Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind As Financial Statements.

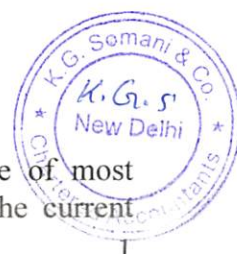
#### Emphasis of Matter

We draw attention to Note No. 52 of the standalone financial statements, as regards to the management evaluation of COVID – 19 impacts on the future performance of the Company.

Our opinion is not modified in respect of this matter

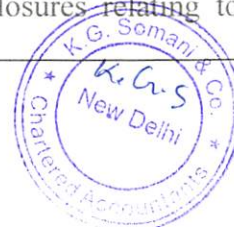
#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS Financial Statements of the current



period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the matter
<p><b>Lease Recognition in terms of Ind AS 116 “Leases”</b></p> <p>The Company has adopted Ind AS 116 “Leases” in the current year replaces Ind AS 17 “Leases”. The application and transition to this accounting standard is complex and is an area of focus in our audit since the Company has a major amount of lease agreement with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term. Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer Note No.40 to the standalone financial statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>Assessed and tested new processes and controls in respect of the lease accounting standard (Ind AS 116).</li> <li>Assessed the Company’s evaluation on the identification of leases based on the contractual agreements and our knowledge of the business.</li> <li>Involved our specialists to evaluate the reasonableness of the discount rates applied in determining the lease liabilities.</li> <li>Upon transition as at 1 April 2019: <ul style="list-style-type: none"> <li>Evaluated the method of transition and related adjustments.</li> <li>Tested completeness of the lease data by reconciling the Company’s operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> <li>Obtained separate report on impact of Ind AS 116 “Leases” from an independent external expert engaged by the Company.</li> </ul> </li> <li>On a statistical sample, we performed the following procedures: <ul style="list-style-type: none"> <li>assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>evaluated computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> </ul> </li> <li>Assessed and tested the accounting policy, presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul>





<p><b><u>Recoverability of Direct tax/ Indirect Tax</u></b></p> <p>The Company has material uncertain Income tax/indirect tax recoverability including matter under dispute which involves significant judgement to determine the possible outcome of these disputes</p>	<p>Obtained details of completed tax assessments and demands for the year ended March 31, 2020 from management. We have discussed the possible outcome in respect of recovery of Direct tax and Indirect tax from the management &amp; tax consultant of the company. We considered the effect of new information in respect of uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.</p>
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### **Information Other than the Standalone Ind As Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Ind As financial statements and our auditor's report thereon.

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

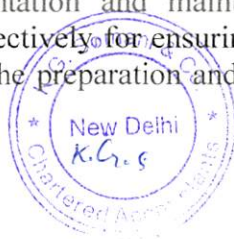
In connection with our audit of the Standalone Ind As financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind As financial statements or our knowledge obtained during the course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

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

### **Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements



that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

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





- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 standalone Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), and the Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors 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) The matter described in the Emphasis of matter Paragraph above, in our opinion, may or may not have an adverse effect on the functioning of the company due to uncertainties.
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (i) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its financial position in its financial statements refer Note 45 to the Standalone Ind AS financial statements.
  - ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For K. G. Somani & Co.**

Chartered Accountants

Firm Registration No: 06591N

*Kavita Goyal*

**(Kavita Goyal)**

Partner

Membership No:063419

**UDIN: 20063419AAAAF1983**

Place: New Delhi

Date: 27<sup>th</sup> June 2020

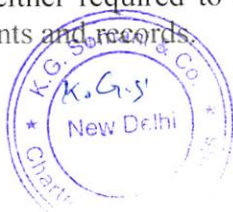




## **“Annexure A” to the Independent Auditors’ Report**

**Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the Standalone Ind AS Financial Statements of the Company for the year ended March 31, 2020:**

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) According to the explanations given to us, Company has made a plan to verify the fixed assets in phased manner, some of the fixed assets have been physically verified by the management at reasonable intervals having regard to the size of the Company and the nature of its assets. No material discrepancy was noticed on such verification as compared to book records.
- c) In our opinion and according to the information and explanations given to us during the course of audit, the title deeds of immovable properties are held in the name of the company. Fourteen title deeds are mortgaged with the banks/ financial institutions for securing the long-term borrowings.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year except inventory lying with the third parties. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on comparison of physical verification with the book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of, paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us during the course of audit, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment of the company. Further, the company has not granted any loans and has not given any guarantees and security under the provision of section 185 of the companies Act, 2013; thereby the provision of the said section is not applicable to the company.
- (v) According to the information and explanations given to us, the Company has accepted deposits and complied with the directives issued by the Reserve Bank of India and the provisions of the Companies Act 2013 and the rule frame there under. No order has been passed with respect to Section 73 to 76 by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any Tribunal.
- (vi) The Company has maintained cost records under section 148(1) of the Companies Act, 2013, However, we are neither required to carry out, nor have carried out any detailed examination of such accounts and records.



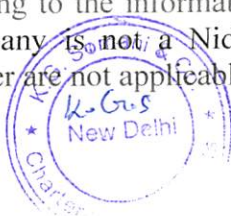
- (vii)(a) According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Duty of Customs, Duty of Excise, Value added Tax, Goods & Service Tax, Cess and any other statutory dues with the appropriate authorities and there were no outstanding at March 31, 2020 for a period of more than six months from the date they become payable except the following:

Particular	Amount (Rs in Lakhs)
Entry Tax (Rajasthan tax on entry of goods into local area act, 1999)	110.65 Lakhs

- (b) According to the information and explanations given to us, the dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, Goods & Service Tax and cess which have not been deposited on account of a dispute and the forum where the dispute is pending are as follows:

Name of Statue	Nature of disputed dues	Period to which amount relates	Amount involved (Rs. in Lakhs)	Forum where dispute is pending
Income Tax Act 1961	Income Tax	AY 2010-11, 2014-15 & 2015-16	1,407.42	CIT(Appeals) Udaipur
Custom Act, 1962	Custom Duty	FY 2012-13	328.86	CESTAT, Ahmedabad

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- (ix) According to the information and explanations given to us, the company has not made any public offer (including debt instruments) during the year. According to the information and explanation given to us, the money raised by the company by way of term loan has been applied for the purpose for which they were obtained.
- (x) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the company or any fraud on the company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) In our opinion and according to the information and explanations given to us during the course of audit, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) In our opinion and according to the information and explanations given to us during the course of audit, the company is not a Nidhi Company. Therefore, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.





- (xiii) In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that transactions with the related parties are in compliance with sections 177 & 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.
- (xiv) According to the information and explanations given to us by the management and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that the company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us during the course of audit, we state that the Company has not entered into non-cash transaction with directors or persons connected with him. Therefore clause 3(xv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- (xvi) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

**For K. G. Somani & Co.**  
**Chartered Accountants**  
**Firm Registration No: 06591N**

*Kavita Goyal*

**(Kavita Goyal)**  
**Partner**  
**Membership No:063419**  
**UDIN: 20063419AAAAAF1983**

**Place: New Delhi**  
**Date: 27<sup>th</sup> June 2020**



**“Annexure B” to the Independent Auditor’s Report of even date on the Standalone Ind AS Financial Statements of Banswara Syntex Limited the year ended 31<sup>st</sup> March 2020**

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

We have audited the internal financial controls over financial reporting of **Banswara Syntex Limited** (“the Company”) as of **March 31, 2020** in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on, “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the





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

**For K. G. Somani & Co.**  
**Chartered Accountants**  
**Firm Registration No: 06591N**

*Kavita Goyal*

**(Kavita Goyal)**

**Partner**

**Membership No:063419**

**UDIN: 20063419AAAAAF1983**

**Place: New Delhi**

**Date: 27<sup>th</sup> June 2020**



**BANSWARA SYNTEX LIMITED**  
CIN:L24302RJ1976PLC001684  
**BALANCE SHEET AS AT 31 MARCH 2020**

		Rs. In Lakhs	
PARTICULARS	Note No.	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipment	2	37,068.42	41,356.17
(b) Capital Work-in-Progress	2	59.51	5.06
(c) Other Intangible Assets	3	332.98	410.18
(d) Financial Assets			
(i) Investment in Joint Venture	4	360.00	360.00
(ii) Loans	5	220.53	240.95
(iii) Others	6	382.15	281.94
(e) Other Non-Current Assets	7	940.65	737.14
		39,364.24	43,391.44
<b>Current Assets</b>			
(a) Inventories	8	23,747.53	28,790.59
(b) Financial Assets			
(i) Investments	9	9.95	17.81
(ii) Trade Receivables	10	14,015.40	16,341.56
(iii) Cash and Cash Equivalents	11	354.92	806.19
(iv) Bank balances other than (iii) above	12	936.49	958.94
(v) Loans	13	489.97	150.01
(vi) Others	14	1,487.97	2,059.44
(c) Other current assets	15	4,863.75	6,121.80
		45,905.98	55,246.34
<b>Total Assets</b>		<b>85,270.22</b>	<b>98,637.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	1,711.60	1,711.60
(b) Other Equity	17	32,474.68	27,732.88
		34,186.28	29,444.48
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	9,703.20	14,039.14
(b) Provisions	19	524.38	362.69
(c) Deferred Tax Liabilities (Net)	20	2,777.22	3,350.19
(d) Government Grant	21	636.66	716.53
		13,641.46	18,468.55
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	22	16,315.13	27,951.08
(ii) Trade Payables	23	156.32	80.81
a.) Total outstanding dues of micro enterprises and small enterprises;			
b.) Total outstanding dues of creditors other than micro enterprises and small enterprises			
(iii) Other Financial Liabilities	24	10,279.09	13,179.73
(b) Other Current Liabilities	25	6,925.86	5,702.33
(c) Government Grant	21	3,428.52	3,236.47
(d) Provisions	26	79.87	79.87
(e) Current Tax Liabilities (Net)	27	257.69	380.72
		-	113.74
<b>Total Equity and Liabilities</b>		<b>37,442.48</b>	<b>50,724.75</b>
		<b>85,270.22</b>	<b>98,637.78</b>

Significant Accounting Policies, Notes on Accounts and other disclosures from Note no. 1 to 57 forming part of these financial statements.

In terms of our Audit Report of even date:

For and on behalf of the Board of Directors

For K.G. SOMANI & CO.  
Chartered Accountants  
FRN - 006591N

*Kavita Goyal*  
Kavita Goyal  
Partner  
M.No. 063419

*Rakesh Mehra*  
Rakesh Mehra  
DIN : 00467321  
Chairman

*Shaleen Toshniwal*  
Shaleen Toshniwal  
DIN : 00246432  
Jt. Managing Director

*J.K. Rathi*  
J.K. Rathi  
President  
Place : Banswara  
Dated : 27 June 2020

*Ravindra Kumar Toshniwal*  
Ravindra Kumar Toshniwal  
DIN : 00106789  
Managing Director

*P. Kumar*  
P. Kumar  
DIN : 00179074  
Chairman (Audit Committee)

*J. K. Jain*  
J. K. Jain  
Jt. President & CFO

*H. P. Kharwal*  
H. P. Kharwal  
Company Secretary

Place : New Delhi  
Dated: 27 June 2020





**BANSWARA SYNTAX LIMITED**  
CIN:L24302RJ1976PLC001684  
**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2020**

PARTICULARS	Note No.	For the year ended 31 March 2020	Rs. In Lakhs For the year ended 31 March 2019
<b>Income:</b>			
Sale of Products & Services	28	126,980.76	132,823.73
Other Operating Revenue	28	1,969.07	2,269.74
<b>Revenue From Operations</b>		128,949.83	135,093.47
Other Income	29	1,286.78	1,357.78
<b>Total Revenue(I)</b>		130,236.61	136,451.25
<b>Expenses :</b>			
Cost of Materials Consumed	30	57,006.14	65,770.78
Changes in Inventories Of Finished Goods, Stock-In-Trade and Work-In-Progress	31	3,124.21	1,001.02
Employee Benefits Expenses	32	24,172.52	23,691.25
Finance Costs	33	4,872.44	5,639.96
Depreciation And Amortization Expenses	34	5,120.45	5,487.39
Other Expenses	35	30,228.44	32,611.08
<b>Total Expenses(II)</b>		124,524.20	134,201.48
<b>Profit before exceptional items and tax (III) = (I-II)</b>		5,712.41	2,249.77
Exceptional Item (net) (IV)	36	44.81	(298.87)
<b>Profit before tax (V) = (III+IV)</b>		5,757.22	1,950.90
<b>Tax Expense :</b>			
(1) Current tax			
Current Year		1,053.45	394.11
Tax Adjustment of Earlier Years		6.53	(37.11)
(2) Deferred Tax		(640.97)	(820.57)
<b>Total Tax Expenses (VI)</b>		419.01	(463.57)
<b>Profit After Tax (VII) = (V)-(VI)</b>		5,338.21	2,414.47
<b>Other Comprehensive Income</b>			
<b>A. Item that will not be reclassified to profit or loss</b>			
(i) Remeasurment of defined benefit plan		(84.27)	282.55
(ii) Tax relating to Remeasurment of defined benefit plan		29.45	(60.89)
<b>B. Item that will be reclassified to profit or loss</b>		-	-
<b>Total Other Comprehensive Income (VIII)</b>		(54.82)	221.66
<b>Total Comprehensive Income for the Period (IX) = (VII+VIII)</b>		5,283.39	2,636.13
<b>Earnings per equity share (in Rs.)</b>	37		
(1) Basic (Face Value of Rs. 10 each)		31.19	14.11
(2) Diluted (Face Value of Rs. 10 each)		31.19	14.11

Significant Accounting Policies, Notes on Accounts and other disclosures from Note no. 1 to 57 forming part of these financial statements

In terms of our Audit Report of even date:

For and on behalf of the Board of Directors

For K.G. SOMANI & CO.  
Chartered Accountants  
FRN - 006591N

*Kavita Goyal*  
Kavita Goyal  
Partner  
M.No. 063419

*Rakesh Mehra*  
Rakesh Mehra  
DIN : 00467321  
Chairman

*Shaleen Toshniwal*  
Shaleen Toshniwal  
DIN : 00246432  
Jt. Managing Director

*J.K. Rathi*  
J.K. Rathi  
President  
Place : Banswara  
Dated: 27 June 2020

*Ravindra Kumar Toshniwal*  
Ravindra Kumar Toshniwal  
DIN : 00106789  
Managing Director

*P. Kumar*  
P. Kumar  
DIN : 00179074  
Chairman (Audit Committee)

*J. K. Jain*  
J. K. Jain  
Jt President & CFO

*H. P. Kharwal*  
H. P. Kharwal  
Company Secretary

Place : New Delhi  
Dated: 27 June 2020



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(Rs. in Lakhs)

PARTICULARS		For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A) Cash Flow From Operating Activities :-</b>			
Net Profit Before Tax as per Statement of Profit and Loss			
Adjusted for :-			
Depreciation and Amortization Expenses	5,120.45	(209.19)	97.76
Unrealised Exchange (Gain)/Loss	-	4.89	0.18
Current Investment Written Off	-	-	5,487.39
Loss on Discard of Property, Plant and Equipment	4.89	(79.87)	121.60
Deferred Government Grant transferred to Statement of Profit and Loss	(79.87)	(49.70)	177.27
Interest paid	4,872.44	7.86	5,639.96
Fair value (Gain)/Loss transferred to Statement of Profit and Loss	7.86	(54.61)	(1.27)
Rental Income	-	-	(22.28)
Operating profit before working capital changes	9,612.27	15,369.49	11,420.74
Adjusted for :-			
(Increase)/Decrease in trade & other receivables	(3,691.35)	5,043.06	2,030.46
(Increase)/Decrease in inventories	5,043.06	22.46	2,166.15
(Increase)/Decrease in Bank balance and Term Deposits	22.46	(2,211.57)	(1.34)
Cash generated from operations	(2,211.57)	6,545.30	(3,534.80)
Net cash from operating activities (A)			
Direct Tax paid (net of tax refund)	21,914.79	1,076.27	14,032.11
<b>B) Cash Flow From Investing Activities :-</b>			
Net cash used in investing activities (B)	20,838.52	(685.98)	(987.77)
Purchase of Property, Plant and Equipment	(796.76)	156.38	(1,187.69)
Sale of Property, Plant and Equipment	(100.21)	54.61	(81.77)
Rent received	54.61	(685.98)	22.28
<b>C) Cash Flow From Financing Activities :-</b>			
Net cash used in financing activities (C)	(20,603.81)	(515.86)	(459.41)
Proceeds from long term borrowings	259.28	(3,458.33)	518.80
Repayment of long term borrowings	(4,807.95)	(11,635.95)	(5,639.96)
Interest paid	(3,458.33)	(4,807.95)	(5,891.98)
Increase/(Decrease) in bank borrowings	(11,635.95)	(280.00)	(1,426.00)
Proceeds from unsecured loans	280.00	(725.00)	800.92
Repayment of unsecured loans	(725.00)	(515.86)	(459.41)
Dividend and tax thereon Paid	(515.86)	(20,603.81)	(206.34)
Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	(451.27)	806.19	436.22
Opening balance of cash and cash equivalents	806.19	354.92	369.97
Closing balance of cash and cash equivalents	354.92	806.19	806.19

Particulars	As at 31.03.2020	As at 31.03.2019
Cash on hand	65.70	41.57
Balance in current account	289.22	764.62
Total	354.92	806.19

Note: 1. The above Statement of Cash Flow has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.  
2. Refer Note No. 49 for details of undrawn borrowings facilities that may be available for the future operating activities and to settle future capital commitment.  
3. Figures in bracket indicate cash outflow.

In terms of our Audit Report of even date:

For K.G. SOMANI & CO.  
Chartered Accountants  
FRN - 006591N  
Kavita Goyal  
Partner  
M.No. 063419

Place : New Delhi  
Dated: 27 June 2020



Place : Banswara  
Dated: 27 June 2020

J. K. Rathni  
President

Jt. Managing Director  
DIN : 00246432

Shaleen Toshniwal  
Chairman  
DIN : 00467321

Rakesh Mehra  
Chairman  
DIN : 00467321

J. K. Jain  
Jt President & CFO

H. P. Khawar  
Company Secretary

P. Kumar  
Managing Director  
DIN : 00106789

Ravindra Kumar Toshniwal  
Chairman (Audit Committee)  
DIN : 00179074

For and on behalf of the Board of Directors



③

**Statement of changes in Equity for the year ended 31 March 2020**

**Equity Share Capital**

(Rs. In Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	No of Shares	Amount	No of Shares	Amount
Balance at the beginning of the year	17,116,042	1,711.60	17,116,042	1,711.60
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	17,116,042	1,711.60	17,116,042	1,711.60

**Other Equity**

(Rs. In Lakhs)

Particulars	Reserves & Surplus					Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	
As at 1 April 2019	20.43	2,959.00	173.00	17,137.10	7,443.35	27,732.88
Profit for the year	-	-	-	-	5,338.21	5,338.21
Effect of Transition Provision IND AS 116 Refer Note No 40) Net of Tax	-	-	-	-	(25.72)	(25.72)
Other comprehensive income	-	-	-	-	(54.82)	(54.82)
Total comprehensive income	-	-	-	-	5,257.67	5,257.67
Transfer from Surplus	-	-	-	1,000.00	(1,000.00)	-
Dividends on Equity Shares for the year	-	-	-	-	(427.90)	(427.90)
Dividend distribution tax on cash dividend	-	-	-	-	(87.96)	(87.96)
As at 31 March 2020	20.43	2,959.00	173.00	18,137.10	11,185.15	32,474.68

Particulars	Reserves & Surplus					Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	General Reserve	Retained Earnings	
As at 1 April 2018	20.43	2,959.00	173.00	16,137.10	5,923.85	25,213.38
Profit for the year	-	-	-	-	2,414.47	2,414.47
Effect of Transition Provision IND AS 115 Refer Note No 47) Net of Tax	-	-	-	-	89.70	89.70
Other comprehensive income	-	-	-	-	221.66	221.66
Total comprehensive income	-	-	-	-	2,725.84	2,725.84
Transfer from Surplus	-	-	-	1,000.00	(1,000.00)	-
Dividends on Equity Shares for the year	-	-	-	-	(171.16)	(171.16)
Dividend distribution tax on cash dividend	-	-	-	-	(35.18)	(35.18)
As at 31 March 2019	20.43	2,959.00	173.00	17,137.10	7,443.35	27,732.88

Significant Accounting Policies, Notes on Accounts and other disclosures from Note no. 1 to 57 forming part of these financial statements.

In terms of our Audit Report of even date:

For and on behalf of the Board of Directors

For K.G. SOMANI & CO.  
Chartered Accountants  
FRN - 006591N

Kavita Goyal  
Partner  
M.No. 063419

Rakesh Mehra  
DIN : 00467321  
Chairman

Shaleen Toshniwal  
DIN : 00246432  
Jt. Managing Director

J.K. Rathi  
President  
Place : Banswara  
Dated: 27 June 2020

Ravindra Kumar Toshniwal  
DIN : 00106789  
Managing Director

P. Kumar  
DIN : 00179074  
Chairman (Audit Committee)

J. K. Jain  
Jt President & CFO

H. P. Kharwal  
Company Secretary

Place : New Delhi  
Dated: 27 June 2020





## Standalone Financial Statement

### 1. Overview & Significant Accounting Policies for the Financial Year 2019-20

#### A. Corporate Information

Banswara Syntex Limited ("the Company") is a Company domiciled in India and limited by shares (CIN: L24302RJ1976PLC001684). The shares of the Company are publicly traded on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The address of the Company's registered office is Industrial Area, Dahod Road, Post Box No. 21, subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable) and applicable provisions of the Companies Act, 1956.

These financial statements were authorized for issue by Board of Directors on 27 June 2020.

#### B. Statement of Compliance and Basis of Preparation

##### 1. Compliance with Ind AS

These Financial Statements are prepared on going concern basis following accrual basis of accounting and comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent applicable) and applicable provisions of the Companies Act, 1956.

##### 2. Basis of measurement/Use of Estimates

- (i) The Financial Statements are prepared on accrual basis under the historical cost convention except certain financial assets and liabilities (including derivatives instruments) that are measured at fair value. The methods used to measure fair values are discussed in notes no.50 to financial statements.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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.

- (ii) The preparation of financial statements requires judgments, estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized. Major Estimates are discussed in Part D.

- (iii) The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, Inventories, loans and Property, Plant & Equipment (Including Intangible assets). In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of



these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts and consensus estimates from market sources on the expected future performance of the Company.

- (iv) The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**3. Standards issued but not effective** *(based on Exposure drafts available as on date)*

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

**(A) Issue of Ind AS 117 – Insurance Contracts**

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

**(B) Amendments to existing Standards**

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

**4. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (up to two decimals), except as stated otherwise.

**5. Current and non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:





- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

### **C. Significant accounting policies**

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

#### **1. Property, plant & equipment**

##### **1.1. Initial recognition and measurement**

An item of property, plant and equipments recognized as an asset if and only if it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Items of property, plant and equipments are measured at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset, inclusive of non-refundable taxes & duties, to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipments have different useful lives, they are recognized separately.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized.

##### **1.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of Property, Plant and Equipment are recognized in the statement of profit and loss as incurred.

##### **1.3. Derecognition**

Property, Plant and Equipment are derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.



#### **1.4. Depreciation**

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leasehold lands are amortized over the lease term unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

Assets costing up to Rs. 5,000/- are fully depreciated in the year of acquisition.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a property, plant and equipment along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

#### **2. Capital work-in-progress**

The cost of self-constructed assets includes the cost of materials & direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and borrowing costs.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

#### **3. Intangible assets and intangible assets under development**

##### **3.1. Initial recognition and measurement :**

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably.

Intangible assets acquired by the Company are measured on initial recognized at cost. Subsequent measurement is done at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Expenditure on development activities is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

##### **3.2. Subsequent costs**

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.





### **3.3. Derecognition**

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

### **3.4. Amortization**

Intangible assets having definite life are amortized on straight line method in their useful lives. Useful life of computer software is estimated at six years.

## **4. Borrowing Cost**

Borrowing costs that are directly attributable to the acquisition, construction/exploration/development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS 109 – 'Financial Instruments' (b) finance charges in respect of finance leases recognized in accordance with Ind AS 116 – 'Leases' and (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are charged to revenue as and when incurred.

## **5. Investment in Joint Venture**

These are Company's Separate Financial Statements. Company has opted to show investments in Joint Venture at cost. Dividend from these is recognized as and when right to receive is established.

## **6. Inventories**

Inventories are valued at the lower of cost or net realizable value. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Spare parts other than those capitalized as Property, Plant and Equipment are carried as inventory.

The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.



## **7. Cash and Cash Equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and cash on hand and short-term deposits with an original maturity of three months or less, which are subject to insignificant risk of change in value.

## **8. Government Grants**

Government grants are recognized only when its reasonable certainty that economics benefit flow to the entities and attached conditions will be complied with it

Government grants are recognized and shown in the balance sheet as liability and income is accrued based on the terms of schemes in the statement of profit and loss over a phased manner in consideration with scheme terms and related use of assets.

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

## **9. Provisions, Contingent liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and 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.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgment of





management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

#### **10. Foreign currency transactions and translation**

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in Statement of profit or loss in the year in which it arises.

Non-monetary items measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### **11. Revenue**

Revenue is to be recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. To recognize revenues, the company apply the following five step approach:

- (1) Identify the contract with a customer
- (2) Identify the performance obligations in the contract
- (3) Determine the transaction price,
- (4) Allocate the transaction price to the performance obligations in the contract
- (5) Recognize revenues when a performance obligation is satisfied.

Control implies the ability to obtain the benefits from and direct the usage of the asset while also preventing other entities from obtaining benefits and directing usage.

##### **a) Income from Sale of Goods**

Revenue from sale of products are recognized at a point in time on transfer of promised product to customer upon transfer of control in an amount that reflects the consideration that the company expects to receive in exchange for those product.

##### **b) Income from Rendering of Services**

Income from sale of services is recognised when (or as) the company satisfies performance obligation by transferring promised services to the customer i.e. at a point in time.

#### **Other Export Benefit**

Export benefits arising from Duty Drawback scheme, Merchandise Export Incentive Scheme and other eligible export incentives are recognised on post export basis at the rate at which the entitlements accrue and is included in the 'Other Operating Income'. (Revenue from operation).

Export Benefits are accounted for in the year of export at net market realizable value.



### **Interest Income**

For all financial instruments classified and measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit or loss.

### **Dividend**

Dividend Income is recognized when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

### **Other Income**

Other income is recognized in the statement of profit and loss when increase in future economic benefits related to an increase in an asset or a decrease of a liability has arisen that can be measured reliably

### **Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

### **Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.





## **12. Employee Benefits**

### **12.1 Short Term Employee Benefit**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### **12.1. Post-Employment benefits**

Employee benefit that are payable after the completion of employment are Post-Employment Benefit (other than termination benefit). These are of two type:

##### **12.1.1. Defined contribution plans**

Defined contribution plans are those plans in which an entity pays fixed contribution into separate entities and will have no legal or constructive obligation to pay further amounts. Provident Fund and Employee State Insurance are Defined Contribution Plans in which the Company pays a fixed contribution and will have no further obligation.

##### **12.1.2. Defined benefit plans**

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

Company pays Gratuity as per provisions of the Gratuity Act, 1972. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a liability to the company, the present value of liability is recognized as provision for employee benefit. Any actuarial gains or losses are recognized in Other Comprehensive Income ("OCI") in the period in which they arise.

### **12.3 Other long-term employee benefits**

Benefits under the Company's leave encashment, long-service award and economic rehabilitation scheme constitute other long term employee benefits. The Company's net obligation in respect of leave encashment is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Actuarial gains or losses are recognized in statement of profit or loss in the period in which



they arise. In case of funded plans, the fair value of plant asset is reduced from the gross obligation, to recognize the obligation on the net basis.

### **13. Taxes**

Tax expense comprises current tax and deferred tax. Current tax expense is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years. Current taxes are recognized under 'Income tax payable' net of payments on account, or under 'Tax receivables' where there is a debit balance.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax is recognized in the statement of profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. 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.

Tax credit is recognized in respect of Minimum Alternative Tax (MAT) paid in terms of section 115JAA of the Income Tax, 1961 based on convincing evidence that the Company will pay normal income tax within statutory time frame and the same is reviewed at each balance sheet date. MAT credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence it is grouped with Deferred Tax Assets.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

### **14. Leases**

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

#### **As a lessee**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises





the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position. (Refer note 2 & 18 respectively)

#### **Short-term leases and leases of low-value assets**

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.



#### **As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

#### **Arrangements in the nature of lease**

The Company enters into agreements, comprising a transaction or series of related transactions that does not take the legal form of a lease but conveys the right to use the asset in return for a payment or series of payments. In case of such arrangements, the Company applies the requirements of Ind AS 116 – Leases to the lease element of the arrangement. For the purpose of applying the requirements under Ind AS 116 – Leases, payments and other consideration required by the arrangement are separated at the inception of the arrangement into those for lease and those for other elements.

#### **Under Ind AS 17**

In the comparative period, as a lessee the company classified leases that transfersubstantially all of the risks and rewards of ownership as finance leases. When this wasthe case, the leased assets were measured initially at an amount equal to the lower of theirfair value and the present value of the minimum lease payments. Minimum lease paymentswere the payments over the lease term that the lessee was required to make, excluding any contingent rent.

Subsequently, the assets were accounted for in accordance with the accounting policyapplicable to that asset.

Assets held under other leases were classified as operating leases and were not recognized in the company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of an asset to the Company. All other leases are classified as operating leases. Finance leases are capitalised at the lease's inceptionat the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are includedin borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or lossover the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### **As a lessor**

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.





## **15. Impairment of Non-financial Assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of goodwill of that CGU, if any and then the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **16. Dividends**

Dividends and interim dividends payable to a Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders' meeting and the Board of Directors respectively.

## **17. Material Prior Period Errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest prior period presented, the opening balances of assets, liabilities and equity for the earliest prior period presented, are restated.

## **18. Earnings Per Share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to 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.

## **19. Statement of Cash Flows**



Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS-7 'Statement of cash flows.

## **20. 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.

### **20.1. Financial assets**

#### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

#### **Subsequent measurement**

##### **Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate method ("EIR"). Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss. This category generally applies to trade and other receivables.

##### **Debt instrument at FVTOCI (Fair Value through OCI)**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On Derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

##### **Debt instrument at FVTPL (Fair value through profit or loss)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.





In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### **Equity investments**

All equity investments in entities are measured (except equity investment joint venture) at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instruments, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However the company may transfer cumulative gain or loss within the equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments in joint ventures are measured at cost.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### **Impairment of financial assets**

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 115 if they do not contain a significant financing component.



- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 115 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

### **Financial liabilities**

#### **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 recognised in the Statement of Profit and Loss as finance cost.

#### **Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on acquisition and any material transaction that are any integral part of the EIR. 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.

#### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **Derivative financial instruments**

The Company uses forwards to mitigate the risk of changes in interest rates, exchange rates and commodity prices. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are also subsequently measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.





## **D. Major Estimates made in preparing Financial Statements**

### **1. Useful life of property, plant and equipment and intangible assets**

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Useful life of the assets other than Plant and machinery are in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of property, plant and equipment, and are adjusted prospectively, if appropriate.

Intangible assets is being amortized on straight line basis over the period of six years.

### **2. Post-employment benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

### **3. Provisions and contingencies**

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

### **4. Asset Held for Sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.



NOTE NO. '2' NON CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT  
As at 31 March 2020

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01.04.2019	Additions during the year	Disposals/ Adjustment	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions/ Adjustments	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
Free Hold Land	934.11	-	-	934.11	-	-	-	-	934.11	934.11
Building	14,231.11	-	-	14,231.11	1,406.14	484.64	-	1,890.78	12,340.33	12,824.97
Plant & Equipment	39,107.31	489.89	196.42	39,400.79	13,659.10	4,056.04	148.44	17,566.70	21,834.08	25,448.22
Electric & Water Supply Installation	1,239.31	5.59	-	1,244.90	462.74	134.18	-	596.92	647.98	776.56
Furniture & Fixtures	526.89	7.46	7.75	526.60	255.92	57.38	3.54	309.77	216.84	270.97
Office Equipments	497.20	45.55	6.30	536.45	310.09	70.50	5.78	374.81	161.64	187.11
Vehicles	543.04	100.57	130.95	512.66	249.69	54.56	72.09	232.17	280.49	293.35
Capital Spares	499.88	41.39	-	541.27	207.16	113.82	-	320.99	220.28	292.71
	57,578.85	690.45	341.42	57,927.89	16,550.84	4,971.12	229.85	21,292.14	36,635.75	41,027.99

As at 31 March 2020

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01.04.2019	Additions during the year	Disposals/ Adjustment	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions/ Adjustments	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
(Refer Note no 40)										
Right of Use : Land	322.47	29.53	-	352.00	14.82	6.66	-	21.48	330.52	307.65
Right of Use : Building	-	147.10	-	147.10	-	57.26	-	57.26	89.84	-
Right of Use : Plant & Machinery	24.62	-	-	24.62	4.10	8.21	-	12.31	12.31	20.52
TOTAL	347.09	176.63	-	523.72	18.92	72.13	-	91.05	432.67	328.17

As at 31 March 2019

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01.04.2018	Additions during the year	Disposals/ Adjustment	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions/ Adjustments	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
Lease Hold Land	322.47	-	-	322.47	10.02	4.81	-	14.83	307.65	312.45
Free Hold Land	896.01	38.09	-	934.10	-	-	-	-	934.11	896.01
Building	13,655.09	576.08	0.05	14,231.12	922.94	483.20	-	1,406.14	12,824.97	12,732.15
Plant & Equipment	38,895.19	954.15	742.03	39,107.31	9,492.94	4,454.93	288.77	13,659.10	25,448.22	29,402.26
Electric & Water Supply Installation	1,224.38	46.30	31.38	1,239.30	322.44	142.75	2.45	462.74	776.56	901.95
Furniture & Fixtures	530.24	4.06	7.40	526.90	187.51	71.68	3.27	255.92	270.97	342.73
Office Equipments	464.69	35.42	2.90	497.21	228.35	83.56	1.82	310.09	187.11	236.33
Vehicles	624.93	12.41	94.30	543.04	203.14	70.03	23.47	249.70	293.35	421.79
Capital Spares	367.80	132.08	-	499.88	112.04	95.13	-	207.17	292.71	255.75
	56,980.80	1,798.59	878.06	57,901.33	11,479.38	5,406.09	319.78	16,565.68	41,335.65	45,501.42

As at 31 March 2019

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK	
	As at 01.04.2018	Additions during the year	Disposals/ Adjustment	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions/ Adjustments	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018
Right of Use : Plant & Machinery (Refer Note no 40)	-	24.62	-	24.62	-	4.10	-	4.10	20.52	-
TOTAL	-	24.62	-	24.62	-	4.10	-	4.10	20.52	-





2.1. The Company has also taken 876 Equity shares of M/s Rastogi Estate & Construction Co. (Pvt.) Ltd. to establish permanent ownership.

2.2. Depreciation has been charged on Straight Line Method (SLM) based on useful life of the assets as mentioned in Schedule II of the Companies Act, 2013, except in case of Plant & Machinery where the useful life has been taken as ascertained by the Independent Chartered Engineer and technical experts of the Company. The useful life of the Plant & Machinery so ascertained is ranging from 10 to 18 years on triple shift basis in certain plants as against the life of 15 years given in Part C of Schedule II of the Companies Act, 2013. Further, considering materiality of assets costing less than Rs. 5,000 are fully depreciated in the year of purchase/acquisition. The Company provide pro-rata depreciation from/to the date on which asset is acquired or put to use/ disposed of as appropriate.

**NOTE NO. '2' CAPITAL WORK-IN-PROGRESS**

**As at 31 March 2020**

DESCRIPTION OF ASSETS	As at 01.04.2019	Additions during the year	Deductions/ adjustments	Capitalized during the year	Rs. In Lakhs As at 31.03.2020
Capital Work In Progress for					
- Buildings	-	31.66	-	-	31.66
- Plant & Equipment	4.09	510.67	-	-	24.87
- Water & Electric Installation	0.97	4.62	-	489.89	-
- Capital Spares	-	2.98	-	5.59	-
<b>TOTAL</b>	<b>5.06</b>	<b>549.93</b>	<b>-</b>	<b>495.48</b>	<b>2.98</b>
					<b>59.51</b>

**As at 31 March 2019**

DESCRIPTION OF ASSETS	As at 01.04.2018	Additions during the year	Deductions/ adjustments	Capitalized during the year	Rs. In Lakhs As at 31.03.2019
Capital Work In Progress for					
- Buildings	339.11	236.97	-	-	-
- Plant & Equipment	186.14	772.10	-	576.08	-
- Water & Electric Installation	10.55	36.72	-	954.15	4.09
<b>TOTAL</b>	<b>535.80</b>	<b>1,045.78</b>	<b>-</b>	<b>46.30</b>	<b>0.97</b>
				<b>1,576.53</b>	<b>5.06</b>

**NOTE NO. '3' NON CURRENT ASSETS: OTHER INTANGIBLE ASSETS**

**As at 31 March 2020**

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK		Rs. In Lakhs
	As at 01.04.2019	Additions during the year	Disposals/ Adjustment	As at 31.03.2020	As at 01.04.2019	For the Year	Deductions/ Adjustments	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019	
Computer Software	487.59	-	-	487.59	77.41	77.20	-	154.61	332.98	410.18	
	487.59	-	-	487.59	77.41	77.20	-	154.61	332.98	410.18	

**As at 31 March 2019**

DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION & AMORTIZATION				NET BLOCK		Rs. In Lakhs
	As at 01.04.2018	Additions during the year	Disposals/ Adjustment	As at 31.03.2019	As at 01.04.2018	For the Year	Deductions/ Adjustments	Up to 31.03.2019	As at 31.03.2019	As at 31.03.2018	
Computer Software	487.59	-	-	487.59	0.21	77.20	-	77.41	410.18	487.38	
	487.59	-	-	487.59	0.21	77.20	-	77.41	410.18	487.38	



NOTE NO. '4' NON CURRENT FINANCIALS ASSETS : INVESTMENT IN JOINT VENTURES

Rs. In Lakhs				
Particulars	No. of shares/ C.Y./ (P.Y.)	Face value per share/ C.Y./ (P.Y.)	As at 31 March 2020	As at 31 March 2019
Investment in Equity Instrument fully paid up (Unquoted) Tesca Textiles & Seat Components (India) Private Limited	3600000 (3600000)	10 (10)	360.00	360.00
<b>TOTAL</b>			360.00	360.00
Aggregate value of Unquoted Investment			360.00	360.00

C.Y. = Current Year ; P.Y. = Previous Year

NOTE NO. '5' NON CURRENT FINANCIAL ASSETS : LOANS

Rs. In Lakhs		
Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, Considered good		
Security Deposits	220.53	240.95
<b>Total</b>	<b>220.53</b>	<b>240.95</b>

NOTE NO. '6' OTHER NON CURRENT FINANCIAL ASSETS

Rs. In Lakhs		
Particulars	As at 31 March 2020	As at 31 March 2019
Term deposits held as margin money* (with maturity more than 12 months)	135.57	244.01
Other Term Deposits (with maturity more than 12 months)	238.58	31.21
Interest Accrued on Term deposits	8.00	6.72
<b>Total</b>	<b>382.15</b>	<b>281.94</b>

\* To avail Non fund based facilities from banks.





NOTE NO. '7' OTHER NON CURRENT ASSETS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Capital Advances	157.70	105.85
Advance Other than Capital Advances		
Prepaid Lease Charges	-	27.69
Lease Equalization Asset	0.55	-
Prepaid Expenses	23.45	23.61
Advance Income Tax (Net of Provision of Rs. 1,431.86 Lakhs, (Previous Year Rs. 976.86 Lakhs))	242.09	229.99
Income Tax Paid Under Protest	516.86	350.00
<b>Total</b>	<b>940.65</b>	<b>737.14</b>

NOTE NO. '8' INVENTORIES

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
(At lower of Cost and Net Realizable Value)		
Raw Materials	8,327.02	10,393.37
Works-in-Progress	4,149.59	4,927.34
Finished goods		
Yarn	4,348.22	4,691.52
Cloth (Processed)	3,601.89	5,112.25
Garment	1,223.73	1,728.28
Stores & Spares	1,919.10	1,771.60
Waste	177.98	166.23
(Refer Note 54)		
<b>Total</b>	<b>23,747.53</b>	<b>28,790.59</b>

The above inventories includes goods in transit as under

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Finished goods		
Yarn	34.21	606.33
Cloth (Processed)	233.58	1,316.83
Garment	-	275.62
	267.79	2,198.78

8.1 Inventories include stocks lying with third parties Rs. 123.77 Lakhs (Previous Year Rs. 351.40 Lakhs)

8.2 Inventories are hypothecated to the banks for availing the fund based and non- fund based working capital facilities.



NOTE NO. '9' CURRENT FINANCIAL ASSETS: INVESTMENTS

Particulars	No. of shares/ C.Y./ (P.Y.)	Face value per share/units C.Y./ (P.Y.)	Rs. In Lakhs	
			As at 31 March 2020	As at 31 March 2019
Quoted (measured at fair value through Statement of profit and loss) In Equity Shares Union Bank of India	10114 (10114)	10 (10)	2.91	9.67
Unquoted (measured at fair value through Statement of profit and loss) In Equity Shares Ambojini Property Developers Private Limited	360 (360)	10 (10)	0.07	0.07
Unquoted (measured at fair value through Statement of profit and loss) In Debentures 10% Ambojini Property Developers Private Limited	3542 (3542)	100 (100)	6.97	8.07
<b>Total</b>			<b>9.95</b>	<b>17.81</b>

C.Y. = Current Year ; P.Y. = Previous Year ;

Particulars	As at 31 March 2020	As at 31 March 2019
<b>In Equity (Quoted)</b>		
Aggregate Book Value	18.87	18.87
Aggregate Market Value	2.91	9.67
Impaired in the previous years	15.96	9.20
<b>In Equity (Unquoted)</b>		
Aggregate Book Value	0.04	0.04
Aggregate Market Value	0.07	0.07
<b>In Debenture (Unquoted)</b>		
Aggregate Book Value	3.54	3.54
Aggregate Market Value	6.97	8.07

NOTE NO. '10' CURRENT FINANCIAL ASSETS: TRADE RECEIVABLES

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Trade receivables</b>		
- Considered good - Unsecured	13,968.99	16,327.24
- Trade Receivables which have significant increase in credit risk	46.41	14.32
- Trade Receivables-credit impaired	1,189.43	1,396.72
Less: Impairment allowance for doubtful trade receivables	15,204.83	17,738.28
	1,189.43	1,396.72
<b>Total</b>	<b>14,015.40</b>	<b>16,341.56</b>

- a) Trade receivables are hypothecated to the banks for availing the fund based and non- fund based working capital facilities.  
b) Amount of Rs. 320.12 Lakhs (Previous Year Rs. 87.82 Lakhs) is receivable from Tesca Textiles & Seat Components (India) Private Limited (Formerly known as Treves Banswara Private Limited) Refe note no .44  
c) Amount of Rs. 0.30 Lakhs (Previous Year Rs. 0.30 Lakhs) is receivable from Banrio Private Limited Refe note no .44





MOVEMENT IN IMPAIRMENT ALLOWANCE FOR DOUBTFUL TRADE RECEIVABLES

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year		
Impairment Allowance for the year	1,396.72	1,498.21
Write off Trade Receivables (net of recovery)	27.91	-
Balance at the end of the year	(235.20)	(101.49)
	1,189.43	1,396.72

NOTE NO. '11' CASH AND CASH EQUIVALENTS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
A. Balances with Banks		
-Current Account		
B. Cash On Hand	289.22	764.62
Total	65.70	41.57
	354.92	806.19

NOTE NO '12' BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENT

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Unpaid Dividend Account		
Term Deposits held as margin money* (with maturity more than 3 months & less than 12 months)	32.34	29.60
Other Term Bank Deposits (with maturity more than 3 months & less than 12 months)	442.98	477.70
Total	461.17	451.64
	936.49	958.94

\* To avail Non fund based facilities from banks.

There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at year end.

NOTE NO. '13' CURRENT FINANCIAL ASSETS: LOANS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Unsecured, Considered good		
Loans & Advances to Employees		
Advance Income Tax and Tax deducted at source	130.83	150.01
Less: Provision for Taxation (as per contra)	1,383.14	341.26
Total	1,024.00	341.26
	489.97	150.01

NOTE NO. '14' OTHER CURRENT FINANCIAL ASSETS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Unsecured, considered Doubtful		
Claim Receivable under TUFS		
Less: Provision for Doubtful Claim Receivables under TUFS	-	317.66
Unsecured, considered good	-	69.82
Forward Contract Receivables		
Other Claim Receivables	-	82.83
Export Incentive Receivables	456.15	249.80
Total	1,031.82	1478.97
	1,487.97	2,059.44

NOTE NO. '15' OTHER CURRENT ASSETS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Advances Other than Capital Advance		
Advance to Suppliers		
Recoverable from Revenue Authorities : Considered Good	966.52	411.66
Recoverable from Revenue Authorities : Considered Doubtful	3,745.18	5,391.26
Prepaid Expenses	71.52	71.52
Prepaid Lease Rent	152.05	317.04
	-	1.84
Impairment allowance for doubtful recoverable from revenue Authorities	4,935.27	6,193.32
Total	71.52	71.52
	4,863.75	6,121.80



NOTE NO. '16' EQUITY SHARE CAPITAL

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Authorized</b>		
6,08,50,000 Equity Shares of Rs.10/- each (6,08,50,000 Equity Shares of Rs. 10/- each as at 31 March 2019)	6,085.00	6,085.00
5,00,000 3% Redeemable Preference Shares of Rs.100/- each (5,00,000, 3% Redeemable Preference Share of Rs. 100/- each as at 31 March 2019)	500.00	500.00
3,00,000 3% Redeemable Cumulative Preference Shares of Rs.100/- each (3,00,000 3% Redeemable Cumulative Preference Share of Rs. 100/- each As at 31 March 2019)	300.00	300.00
<b>Issued</b>	<b>6,885.00</b>	<b>6,885.00</b>
1,71,43,057 Equity Shares of Rs.10/- each (1,71,43,057 Equity Shares of Rs. 10/- each as at 31 March 2019)	1,714.31	1,714.31
<b>Subscribed and fully Paid</b>	<b>1,714.31</b>	<b>1,714.31</b>
1,71,16,042 Equity Shares of Rs.10/- each (1,71,16,042 Equity Shares of Rs. 10/- each as at 31 March 2019)	1,711.60	1,711.60
	<b>1,711.60</b>	<b>1,711.60</b>

16.1 Reconciliation of Number of Equity Shares Outstanding

Particulars	Shares (In Nos.)	
	As at 31 March 2020	As at 31 March 2019
At the beginning of the year		
Issued during the year	17,116,042	17,116,042
At the end of the year	17,116,042	17,116,042

16.2 Rights, preferences and restrictions to the shareholders : Equity Shares

All equity shareholders are having right to get dividend in proportion to paid up value of the each equity share as and when declared. the Company has equity shares having a par value of Rs. 10 each. Each shareholder is entitled to 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. 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.

16.3 - Details of Shareholder's holding more than 5% of each class of shares issued by the Company -

Name of shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	% of Shares	No. of Shares	% of Shares
<b>Equity Shares</b>				
Shri Ravindra Kumar Toshniwal	2,248,667	13.14%	2,248,267	13.14%
Shri Shaleen Toshniwal	2,140,745	12.51%	2,125,180	12.42%
Smt. Radhika Toshniwal	1,182,482	6.91%	1,182,482	6.91%
Smt. Prem Toshniwal	896,359	5.24%	896,359	5.24%
Kotak Mahindra (International) Limited	1,289,556	7.53%	1,289,556	7.53%





## NOTE NO. '17' OTHER EQUITY

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Reserves and Surplus</b>		
Capital Reserve	20.43	20.43
Capital Redemption Reserve	173.00	173.00
Securities Premium	2,959.00	2,959.00
General Reserve	18,137.10	17,137.10
Retained Earnings	11,185.15	7,443.35
<b>Total</b>	<b>32,474.68</b>	<b>27,732.88</b>

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>(A) Capital Reserve</b>		
Opening Balance	20.43	20.43
Closing Balance	20.43	20.43
<b>(B) Capital Redemption Reserve</b>		
Opening Balance	173.00	173.00
Closing Balance	173.00	173.00
<b>(C) Securities Premium</b>		
Opening balance	2,959.00	2,959.00
Closing Balance	2,959.00	2,959.00
<b>(D) General Reserve</b>		
Opening Balance	17,137.10	16,137.10
Add: Transfer from Surplus	1,000.00	1,000.00
Closing Balance	18,137.10	17,137.10
<b>(E) Retained Earnings</b>		
Opening Balance	7,443.35	5,923.85
Add : Profit for the year	5,338.21	2,414.47
Add: Remeasurment Gain/(Loss) of defined benefit plan (net of tax)	(54.82)	221.66
Less: Effect of Transition Provision IND AS 116 (Refer Note No 40)	25.72	-
Add: Effect of Transition Provision IND AS 115 (Refer Note No 47) (net of tax)	-	89.70
Less : Transfer to General Reserve	1,000.00	1,000.00
Less : Dividend on Equity Shares paid during the Year	427.90	171.16
Less : Dividend Distribution Tax paid during the Year	87.96	35.18
<b>Total</b>	<b>32,474.68</b>	<b>27,732.88</b>



NOTE NO. '18' NON CURRENT FINANCIAL LIABILITIES: BORROWINGS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>TERM LOAN (SECURED)</b>		
<b>FROM BANK AND FINANCIAL INSTITUTIONS</b>		
<b>IDBI BANK LIMITED</b>		
Term Loan - II		
Repayable in 30 variable quarterly installments		
Term Loan - III	307.83	362.44
Repayable in 30 variable quarterly installments		
Term Loan - IV	192.06	226.14
Repayable in 30 variable quarterly installments		
Term Loan - V	458.07	539.34
Repayable in 30 variable quarterly installments		
Term Loan - VI	1,158.46	1,221.87
Repayable in 32 variable quarterly installments		
<b>EXPORT IMPORT BANK OF INDIA</b>	380.56	400.75
Term Loan - I		
Repayable in 23 variable quarterly installments	430.35	860.94
Term Loan - II		
Repayable in 24 variable quarterly installments	694.83	1,251.06
Term Loan - VII		
Repayable in 26 variable quarterly installments	531.82	886.62
<b>BANK OF BARODA</b>		
Term Loan - III		
Repayable in 27 variable quarterly installments	1,554.88	2,173.14
Term Loan - IV		
Repayable in 32 variable quarterly installments	1,044.38	1,232.36
Working Capital Term Loan		
Repayable in 9 equal half yearly installments	-	35.01
<b>PUNJAB NATIONAL BANK</b>		
Term Loan - III		
Repayable in 32 variable quarterly installments	617.57	731.28
<b>UNION BANK OF INDIA</b>		
Term Loan - II		
Repayable in 20 variable quarterly installments	-	336.00
Term Loan - III		
Repayable in 32 variable quarterly installments	1,513.31	1,700.00
Term Loan - IV		
Repayable in 32 variable quarterly installments	1,519.19	1,637.23
Term Loan - V		
Repayable in 32 variable quarterly installments	623.14	677.71
Term Loan - VI		
Repayable in 32 variable quarterly installments	1,187.03	1,056.12
Term Loan - VII		
Repayable in 32 variable quarterly installments	529.45	543.69
Term Loan - VIII		
Repayable in 32 equal quarterly installments	7.84	-
Term Loan - IX		
Repayable in 32 equal quarterly installments	75.38	-
Working Capital Term Loan		
Repayable in 9 equal half yearly installments	-	70.00
<b>Sub-Total (A)</b>	<b>12,826.15</b>	<b>15,941.70</b>





<b>Less : Current Maturities</b>		
IDBI Bank Ltd.	622.44	384.00
Export-Import Bank of India	1,343.50	1355.82
Bank of Baroda	1,125.26	866.52
Punjab National Bank	242.57	156.28
Union Bank of India	584.60	898.48
<b>Sub-Total (B)</b>	<b>3,918.37</b>	<b>3,661.10</b>
<b>Total (I) = (A-B)</b>	<b>8,907.78</b>	<b>12,280.60</b>
<b>Fixed Deposits (Unsecured)</b>		
From Directors	203.34	203.31
From Others	2,609.58	3,073.61
Includes Rs. 930.68 Lakhs (Previous years Rs. 791.49 Lakhs) from related parties		
Less : Current Maturities	2,812.92	3,276.92
<b>Total (II)</b>	<b>2,060.89</b>	<b>1,531.92</b>
<b>Lease Liability</b>	<b>752.03</b>	<b>1,745.00</b>
Less : Current Maturities	124.66	21.17
Long term maturities of finance lease obligation (III)	81.27	7.63
	<b>43.39</b>	<b>13.54</b>
<b>Lease Liability Secured</b>		
Lease Liability Unsecured	13.54	21.17
	111.12	-
<b>Total (I+II+III)</b>	<b>9,703.20</b>	<b>14,039.14</b>

#### 18.1 Securities/ Guarantees

##### A .For Term Loans from Financial Institutions and Banks:

(i) Terms Loans from Financial Institutions and Banks are secured by a joint equitable mortgage and /or hypothecation charges ranking pari-passu on immovable/movable properties situated at Banswara, Daman and Surat, present and future of the Company and are also secured by second charge on current assets of the Company ranking pari-passu.

(ii) Working Capital Term Loans from Banks are secured by first charge on current assets of the Company ranking Pari-passu and are also secured by second charge on fixed assets of the Company ranking pari-passu.

(iii) Term Loans and Working Capital Term Loans from Financial Institutions and Banks amounting to Rs. 8,682.05 Lakhs (Previous Year Rs. 10,192.54 Lakhs) are guaranteed by Shri Ravindra Kumar Toshniwal and Shri Shaleen Toshniwal in their personal capacities as per sanctions of the respective Financial Institutions and Banks.

(iv) Term Loan and Working Capital Term Loan Interest rate ranging from 9.80% to 12.70% (Previous Year 9.45% to 12.50%)

(v) The RBI has issued guidelines relating to COVID-19 and allowed Regulatory package as 1st moratorium dated 27 March 2020 wherein the Company has availed the moratorium for payment of Term Loan from Punjab National Bank amounting to Rs. 37.50 Lakhs. Further the Company has opted moratorium before 31 March 2020 in respect of installments payment made to Bank Of Baroda and Union Bank of India , it has also requested the respective bank to reverse the installment paid which is in process till date. The figure of the current maturities of Punjab National Bank term loan has been arrived at after considering the 1st moratorium period.

(vi) The figures of current maturities are arrived at after considering the moratorium availed due to Covid 19 pandemic.

##### B. For Fixed deposits

(i) Fixed Deposits accepted by the Company are in accordance with the provisions of section 73(2)(a) and section 76 of the Companies Act, 2013 and rule 4(1) and 4(2) of the Companies (Acceptance of Deposits) Rules, 2014 are unsecured. Fixed Deposits are repayable within 1 to 3 years depending upon the terms of deposits.

(ii) Fixed Deposits Interest rate ranging from 9% to 9.50% (Previous Year 9% to 9.50%)



NOTE NO. '19' NON CURRENT LIABILITIES: PROVISIONS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Provisions for Employee benefits</b>		
-Gratuity	494.59	471.39
Less : Short Term	173.48	283.81
	321.11	187.58
-Leave Encashment	287.48	272.02
Less : Short Term	84.21	96.91
	203.27	175.11
<b>Total</b>	<b>524.38</b>	<b>362.69</b>

<b>As of 31 March 2020</b>		
<b>Movement of Provision as required by Para 84 of IND AS 37</b>		
Opening Balance	Gratuity	Leave Encashment
Add: Additional Provision	471.39	272.02
Closing Balance	23.20	15.46
	494.59	287.48

<b>As of 31 March 2019</b>		
<b>Movement of Provision as required by Para 84 of IND AS 37</b>		
Opening Balance	Gratuity	Leave Encashment
Less : Amount unused/reversed during the year	882.36	311.57
Closing Balance	410.97	39.55
	471.39	272.02

NOTE NO. '20' NON CURRENT LIABILITIES: DEFERRED TAX LIABILITIES (Net)

Considering accounting procedure prescribed by the IND AS 12 "Income Taxes", the following amounts have been worked out and provided in books:

Major components of deferred tax balances

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Deferred Tax Liabilities</b>		
i) Difference between accounting and tax depreciation (cumulative)	4,594.11	5,095.17
ii) On account of Forward Contract	-	28.94
<b>TOTAL (I)</b>	<b>4,594.11</b>	<b>5,124.11</b>
<b>Deferred Tax Assets</b>		
i) Provision for doubtful Trade Receivables /Advances	425.89	488.07
ii) Disallowances under section 43B of Income Tax, 1961	497.23	475.34
iii) Employee Benefits	273.28	259.77
iv) Deferred Tax on Account of Deferred Government Grant	87.92	95.74
(v) On account of forward Contract	145.38	-
(vi) Lease Equalization Assets	0.19	-
(vi) MAT Credit Entitlement	387.00	455.00
<b>TOTAL (II)</b>	<b>1,816.89</b>	<b>1,773.92</b>
<b>Net Deferred Tax Liabilities (I-II)</b>	<b>2,777.22</b>	<b>3,350.19</b>

NOTE NO. '21' GOVERNMENT GRANT

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Non Current</b>		
Deferred Income	636.66	716.53
<b>Current</b>		
Deferred Income	79.87	79.87
<b>Total</b>	<b>716.53</b>	<b>796.40</b>

Government Grant : Movement during the year :-

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
At the beginning of the year	796.40	876.27
Less: Transferred to statement of profit and loss	79.87	79.87
As the end of the year	<b>716.53</b>	<b>796.40</b>





NOTE NO. '22' CURRENT FINANCIAL LIABILITIES: BORROWINGS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
(Cash credits and packing credits)		
From Banks (Secured)		
Punjab National Bank		
Union Bank of India	9,348.80	17,358.62
Bank of Baroda	2,806.08	4,625.82
Bank of India	1,966.36	2,288.30
	2,070.32	2,365.36
Unsecured Loan from		
Other	123.57	1,312.98
<b>Total</b>	<b>16,315.13</b>	<b>27,951.08</b>

Terms and Condition

Secured Loan

22.1 Securities and Guarantees

(i) Cash Credit Facility and Export Packing Credit Facility from banks are secured by way of hypothecation (Floating charges) of Raw material, Dyes-Chemicals, Packing Materials, Stores & Spares, Stock-in-process, Finished goods, Book debts, Export Incentives and second charge on all the Property (situated at Banswara, Daman & Surat), Plant and Equipments of the Company and also guaranteed by Shri Ravindra Kumar Toshniwal and Shri Shaleen Toshniwal in their personal capacities.

(ii) Cash Credit Facility and Export Packing Credit Facility Interest rate ranging from 8.50 % to 11.20 % (Previous Year 8.15% to 9.30%)

Unsecured Loan

22.2 Securities and Guarantees

(i) Unsecured Loan from others sanctioned by "Aditya Birla Finance Ltd" under Channel Finance duly secured by personal guarantee of Shri Ravindra Kumar Toshniwal.

(ii) Interest rate 10.80% (Previous Year 11.00%)

NOTE NO. '23' CURRENT FINANCIAL LIABILITIES: TRADE PAYABLES

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Micro, Small & Medium Enterprises@	156.32	80.81
Others	10,279.09	13,179.73
<b>Total</b>	<b>10,435.41</b>	<b>13,260.54</b>

@ To the extent information received for status under the Micro, Small and Medium Enterprises Development Act, 2006.

23.1 Details of Dues to Micro Enterprises and Small Enterprises

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Principal amount due to suppliers registered under the Micro Enterprises and Small Enterprise Development Act, 2006, and remaining unpaid as at year end	156.32	80.81
Amount of Interest due to suppliers registered under the Micro Small and Medium Enterprise Development Act, 2006, Act and remaining unpaid as at year end	1.66	Nil
Principal amounts paid to suppliers registered under the Micro Small and Medium Enterprise Development Act, 2006, beyond the appointed day during the year	118.92	Nil
Amount of Interest paid, under the Micro Small and Medium Enterprise Development Act, 2006, to suppliers registered under the Micro Small and Medium Enterprise Development Act, 2006, beyond the appointed day during the year	Nil	Nil
Interest due and payable towards suppliers registered under, for payment already made	1.27	Nil
Further Interest remaining due and payable for earlier years	Nil	Nil



## NOTE NO. '24' OTHER CURRENT FINANCIAL LIABILITIES

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Current Maturities of Borrowings, Fixed Deposit &amp; Lease Liability</b>		
Term Loans (Secured)	3,918.37	3,661.09
Fixed Deposit (Unsecured)	2,060.89	1,531.92
Lease Liability	81.27	7.63
<b>Other Liabilities</b>		
Unclaimed Dividend	32.34	29.60
Securities Deposits	127.50	206.64
Other Liabilities	289.46	265.45
Forward Contract Liability	416.03	-
<b>Total</b>	<b>6,925.86</b>	<b>5,702.33</b>

## NOTE NO. '25' OTHER CURRENT LIABILITIES

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Contract Liabilities	1,030.33	349.71
Statutory Liabilities	2,398.19	2,886.76
<b>Total</b>	<b>3,428.52</b>	<b>3,236.47</b>

## NOTE NO. '26' CURRENT LIABILITIES: PROVISIONS

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Provisions for Employee benefits</b>		
-For Gratuity	173.48	283.81
-For Leave Encashment	84.21	96.91
<b>Total</b>	<b>257.69</b>	<b>380.72</b>

## NOTE NO. '27' CURRENT TAX LIABILITIES (NET)

Particulars	Rs. In Lakhs	
	As at 31 March 2020	As at 31 March 2019
Provision for Income Tax	1,024.00	455.00
Less : Advance Tax and TDS (as per contra)	1,024.00	341.26
<b>Total</b>	<b>-</b>	<b>113.74</b>



## NOTE NO. '28' REVENUE FROM OPERATIONS

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(a) Sale of products		
(b) Sale of services	125,100.57	130,307.69
<b>Sale of Products &amp; Services (Gross)</b>	<b>1,880.19</b>	<b>2,516.04</b>
(c) Other Operating Revenue	126,980.76	132,823.73
Export Benefits:		
- Duty Draw Back/MEIS / Other Benefits	1,969.07	2,269.74
<b>Total</b>	<b>128,949.83</b>	<b>135,093.47</b>

## NOTE NO. '29' OTHER INCOME

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Interest Income</b>		
Interest Income from Bank Fixed Deposits		
Interest Income from Others	82.75	80.67
Rental Income	219.76	224.33
<b>Other Non Operating Income</b>	54.61	36.60
Exchange Rate Fluctuation (net)		
Insurance Claim Received	674.95	642.01
Liabilities/Excess Provision written back (net)	25.94	64.24
Government Grants	127.35	99.37
Miscellaneous Receipts	79.87	79.87
Gain on Fair Value Measurement of Investment through FVTPL	21.55	129.42
	-	1.27
<b>Total</b>	<b>1,286.78</b>	<b>1,357.78</b>

## NOTE NO. '30' COST OF MATERIALS CONSUMED

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Raw Material Consumed</b>		
Opening stock		
Add : Purchases	10,393.37	10,959.38
	50,731.86	60,634.14
Less : Closing stock	61,125.23	71,593.52
	8,327.02	10,393.37
<b>Dyes &amp; Chemicals Consumed</b>	52,798.21	61,200.15
	4,207.93	4,570.63
<b>Total</b>	<b>57,006.14</b>	<b>65,770.78</b>





## NOTE NO. '31' CHANGES IN INVENTORIES

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>A. Finished Goods</b>		
Opening Stock		
Yarn		
Cloth	4,691.52	4,141.84
Garment	5,112.25	6,747.34
	1,728.28	1,841.11
Closing Stock	11,532.05	12,730.29
Yarn		
Cloth	4,348.22	4,691.52
Garment	3,601.89	5,112.25
	1,223.73	1,728.28
	9,173.84	11,532.05
<b>B. Work-in Progress</b>		
Opening Stock		
Yarn		
Cloth	1,895.01	1,851.43
Garment	2,676.32	2,323.25
	356.01	645.68
Closing Stock	4,927.34	4,820.36
Yarn		
Cloth	1,499.18	1,895.01
Garment	2,285.68	2,676.32
	364.73	356.01
	4,149.59	4,927.34
<b>C. Waste</b>		
Opening Stock	166.23	75.99
Closing Stock	177.98	166.23
<b>Total</b>	3,124.21	1,001.02



NOTE NO. '32' EMPLOYEE BENEFITS EXPENSES

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, Wages, Allowance, Bonus etc.		
Contribution to Provident and Other Funds	21,928.04	21,429.67
Workmen & Staff Welfare Expenses	1,714.50	1,657.82
	529.98	603.76
<b>Total</b>	<b>24,172.52</b>	<b>23,691.25</b>

Disclosure as per Ind AS 19 'Employee Benefit'

A) Defined contribution plan

Employer's contribution to provident fund paid Rs. 1,270.49 Lakhs (Previous year Rs. 1,137.82 Lakhs) has been recognized as expense for the year.

Employer's contribution to Employee State Insurance Corporation paid Rs. 330.04 Lakhs (Previous year Rs. 409.05 Lakhs) has been recognized as expense for the year.

In accordance with the Employees Provident Fund & Miscellaneous Provisions Act, 1952, employees are entitled to receive benefits under the Provident Fund. Both the employees and the employer make monthly contributions to the plan at a predetermined rate (12% for FY 2019-20) of an employee's basic salary. These contributions are made to the fund administered and managed by the Employees Provident Fund Organisation (EPFO). The Company has no further obligations under the fund managed by the EPFO beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred. The benefits are paid to employees on their retirement or resignation from the Company.

B) Defined benefits plan

the Company has following post employment benefits which are in the nature of defined benefit plans:

Gratuity

the Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary divided by 26 days multiplied for the number of years of service. The gratuity plan is a funded plan administered by a Trust and the Company makes contributions to recognised Trust.

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
<b>Change in defined benefit obligations:</b>		
Defined benefit obligation, beginning of the year		
Current service cost	1,749.58	1,927.66
Interest cost	393.55	432.97
Past service cost	118.48	130.39
Benefits paid	-	-
Actuarial (gains)/losses	(397.65)	(455.34)
<b>Defined benefit obligation, end of the year</b>	<b>85.58</b>	<b>(286.10)</b>
	<b>1,949.54</b>	<b>1,749.58</b>

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Fair value of plan assets, beginning of the year		
Return on plan assets, (excluding amount included in net Interest expense)	1,278.19	1,045.29
Interest income	1.31	(3.56)
Employer's contributions	100.51	85.95
Benefits paid	472.59	605.85
<b>Fair value of plan assets, end of the year</b>	<b>(397.65)</b>	<b>(455.34)</b>
	<b>1,454.95</b>	<b>1,278.19</b>

Amount recognized in the balance sheet consists of:

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Present value of defined benefit obligation		
Fair value of plan assets	1,949.54	1,749.58
<b>Net liability</b>	<b>1,454.95</b>	<b>1,278.19</b>
<b>Amounts in the balance sheet:</b>	<b>494.59</b>	<b>471.38</b>
Current Liability		
Non-current liabilities	173.48	283.81
<b>Net liability</b>	<b>321.11</b>	<b>187.58</b>
	<b>494.59</b>	<b>471.38</b>



Total amount recognized in Profit or Loss consists of:

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Current service cost		
Past Service Cost	393.55	432.97
Net Interest	-	-
Total Expense recognised in statement of profit or loss	17.97	44.44
	411.52	477.41

Net Interest Consists:

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Expenses		
Interest Income	118.48	130.39
Net Interest	100.51	85.95
	17.97	44.44

Amount recognized in other comprehensive income consists of:

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (Gain)/Loss on Obligation		
Return on Plan Assets excluding net Interest	85.58	(286.10)
Total Actuarial (Gain)/Loss recognised in (OCI)	(1.31)	3.56
	84.27	(282.55)

Actuarial (Gain)/Loss on obligation Consists:

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Actuarial (gains)/losses arising from changes in demographic assumptions		
Actuarial (gains)/losses arising from changes in financial assumptions	-	-
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	179.95	5.46
Total Actuarial (Gain)/Loss	(94.38)	(291.56)
	85.58	(286.10)

Return on Plan Assets excluding net Interest Consists

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Actual Return on plan assets		
Interest Income included in Net Interest	101.82	82.39
Return on Plan Assets excluding net Interest	100.51	85.95
	1.31	(3.56)

Information for funded plans with a defined benefit obligation less than plan assets:

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Defined benefit obligation		
Fair value of plan assets	1,949.54	1,749.58
Net Liability	1,454.95	1,278.19
	494.59	471.38





The assumptions used in accounting for the Gratuity are set out below:

Particulars	As at 31.03.2020	As at 31.03.2019
Discount rate	6.80%	7.64%
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Rate of increase in compensation level of covered employees	4.00%	4.00%
Expected Return on Plant Assets	6.80%	7.64%
Expected average remaining services	21.56	22.31
Retirement age	60 Years	60 Years
Employee Attrition rate	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%

**Sensitivity Analysis :**

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate.

Assumptions	Change in assumption	Change in PV of obligation Gratuity	
		As at 31.03.2020	As at 31.03.2019
Discount rate	Increase by 1%	1,738.61	1,538.69
	Decrease by 1%	2,208.89	1,951.53
Salary escalation rate	Increase by 1%	2,207.29	1,957.16
	Decrease by 1%	1,737.28	1,576.93

**Expected Payout**

Particulars	First Year	Second year	Third to fifth year	Rs. in Lakhs More than 5 Years
PVO payout Gratuity as of 31 March 2020	173.48	90.89	371.52	569.80
PVO payout Gratuity as of 31 March 2019	89.92	142.89	542.87	1,154.53

**Plan Assets**

Plan assets comprise the following

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Deposit with Insurance Company (LIC)		
Group Insurance Scheme	1,454.95	1,278.19

**Risk Exposure**

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

**a) Asset volatility**

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk and the fund manages interest rate risk with derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternative investments which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit. the Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. the Company intends to maintain the above investment mix in the continuing years.



**b) Changes in discount rate**

A decrease in discount rate will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

**c) Inflation risks**

In the pension plans, the pensions in payment are not linked to inflation, so this is a less material risk.

**d) Life expectancy**

The pension plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liabilities. This is particularly significant where inflationary increases result in higher sensitivity to changes in life expectancy.

the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency.

the Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. the Company has not changed the processes used to manage its risks from previous periods. the Company uses derivatives to manage some of its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

**C) Other Long Term Employee Benefit****Leave Encashment**

Other long term employee benefit includes earned leave to the employees of the Company which accrue annually at 30 days. Earned leave (EL) is encashable in excess of 60 days but can be accumulated maximum up to 90 days while in service. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. A provision of Rs. 66.53 Lakhs (31 March 2019: Rs. 43.07 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

Amount of Rs. 242.85 Lakhs (March 31 2019 ; Rs. 204.17 Lakhs) is recognised as expenses and included in Note No 32 "Employee benefit expenses"

**NOTE NO. '33' FINANCE COST**

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest Expense*	3,995.85	4,519.89
Finance Lease Charge	13.78	1.62
Other Borrowing Cost	862.81	1,118.45
<b>Total</b>	<b>4,872.44</b>	<b>5,639.96</b>

\* Net of subsidy of Rs. Nil (Previous Year Rs. 208.54 Lakhs) under Technology Upgradation Fund Scheme.

**NOTE NO. '34' DEPRECIATION AND AMORTISATION EXPENSES**

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(Refer Note 2)		
Amortisation of Leasehold Land	-	4.81
Finance Lease Depreciation	72.13	4.10
Depreciation	5,048.32	5,478.48
<b>Total</b>	<b>5,120.45</b>	<b>5,487.39</b>



## NOTE NO. '35' OTHER EXPENSES

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Stores & Spare Parts Consumed	4,712.76	4,357.14
Packing Material Consumed	2,087.22	2,226.70
Power	711.24	817.64
Fuels	11,232.15	12,283.86
Job Charges	2,914.96	4,370.72
Repairs to : Plant & Machinery		
Building	379.47	446.01
Others	215.32	255.06
Rent	66.80	105.67
Rates and Taxes	62.60	154.92
Insurance	74.90	269.51
Payment to Auditors	286.65	105.51
As Auditors -Fees		
-Expenses	22.50	18.00
In other capacity	2.08	3.53
-Certification		
-Other Services	0.87	0.40
Director's Sitting Fees (Refer Note No.44)	-	6.00
Travelling & Conveyance Expenses	21.00	16.80
Communication Expenses	642.07	457.30
Legal & Professional Fee	436.16	438.49
Charity & Donation	401.89	293.66
Expenditure incurred for Corporate Social Responsibility (CSR) (Refer Note No. 43)	17.20	11.81
Business Promotion Expenses	45.11	57.01
IT Outsourced Support Services	214.38	154.12
Data Processing Charges	68.49	141.46
Water & Electricity Charges	54.76	97.26
Commission to Selling Agents	15.78	32.24
Freight, Octroi and Forwarding Charges	1,316.99	1,626.21
Claims	2,807.27	2,974.15
Loss on Fair Value Measurement of Investment through FVTPL	530.15	289.99
Advertisements	7.86	-
Provision for Doubtful Debts	17.09	24.65
Provision for Doubtful Advances/Receivables	27.91	-
Advance/ Receivables Written Off	29.37	-
Miscellaneous Expenses	247.84	-
	557.60	575.26
<b>Total</b>	<b>30,228.44</b>	<b>32,611.08</b>





## NOTE NO. '36' EXCEPTIONAL ITEMS

Particulars	Rs. In Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
(Loss)/Profit of Sales of Property, Plant and Equipments	49.70	(177.27)
Loss on Assets Discarded	(4.89)	(121.60)
<b>Total</b>	<b>44.81</b>	<b>(298.87)</b>

## NOTE NO. '37' EARNINGS PER SHARE

Particulars		For the year ended 31 March 2020	For the year ended 31 March 2019
a) Profit for the year	Rs. In Lakhs	5,338.21	2,414.47
b) Weighted average number of equity shares outstanding	Nos.	17,116,042	17,116,042
c) Face value per share	Rs.	10.00	10.00
d) Earnings Per Share:			
- Basic	Rs.	31.19	14.11
- Diluted	Rs.	31.19	14.11



## Disclosures

## Note no 38. Disclosure as per Ind AS 12 'Income Tax'

## a) Income Tax Expense

## i) Income Tax recognised in the statement of profit and loss

Rs. in Lakhs		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current Tax Expenses</b>		
Current Income Tax		
Adjustment for earlier year	1,053.45	394.11
<b>Total current Tax expenses</b>	6.53	(37.11)
<b>Deferred tax</b>	<b>1,059.98</b>	<b>357.00</b>
Deferred Tax Expenses		
<b>Total deferred tax expenses</b>	(640.97)	(820.57)
<b>Total Income tax expenses</b>	<b>(640.97)</b>	<b>(820.57)</b>
	419.01	(463.57)

## ii) Income tax recognised in other comprehensive income (OCI)

Rs. in Lakhs		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current Tax Expenses</b>		
Net actuarial gain/(loss) on defined benefit plan		
<b>Total current Tax expenses</b>	(29.45)	60.89
	(29.45)	60.89

## iii) Reconciliation of tax expense and accounting profit multiplied by India's domestic rate

Rs. in Lakhs		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Profit before tax</b>		
Tax using the company tax rate @ 34.944% (Previous Year @ 21.5488%)	5,672.95	2,233.45
Tax effect of :	1,982.35	481.28
Non deductible tax expenses (CSR)	15.76	-
Non deductible tax expenses (Donation)	6.01	-
Tax Adjustment of Earlier Years	(6.53)	37.11
Others	(1,608.04)	(921.07)
<b>Total tax expenses in the statement of profit and loss</b>	<b>389.56</b>	<b>(402.68)</b>

## Movement in deferred tax balances

31 March 2020

Rs. In Lakhs					
Particulars	Net Balance 1 April 2019	Recog. in profit and loss	Recognised in OCI	Others	Net Balance 31 March 2020
<b>Deferred Tax Liabilities</b>					
i) Difference between accounting and tax depreciation (cumulative)	5,095.17	(501.06)	-	-	4,594.11
ii) On account of Forward Contract	28.94	(28.94)	-	-	-
<b>Deferred Tax Assets</b>					
i) Provision for doubtful Trade Receivables	488.07	(62.18)	-	-	425.89
ii) Disallowances under section 43B of Income Tax Act, 1961	475.34	21.89	-	-	497.23
iii) Employee Benefits	259.77	13.51	-	-	273.28
iv) Deferred Tax on Account of Deferred Government Grant	95.74	(7.83)	-	-	87.92
(v) On account of Forward Contract	-	145.38	-	-	145.38
(vi) Lease Equalization Assets	-	0.19	-	-	0.19
(vii) MAT Credit Entitlement	455.00	-	-	-	387.00
<b>Net tax assets/(liabilities)</b>	<b>3,350.19</b>	<b>(640.97)</b>	<b>-</b>	<b>(68.00)</b>	<b>2,777.22</b>



31 March 2019

Particulars	Rs. In Lakhs				
	Net Balance 1 April 2018	Recognised in profit and loss	Recognised in OCI	Others	Net Balance 31 March 2019
<b>Deferred Tax Liabilities</b>					
i) Difference between accounting and tax depreciation (cumulative)	5,680.47	(585.30)	-	-	5095.17
ii) On account of Forward Contract	(27.39)	56.33	-	-	28.94
<b>Deferred Tax Assets</b>					
i) Provision for doubtful Trade Receivables	523.53	(35.46)	-	-	488.07
ii) Disallowances under section 43B of Income Tax Act, 1961	438.02	37.32	-	-	475.34
iii) Employee Benefits	417.21	(157.44)	-	-	259.77
iv) Deferred Tax on Account of Deferred Government Grant	103.56	(7.82)	-	-	95.74
v) MAT Credit Entitlement	-	455.00	-	-	455.00
<b>Net tax assets/(liabilities)</b>	<b>4,170.77</b>	<b>(820.57)</b>	<b>-</b>	<b>-</b>	<b>3,350.19</b>

**Note no. 39. Disclosure as per Ind AS 2 'Inventories'**

Amount of inventories recognised as expense during the year is as under:

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Cost of Material Consumed	57,006.14	65,770.78
Changes in Inventories Of Finished Goods, Stock-In-Trade and Work-In-Progress	3,124.21	1,001.02
Power and Fuel	11,943.39	13,101.50
Packing Material Consumed	2,087.22	2,226.70
Stores & Spare Parts Consumed	4,712.76	4,357.14
<b>Total</b>	<b>78,873.73</b>	<b>86,457.14</b>

**Note No. 40. Disclosure as per Ind AS-116 "Leases"****Change in Accounting Policy**

Except as specified below, the Company has consistently applied the accounting policies to all periods presented in this financial statement. The Company has applied Ind AS 116 with the date of initial application of 1 April 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1 April 2019 amounting to Rs. 25.72 Lakhs.

Particulars	Rs. in Lakhs
	Amount
Lease Commitments as at 31 March 2019	21.17
Add/(less): contracts reassessed as lease contracts	152.79
Add/(less): adjustments on account of extension/termination	-
Lease liabilities as on 1 April 2019	173.96
Current lease liability	65.18
Non Current lease liability	108.78

Right of use assets of Rs. 464.25 Lakhs and lease liabilities of Rs. 152.79 Lakhs have been recognised as on 1 April 2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	Rs. in Lakhs
	Amount
Decrease in Property Plant and equipment	-
Increase in lease liability	152.79
Increase in rights of use	464.25
Increase/Decrease in Deferred tax assets	-
Increase/Decrease in finance cost	12.16
Increase/Decrease in depreciation	63.92





**As Lessee****(A) Addition to right of use assets**

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Right-of-use assets, except for investment property	176.63	347.09
	176.63	347.09

**(B) Carrying value of right of use assets at the end of the reporting period by class**

Particulars	Rs. in Lakhs	
	Total	
Balance at 1 April 2019	20.52	
Add : Right of Use Building Recognized during the year	484.28	
Depreciation charge for the year	72.13	
Balance at 31 March 2020	432.67	

**(C) Maturity analysis of lease liabilities**

Maturity analysis-contractual undiscounted cash flows	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Less than One year	89.21	10.14
One to five years	44.59	15.20
More than five years	-	-
Total undiscounted lease liabilities	133.80	25.34
Lease liabilities included in the statement of financial position	124.66	21.17

**(D) Amounts recognised in the Statement of profit and loss**

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on lease liabilities	13.78	1.62
Amortization recognized	72.13	4.10
Expenses related to short term leases	62.60	153.06

**(E) Amounts recognised in the statement of cash flows**

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Total cash outflow for leases	83.11	5.07

**As Lessor****(A) Operating Lease**

The Company has entered into operating leases on its office buildings. These leases have terms of 10 to 15 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total contingent rents recognised as income during the year is Rs. 10.35 Lakhs (31 March 2019: Rs. 8.69 Lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Within one year	10.35	10.35
After one year but not more than five years	25.54	30.31
More than five years	49.29	54.87

The Company has also recognized lease equalization assets amounting to Rs. 0.55 Lakhs on account of escalation clause in the lease arrangement



**Note No. 41. Disclosure as per Ind AS-27, Separate Financial Statement**

**Interest in Joint Venture**

Name of Entity	Place of Business/Country Of Incorporation	Proportion Of Ownership Interest	
		As at 31.03.2020	As at 31.03.2019
Tesca Textiles & Seat Components (India) Private Limited	India	50%	50%

Nature of the business of Joint Venture Entity is Textile

The Company's share of assets, liabilities, income and expenses of Joint Venture is as follows:

Name of the Joint Venture	Financial Year	Assets	Liabilities	Income	Expenses	Rs. In Lakhs
						Profit
Tesca Textiles & Seat Components (India) Private Limited	2019-20	994.67	696.51	1,491.58	1,494.74	(3.16)
	2018-19	634.95	332.18	1,072.60	1,041.94	30.66

**Note No. 42. Disclosure as per Ind AS 21 'The Effects of Changes in Foreign Exchange Rates'**

The amount of exchange differences (net) credited to the Statement of Profit & Loss is Rs. 674.95 Lakhs (31 March 2019: credited of Rs. 642.01 Lakhs).

**Note No. 43. Disclosure of Corporate social responsibility(CSR)**

As per section 135 of Companies Act 2013, the Company is required to spend in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial year in accordance with its CSR policy.

A. Gross amount required to be spent by the Company during the year 2019-20 Rs. 45.11 Lakhs (Previous Year 2018-19 Rs. 57.01 Lakhs)

B. Amount spent during the year on:

Particulars	Financial Year 2019-20			Financial Year 2018-19			Rs. in Lakhs
	In Cash	Yet to be paid in cash	Total	In Cash	Yet to be paid in cash	Total	
i) Construction/Acquisition of any assets	-	-	-	-	-	-	
ii) Purposes other than (i) above	45.11	-	45.11	56.10	0.91	57.01	

**Note No. 43A.**

The Company is claiming deduction under section 80IA of the Income Tax Act, 1961 on its income from Thermal Power Plant In the books of account based on the Hon'ble Rajasthan High Court Decision in favour of other assessee.



**Note no. 44. Disclosure as per Ind AS 24 'Related party Disclosures'**  
The Company has identified all the related parties as per details given below:

**List of Related Parties:**

**a) Joint Venture:**

Tesca Textiles & Seat Components (India) Private Limited

**b) Key Management Personnel :**

Shri R.L.Toshniwal (Chairman) (till 21 February, 2019)  
Shri Ravindra Kumar Toshniwal (Managing Director)  
Shri Rakesh Mehra (Chairman) (from 30 May, 2019)  
Shri Shaleen Toshniwal (Joint Managing Director)  
Shri J.K. Jain (Joint President & Chief Financial Officer)  
Shri H.P. Kharwal (Company Secretary)

**c) Independent/Non Executive Director**

Shri P. Kumar  
Shri D.P. Garg  
Shri S.B. Agarwal  
Shri Vijay Kumar Agarwal  
Shri Kamal Kishore Kacholia  
Shri Vijay Mehta  
Dr. Vijayanti Pandit  
Shri J.M. Mehta  
Shri David Vlerick (from 14 February 2020)

**d) Enterprises where Key Management Personnel has control /interest:**

Dhruv Impex  
Mehra International  
Lawson Trading Co. Pvt. Ltd.  
Niral Trading Pvt. Ltd.  
Moonfine Trading Co. Pvt. Ltd.  
Speed Shore Trading Co. Pvt. Ltd.  
Toshniwal Trust  
Lawson Corporation  
RR Toshniwal Enterprises  
Excel Pack Limited  
The Synthetic and Rayon Textiles Export Promotion Council  
Shaleen Synthetics  
Shaleen Syntex Limited  
Textile Sector Skill Council  
Didwana Chemicals Private Limited  
Banrio Private Limited

**e) Relative of Key Management Personnel where transactions have taken place :**

Shri Rameshwar Lal Ravindra Kr Toshniwal HUF  
Shri Ravindra Kumar Toshniwal HUF  
Shri Dhruv Toshniwal  
Shri Udit Toshniwal  
Smt. Prem Toshniwal  
Smt. Navneeta Mehra  
Smt. Radhika Toshniwal  
Smt. Sonal Toshniwal  
Smt. Kavita Soni  
Smt. Sushila Devi Jain  
Smt. Anita Jain  
Shri Garvit Jain  
Shri J.K. Jain HUF  
Smt. Suman Jain  
Shri Saurabh Agarwal And Sons HUF  
Shri S S Agarwal HUF  
Smt. Sunita Agarwal



Note: Related party relationship is as identified by the Company and relied upon by the Auditors.



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

Nature of transaction	Influence	Rs. In Lakhs	
		2019-20	2018-19
<b>Tesca Textiles &amp; Seat Components (India) Private Limited</b>			
Sales of Goods and Materials*	Joint Venture		
Purchase of Goods and Materials*		748.16	472.42
Rendering of Services*		6.80	6.91
Receiving of Services*		418.52	297.53
Security Deposit Received		-	4.25
Purchase of Property, Plant & Equipments*		-	0.08
<b>Remuneration</b>		0.38	3.88
Shri R.L. Toshniwal	Key Management Personnel	-	256.62
Shri Ravindra Kumar Toshniwal		124.96	115.12
Shri Rakesh Mehra		125.23	113.90
Shri Shaleen Toshniwal		112.10	101.61
Shri J.K. Jain		72.29	57.83
Shri H P Kharwal		10.81	9.50
Shri Dhruv Toshniwal	Relative of Key Management Personnel	30.83	22.43
Shri Udit Toshniwal		24.40	11.45
Smt Kavita Soni		53.30	41.95
Smt Anita Jain		9.35	6.94
<b>Interest Expenses</b>			
Shri Ravi Toshniwal	Key Management Personnel	9.50	9.50
Shri Shaleen Toshniwal		9.03	8.79
Smt Prem Toshniwal	Relative of Key Management Personnel	24.45	13.79
Smt Radhika Toshniwal		2.85	2.85
Smt Sonal Toshniwal		0.19	0.19
Shri Dhruv Toshniwal		0.38	0.67
Shri Udit Toshniwal		0.19	0.48
Smt Kavita Soni		27.00	17.98
Shri J.K. Jain HUF		0.60	1.26
Smt Anita Jain		0.57	0.57
Smt Sushila Devi Jain		2.05	2.14
Shri Garvit Jain		1.09	1.16
Shri S.B. Agarwal & Sons HUF	Relative of Non Executive Director	0.30	0.43
Shri Saurabh Agarwal & Sons HUF		0.30	0.55
Shri S.S. Agarwal HUF		0.60	0.86
Smt Suman Jain		0.30	0.32
<b>Sitting Fees - Non Executive Directors</b>			
Shri S.B. Agarwal	Non Executive Director	3.60	3.00
Shri K.K. Kacholia		1.60	2.40
Shri P. Kumar		4.20	3.30
Shri D.P. Garg		2.70	1.80
Shri Vijay Mehta		2.70	1.80
Shri J.M. Mehta		2.10	1.50
Shri V.K. Agarwal		1.10	0.90
Dr. Vaijayanti Pandit		3.00	2.10
<b>Fixed Deposit Accepted</b>			
Shri Ravi Toshniwal	Key Management Personnel	-	-
Shri Shaleen Toshniwal		-	25.00
Smt Prem Toshniwal	Relative of Key Management Personnel	157.00	39.00
Smt Radhika Toshniwal		-	3.00
Shri Dhruv Toshniwal		-	4.00
Smt Sonal Toshniwal		-	2.00
Smt Kavita Soni		-	300.00
Shri Udit Toshniwal		-	2.00



Nature of transaction	Influence	2019-20	2018-19
<b>Fixed Deposit Repayment</b>			
Shri Ravi Toshniwal	Key Management Personnel	-	-
Shri Shaleen Toshniwal		-	-
Smt Prem Toshniwal		17.00	64.00
Smt Radhika Toshniwal		-	3.00
Smt Sonal Toshniwal	Relative of Key Management Personnel	-	2.00
Shri Dhruv Toshniwal		-	9.00
Shri Udit Toshniwal		-	7.00
Smt Kavita Soni		-	10.00
Shri J.K. Jain HUF		6.00	-
Shri S.B. Agarwal & Sons HUF		-	7.00
Shri Saurabh Agarwal & Sons HUF	Relative of Non Executive Director	-	9.00
Shri S.S. Agarwal HUF		-	4.00
<b>Fixed Deposits Payable</b>			
Shri Ravi Toshniwal	Key Management Personnel	104.28	104.26
Shri Shaleen Toshniwal		99.06	99.05
Smt Prem Toshniwal		314.05	168.46
Smt Radhika Toshniwal		31.28	31.28
Smt Sonal Toshniwal		2.09	2.09
Shri Dhruv Toshniwal	Relative of Key Management Personnel	4.17	4.17
Shri Udit Toshniwal		2.09	2.09
Smt Kavita Soni		312.15	312.12
Shri J.K. Jain HUF		6.26	12.57
Smt Anita Jain		6.26	6.26
Smt Sushila Devi Jain		21.90	21.94
Shri Garvit Jain		11.47	11.50
Shri S.B. Agarwal & Sons HUF		3.13	3.14
Shri Saurabh Agarwal & Sons HUF	Relative of Non Executive Director	3.13	3.14
Shri S.S. Agarwal HUF		6.26	6.28
Smt Suman Jain		3.13	3.14
<b>Investment</b>			
Tesca Textiles & Seat Components (India) Private Limited	Joint Venture	360.00	360.00





Nature of benefits#	For the Year ended 31 March 2020	For the Year ended 31 March 2019
Short term employee benefits	424.13	592.39
Post-employment benefits	21.26	62.18
<b>Total</b>	<b>445.39</b>	<b>654.57</b>

# This aforesaid amount does not includes amount in respect of gratuity and leave as the same is not determinable.

#### Compensation to key managerial personnel of the Company

In respect of the outstanding balance recoverable from related parties as at 31 March 2020, no provision for doubtful debts is required to be made. During the year, there were no amounts written off or written back from such parties.

Nature of transaction	2019-20	2018-19
<b>Amount Payable</b>		
Shri R.L. Toshniwal	-	-
Shri Ravi Toshniwal	-	-
Shri Rakesh Mehra	4.85	-
Shri Shaleen Toshniwal	4.01	-
Shri J.K. Jain	4.01	-
Shri H P Kharwal	2.94	2.29
Shri J.K. Jain (Received against Vehicle Scheme)	0.63	0.57
Shri H P Kharwal (Received against Vehicle Scheme)	9.42	9.42
Shri Dhruv Toshniwal	0.47	0.47
Shri Udit Toshniwal	3.19	-
Shri Kavita Soni	2.00	-
Smt Anita Jain	2.10	-
<b>Amount Receivable (net)</b>	<b>0.57</b>	<b>0.40</b>
Tesca Textiles & Seat Components (India) Private Limited	320.12	87.82
Shri Rakesh Mehra	-	-
Shri Ravi Toshniwal	-	-
Shri Shaleen Toshniwal	-	-
Shri H P Kharwal	-	3.59
Shri Dhruv Toshniwal	-	-
Shri Udit Toshniwal	-	1.43
Smt Kavita Soni	-	2.20
Relative of Key	-	-
Management	-	-
Personnel	-	-
Key Management	-	-
Personnel	-	-
Joint Venture	320.12	87.82
Relative of Key	-	-
Management	-	-
Personnel	-	-
Key Management	-	-
Personnel	-	-
Control/Interest	0.30	0.30
Personnel has	-	-
Joint Venture	0.88	0.88

\*Above mentioned amount includes Goods and Services Tax (GST)



**Note no. 45. Disclosure as per Ind AS 37 'Provisions, contingent liabilities and contingent assets'****1. Contingent liabilities : -**

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Bills discounted/Purchased with banks remaining outstanding		
a) With Banks		
(i) Against foreign Letter of Credit (LC)	1,285.02	2,743.48
(ii) Others	47.51	60.35
b) With Others	1,347.83	1,704.78
Claims against the company not acknowledged as debt: -		
(a) Under Tax Laws [payment made under protest Rs. 516.86 Lakhs (31 March 2019 Rs. 350.00 Lakhs) Shown under Non- Current Assets	2,253.14	1,320.67
(b) On account electrical inspection fee (paid under protest Rs. 11 Lakhs (31 March 2019 Rs. 11 Lakhs)	23.78	23.78

There is no reimbursement possible on account of contingent liabilities.

**2. Capital Commitments :**

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

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
Estimated amount of contracts remaining to be executed on Capital account	460.43	57.67
Future Export obligation against EPCG licenses	604.00	626.00

**Note No. 46. Disclosure as per Ind AS 16 'Property, Plant and Equipment'**

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

Particulars	Rs. in Lakhs	
	As at 31.03.2020	As at 31.03.2019
<b>Current Assets</b>		
Financial Assets		
Trade Receivables	14,015.40	16,341.56
Term Deposits held as margin money	442.98	477.70
Non-Financial Assets		
Inventories	23,747.53	28,790.59
<b>Total Current assets Hypothecated as security</b>	<b>38,205.92</b>	<b>45,609.85</b>
<b>Non-Current Assets</b>		
Land	934.11	934.11
Building	12,340.33	12,824.97
Plant & Equipment	21,834.08	25,448.22
Furnitures	216.84	270.97
Others	1,310.39	1,549.72
<b>Total Non-Current assets Hypothecated as security</b>	<b>36,635.75</b>	<b>41,027.99</b>
<b>Total Assets Hypothecated as security</b>	<b>74,841.67</b>	<b>86,637.83</b>



**Note No. 47. Disclosure as Per Ind AS 115 Revenue from Contracts with Customers****A. Applicability of Ind AS 115**

The Ministry of Corporate Affairs(MCA), on March 28, 2018, notified Ind AS 115"Revenue from Contracts with Cutomers" as a part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new Standard is effective for accounting periods beginning on or after April 1, 2018. The Company has assessed revenue contracts and revenue is recognized upon satisfying specific performance obligation as against recognition basis transfer of risks and rewards approach adopted till March 31, 2018. This change in accounting resulted in a decrease in opening retained earnings of Rs. 89.70 Lakhs, which was accounted for on April 1, 2018 as the Company has applied the modified approach in adopting the new standards and accordingly the comparatives of previous year have not been restated.

All service contracts have an original duration of one year or less and therefore the company uses practical expedient to not disclose unsatisfied performance obligations

**B. Disaggregation of revenue**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Type of goods or service</b>		
Sale of goods	127,069.64	132,577.43
Job Work Income	1,880.19	2,516.04
<b>Total Revenue from contracts with customers</b>	<b>128,949.83</b>	<b>135,093.47</b>
<b>Geographical markets</b>		
India	73,805.68	76,982.42
Outside India	55,144.15	58,111.05
<b>Total Revenue from contracts with customers</b>	<b>128,949.83</b>	<b>135,093.47</b>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	127,069.64	132,577.43
Services transferred over time	1,880.19	2,516.04
<b>Total Revenue from contracts with customers</b>	<b>128,949.83</b>	<b>135,093.47</b>

**Contract Balances**

Particulars	As at 31 March 2020	As at 31 March 2019
Trade receivables	14,015.40	16,341.56
Contract Liabilities	1,030.33	349.71

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	As at 31 March 2020	As at 31 March 2019
Revenue as per contracted price	129,004.61	135,251.91
Adjustments	-	-
Rebate/Cash Discount	54.79	158.44
<b>Revenue from contracts with customers</b>	<b>128,949.83</b>	<b>135,093.47</b>

**Performance obligation**

Information about the Company's performance obligations are summarised below:

**a) Income from Sale of Goods**

Revenue from sale of products are recognized at a point in time on transfer of promised product to customer upon transfer of control in an amount that reflects the consideration that the company expects to receive in exchange for those product. The performance obligation is satisfied upon delivery of goods and payment is generally due within 30 to 120 days from delivery. The contract generally provide customers with a right to early payment rebate which give rise to variable consideration subject to constraint.

**b) Income from Rendering of Services**

Income from sale of services is recognised when (or as) the company satisfies performance obligation by transferring promised services to the customer i.e. at a point in time.



**Note No. 48. Disclosure as per Ind AS 108 'Operating segment'**

(a) The Company is engaged in production of textile products having integrated working and captive power generation. For management purpose, Company is organized into major operating activity of the textile products. The Company has no activity outside India except export of textile products manufactured in India. Thereby, no geographical segment and no segment wise information is reported.

(b) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below.

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from external customers		
India	55,144.15	58,111.05
<b>Total</b>	<b>128,949.83</b>	<b>135,093.47</b>

**Detail of Country wise Revenue from Major Countries**

Particulars	Rs. in Lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Vietnam		
South Korea	3,303.27	4,098.23
Turkey	4,176.07	3,811.17
United State of America	6,229.39	7,336.43
United Kingdom	6,703.10	6,601.62
Bangladesh	3,838.22	3,617.88
South Africa	2,271.21	1,963.34
Maxico	2,033.04	2,633.26
Others	2,709.86	2,957.53
<b>Total</b>	<b>23,879.99</b>	<b>25,091.59</b>
	<b>55,144.15</b>	<b>58,111.05</b>





**Note No. 49. Disclosure as per Ind AS 107 'Financial instrument disclosure'**

**A) Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio and includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	Rs. in Lakhs	
	As at 31 March 2020	As at 31 March 2019
Gross Debt		
Less : Cash and cash equivalents	32,078.86	47,190.87
Net Debt (A)	354.92	806.19
Total Equity (B)	31,723.93	46,384.69
Gearing Ratio (A/B)	34,186.28	29,444.48
	0.93	1.58

**B) Financial risk management**

**Financial Risk Management**

The Company's principal financial liabilities comprise Borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade & other receivables, loan given, cash & cash Equivalent, Investment, deposits.

**Company is exposed to following risk from the use of its financial instrument:**

- (a) Credit Risk
- (b) Liquidity Risk
- (c) Market Risk
- (d) Foreign Currency Risk
- (e) Interest Rate Risk

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

**(a) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans & advances, cash & cash equivalents and deposits with banks and financial institutions.

In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situation due to COVID-19. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, discounting of receivables etc.

**Trade Receivable**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 120 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 11. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The requirement of impairment is analysed as each reporting date.

**Other Financial Instruments and Cash & Cash Equivalent**

The Company maintain its cash & cash equivalent in current account to meet the day to day requirements, in fixed deposits for bank margin & to meet regulatory requirements for repayment of deposits. Other financial instruments are loan given to employee, Investment and Deposit. The Company's maximum exposure to credit risk for the component of the Balance Sheet as of 31 March 2020 & 31 March 2019 is the carrying amount as disclosed in Note 9,11,12, 13, & 14.



**Provision for Expected Credit or Loss**

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses.

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company provides loss allowance on trade receivables using life time expected credit loss and as per simplified approach.

**Ageing of trade receivables**

The Ageing of trade receivables is as below:

Ageing	0-180 days	181-365 days	1-2 years	2-5 years	> 5 Years due	Rs. in Lakhs Total
Gross Carrying amount as on 31.03.2020	14,015.42	507.43	304.03	377.96	-	15,204.83
Impairment loss recognised on above	-	507.43	304.03	377.96	-	1,189.43
Gross Carrying amount as on 31.03.2019	16,341.55	806.62	214.81	375.30	-	17,738.27
Impairment loss recognised on above	-	806.62	214.81	375.30	-	1,396.72

**(i) Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	On Demand	0 -1 years	1-5 years	More than 5 years	Rs. in Lakhs Total
<b>Year ended 31 March 2020</b>					
Term Loans*	-	6,060.53	10,990.68	804.26	15,763.73
Trade Payables	-	10,435.41	-	-	10,435.41
Other Financial Liabilities#	16,223.90	956.56	-	-	17,180.46
<b>Total</b>	<b>16,223.90</b>	<b>17,452.50</b>	<b>10,990.68</b>	<b>804.26</b>	<b>43,379.60</b>
<b>Year ended 31 March 2019</b>					
Term Loans*	-	5,200.64	11,486.53	2,552.63	19,239.79
Trade Payables	-	13,372.31	-	-	13,372.31
Other Financial Liabilities#	26,667.70	1,785.07	-	-	28,452.77
<b>Total</b>	<b>26,667.70</b>	<b>20,358.02</b>	<b>11,486.53</b>	<b>2,552.63</b>	<b>61,064.87</b>

\*Includes contractual interest payment based on interest rate prevailing at the end of reporting period over tenure of the borrowings and also include fixed deposit received from Shareholders, Finance Lease Obligation.

# Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.

Overdraft or other on demand loan facility, if any available with the Company to be disclosed, to the extent undrawn

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Floating rate borrowings</b>		
Term Loan	2,467.59	1,100.21
Cash Credit and Export Credit Packing Facility	10,499.94	13,612.82
<b>Total</b>	<b>12,967.53</b>	<b>14,713.03</b>

**(ii) Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the Managing Board.

**(iii) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The company uses forward contracts to mitigate its risk from foreign currency fluctuations.





Derivative instruments and unhedged foreign currency exposure  
(a) Derivative outstanding as at the reporting date

Particulars	Currency	(Foreign Currency in Lakhs)	
		As at 31 March 2020	As at 31 March 2019
Forward Contract to sell {Number of Contracts (Current Year 20 ; Previous Year 12)}	USD	135.51	61.16
Forward Contract to sell {Number of Contracts (Current Year 1 ; Previous Year Nil)}	EURO	1.88	-
Forward Contract to sell {Number of Contracts (Current Year 1 ; Previous Year Nil)}	GBP	1.00	-

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

The currency profile of financial assets and financial liabilities as at 31 March 2020 and 31 March 2019 are as below:

31 March 2020

Particulars	(Foreign Currency in Lakhs)				
	USD	EURO	GBP	Others	Total
<b>Financial Assets</b>					
Trade & other receivables	60.32	7.04	0.90	-	68.25
Cash & cash equivalents	0.19	-	-	-	0.19
<b>Financial Liabilities</b>					
Trade payable & other financial liabilities	8.21	0.87	0.39	-	9.47

31 March 2019

Particulars	(Foreign Currency in Lakhs)				
	USD	EURO	GBP	Others	Total
<b>Financial Assets</b>					
Trade & other receivables	100.60	2.10	6.89	-	109.59
Cash & cash equivalents	0.75	-	-	-	0.75
<b>Financial Liabilities</b>					
Trade payable & other financial liabilities	15.19	0.69	0.67	-	16.55

Foreign Currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD ,EURO and GBP rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Rs. in Lakhs			
	31 March 2020			
	USD	EUR	GBP	Others
<b>1% Appreciation in INR</b>				
Impact on Equity	-	-	-	-
Impact on Statement of Profit and Loss	39.22	5.07	0.46	-
<b>1% Depreciation in INR</b>				
Impact on Equity	-	-	-	-
Impact on Statement of Profit and Loss	(39.22)	(5.07)	(0.46)	-

Particulars	Rs. in Lakhs			
	31 March 2019			
	USD	EUR	GBP	Others
<b>1% Appreciation in INR</b>				
Impact on Equity	-	-	-	-
Impact on Statement of Profit and Loss	59.04	1.07	5.57	-
<b>1% Depreciation in INR</b>				
Impact on Equity	-	-	-	-
Impact on Statement of Profit and Loss	(59.04)	(1.07)	(5.57)	-

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

As at 31 March 2020 the Company does not have material exposure to listed or unlisted equity price risk.





**(iv) Interest Rate Risk**

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest.

The Company is exposed to interest rate risk arising mainly from long term borrowings with floating interest rates. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Company manages the interest rate risks by entering into different kinds of loan arrangements with varied terms.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments is as follows:

Particulars	Rs. in Lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Financial Assets</b>		
<b>Fixed Rate Instruments</b>		
Loans	130.83	150.01
Bank Deposit	699.75	482.85
	830.58	632.86
<b>Variable Rate Instruments</b>		
Security Deposit	209.53	222.79
<b>Total</b>	1,040.11	855.65
<b>Financial Liabilities</b>		
<b>Fixed Rate Instruments</b>		
Security Deposit from Vendor	127.50	206.64
Deposits from Shareholders	2,812.92	3,276.92
	2,940.42	3,483.56
<b>Variable Rate Instruments</b>		
Term Loans	12,826.15	15,941.70
Loan repayable on demand	16,315.13	27,951.08
	29,141.28	43,892.78
<b>Total</b>	32,081.70	47,376.34

As at 31 March 2020, approximately 9.17 % of the Company's Borrowings are at fixed rate of interest (31 March 2019 : 7.35%)

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Rs. in Lakhs	
	Effect of Profit or Loss	
	50 BP increase	50 BP decrease
<b>31 March 2020</b>		
Term Loans	64.13	(64.13)
Loan repayable on demand	80.96	(80.96)
	145.09	(145.09)
<b>31 March 2019</b>		
Term Loans	79.71	(79.71)
Loan repayable on demand	133.25	(133.25)
	212.96	(212.96)



**Note No. 50. Disclosure as per Ind AS 113 'Fair Value Measurement'****Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are:-

- (a) recognised and measured at fair value and ;  
 (b) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard.

Fair value are categorised into different level in a fair value hierarchy which are as follows:

- Level 1** : Level 1 hierarchy includes financial instruments measured using quoted prices.
- Level 2** : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates.
- Level 3** : If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable market transactions and dealer quotes of similar instruments.

**Valuation Techniques used to determine fair values:**

A) Specific valuation technique is used to determine the fair value of the financial instruments which include:

- i) For financial instruments other than (ii) and (iii)- the use of quoted market prices.  
 ii) For financial liabilities (domestic currency loans) :- appropriate market borrowing rate of the entity as of each balance sheet date used.  
 iii) For financial assets (employee loans) : appropriate market rate of the entity as of each balance sheet date used.

**B) Financial Instruments By Category**

Set out below categorised table of financial instruments measured at FVTPL and Amortised Cost, no such instrument is measured at Fair value through Other Comprehensive Income (FVTOCI) :-

Particulars	31 March 2020		31 March 2019	
	FVTPL	Amortized cost	FVTPL	Amortized cost
<b>Financial Assets:</b>				
Investments in Equity instrument	2.98	-	9.74	-
Others	6.97	-	8.07	-
Trade Receivables	-	14,015.40	-	16,341.56
Cash and Cash Equivalents	-	354.92	-	806.19
Bank balances other than cash and cash equivalent	-	1,318.64	-	1,240.88
Security deposit	-	220.53	-	240.95
Forward Contract Assets	-	-	82.83	-
Other Financial Assets	-	1,977.94	-	2,126.62
<b>Total Financial Assets</b>	<b>9.95</b>	<b>17,887.43</b>	<b>100.64</b>	<b>20,756.20</b>
<b>Financial Liability:</b>				
Borrowings	-	26,018.33	-	41,990.22
Trade Payables	-	10,435.41	-	13,260.54
Other Financial Liabilities	-	6,509.83	-	5,702.33
Forward Contract Liability	416.03	-	-	-
<b>Total Financial Liability</b>	<b>416.03</b>	<b>42,963.57</b>	<b>-</b>	<b>60,953.09</b>



C) Fair Value Hierarchy

Financial Instrument measured at Fair Value - recurring fair value measurement		Rs. in Lakhs	
	Level	As at 31 March 2020	As at 31 March 2019
Investments in Equity Instruments	Level 1	2.98	9.74
Others	Level 1	6.97	8.07
<b>Total</b>		<b>9.95</b>	<b>17.81</b>
Forward Contract (Payables)/Receivables	Level 3	(416.03)	82.83
<b>Total</b>		<b>(416.03)</b>	<b>82.83</b>

D) Fair value disclosures of financial assets and liabilities

Set out below is a comparison, by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair value :

Particulars	As at 31 March 2020		As at 31 March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
<b>Measured at Fair value through Statement of Profit and Loss</b>				
Investments in Equity Instruments	2.98	2.98	9.74	9.74
Investment Others	6.97	6.97	8.07	8.07
Forward Contract Receivables	-	-	82.83	82.83
<b>Measured through amortized cost</b>				
Trade Receivables	14,015.40	14,015.40	16,341.56	16,341.56
Cash and Cash Equivalents	354.92	354.92	806.19	806.19
Bank balances other than cash and cash equivalent	1,318.64	1,318.64	1,240.88	1,240.88
Loan to Employees	489.97	489.97	150.01	150.01
Security deposit	220.53	220.53	240.95	240.95
Other Financial Assets	1,487.97	1,487.97	1,976.61	1,976.61
<b>Financial Liabilities</b>				
<b>Measured at Fair value through Statement of Profit and Loss</b>				
Forward Contract Payables	416.03	416.03	-	-
<b>Measured through amortized cost</b>				
Borrowings	26,018.33	26,018.33	41,990.22	41,990.22
Trade Payables	10,435.41	10,435.41	13,260.54	13,260.54
Other Financial Liabilities	6,509.83	6,509.83	5,702.33	5,702.33





**Note No. 51.** a) Some of the balances shown under Trade Receivables, Advances and Trade Payables are subject to confirmation. The Company has been sending letter for confirmation to parties and does not expect any material dispute w.r.t. the recoverability/payment of the same.  
b) In the opinion of the management, the value of current assets, loans and advances on realization in the ordinary course of business, will not be less than the value at which these are stated in the balance sheet.

**Note No. 52. Covid-19 Management Note**

The Company is engaged in manufacturing and sale of textile products. The COVID-19 Pandemic caused disruption in the production, supply and marketing activities. Due to the Lock down announced by the Government of Rajasthan / Government of India, entire operations of the Company came to a halt with effect from 22 March 2020. The Company resumed its manufacturing activities, in a phased manner, as per Government directives w.e.f. 20 April 2020. The plant utilization is impacted by the paucity of orders and availability of required labour for production.

The Company has evaluated the impact of COVID-19 on its business operations and financial position; considering these, required care has been taken while preparing these financial statements.

The Company is closely monitoring the situation of COVID-19 and relevant restrictions imposed by the regulatory authorities. There is no significant impact on the financial results for the year ended 31 March 2020. The Company has taken steps to ensure adequate safety and liquidity to meet its financial and other commitments. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and, accordingly, the impact may be different from that estimated until now.

**Note No. 53. Interim Equity Dividend**

The Board of Directors has approved interim equity dividend of Rs. 1.50 per share for the Financial Year 2019-20.

**Note No. 54. Reduction in Inventory Valuation**

Due to COVID-19 Pandemic, the supply and delivery of the inventories have been impacted adversely, based on the internal and external information the management has marked down the valuation by Rs. 989.48 Lakhs.

**Note No. 55. Waiver of Profit based Commission by Directors**

In view of the adverse impact caused due to COVID-19 pandemic, Company's Chairman, Managing Directors and Jt Managing Directors have waived their profit based commission for the Financial Year 2019-20. The waiver letters were received on 18 April 2020 and placed to the Board at its meeting on 27 June 2020.

**Note No. 56. Disclosure as required by Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

A. Loans and advances in the nature of loans

To Joint Venture : Nil

B. Investment by the loanee : Nil

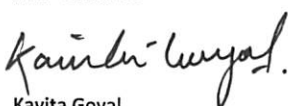
**Note No. 57.** Certain Prior year amounts have been reclassified for consistency with the current period presentation. These reclassification have no effect on the reported results of Operations.

Significant Accounting Policies, Notes on Accounts and other disclosures from Note no. 1 to 57 forming part of these financial statements.

In terms of our Audit Report of even date:

For and on behalf of the Board of Directors

For K.G. SOMANI & CO.  
Chartered Accountants  
FRN - 006591N



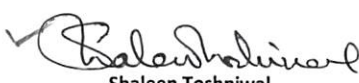
Kavita Goyal  
Partner  
M.No. 063419



Rakesh Mehra  
DIN : 00467321  
Chairman



Ravindra Kumar Toshniwal  
DIN : 00106789  
Managing Director



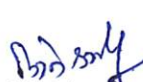
Shaleen Toshniwal  
DIN : 00246432  
Jt. Managing Director



P. Kumar  
DIN : 00179074  
Chairman (Audit Committee)



JK Rathi  
President  
Place : Banswara  
Dated: 27 June 2020



J. K. Jain  
Jt President & CFO



H. P. Kharwal  
Company Secretary

Place : New Delhi  
Dated: 27 June 2020

