

**KRKUMAR INDUSTRIES LIMITED**

**101, RAJ BHAVAN, ROAD NO.9,  
DAULAT NAGAR, BORIVALI (EAST),  
MUMBAI-400 066**

**Interim Audit Report  
30.09.2020**

# S. D. MOTA & ASSOCIATES

## Chartered Accountants

Office – 3, Shanivar Nivas, Subhash Road, Dombivali (W) - 421202

Telephone – 9699940041 Email – mottasanjay@gmail.com

### Independent Auditors' Report

TO,  
THE BOARD OF DIRECTORS,  
KRKUMAR INDUSTRIES LIMITED

Report on the audit of Interim Standalone financial statements

#### OPINION

We have audited the accompanying Interim Standalone Financial Statements of **KRKUMAR INDUSTRIES LIMITED** ("the Company") which comprises the standalone Balance Sheet as at September 30, 2020, the Statement of standalone Profit and Loss and Statement of standalone Cash flows for the period then ended, and Notes to the Interim Standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the interim standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Interim Standalone financial statements give a true and fair view in conformity with AS-25 and the accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2020, and its Loss and its cash flows for the period ended on that date.

#### BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Interim Standalone financial statements under the provisions of the Companies Act, 2013 and the rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### MANAGEMENT'S RESPONSIBILITY FOR THE INTERIM STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the preparation of these Interim Standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with AS-25 & the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for



safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 Interim Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE INTERIM STANDALONE FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the Interim Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of 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 Interim Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

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

**FOR S. D. MOTA & ASSOCIATES**

Chartered Accountants

Firm Regn. No. 119681W



A handwritten signature in black ink, appearing to read "Sanjay D. Motta".

**(Sanjay D. Motta)**

**Proprietor**

**Mem. No. 107688**

**UDIN - 20107688AAAAAN9790**

**Date : 31/10/2020**

**Place : Mumbai**

**KRKUMAR INDUSTRIES LIMITED**  
**CIN: U45203MH1987PLC042969**  
**BALANCE SHEET AS AT 30TH SEPTEMBER 2020**

(Amount in Rs)

Particulars	Note No.	As at 30 September 2020	As at 31 March 2020
<b>1 EQUITY AND LIABILITIES</b>			
<b>I Shareholders' funds</b>			
Share Capital	2	30,800,000	30,800,000
Reserves and Surplus	3	39,640,115	39,941,681
<b>II Non-current liabilities</b>			
Long-term borrowings		-	-
Deferred tax liabilities/(Assets) (Net)		145	1,141
<b>III Current liabilities</b>			
Short-term Borrowings	4	8,070,000	7,200,000
Other current liabilities	5	55,000	55,000
Trade payables	6	-	-
Short term provisions	7	200,000	200,000
		<b>78,765,259</b>	<b>78,197,822</b>
<b>2 ASSETS</b>			
<b>I Non-current assets</b>			
Fixed Assets	8	24,173	33,910
Non current investments	9	35,621,588	36,237,730
Deferred tax assets (net)		-	-
Long term loans & advances	10	16,602,674	16,337,024
Other Non current Assets	11	-	-
<b>II Current assets</b>			
Inventories	12	-	-
Cash and cash equivalents	13	299,521	245,068
Short Term Loans and Advance	14	24,932,320	24,932,320
Other Current assets	15	1,284,984	411,770
		<b>78,765,259</b>	<b>78,197,822</b>

For S. D. Mota & Associates  
Chartered Accountants

(Sanjay D. Motta)

Proprietor

Membership No. 107688

Place : Mumbai

Date : 31/10/2020

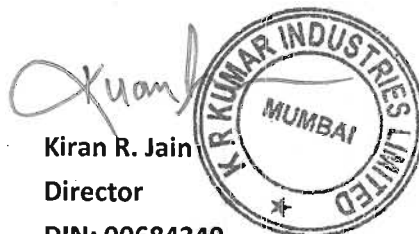


For and on behalf of the Board of Directors

Kiran R. Jain

Director

DIN: 00684349



P. G. Jain

Priya G. Jain

Director

DIN: 02348459

**KRKUMAR INDUSTRIES LIMITED**

**CIN: U45203MH1987PLC042969**

**Profit and Loss statement for the period ended 30TH SEPTEMBER 2020**

**(Amount in Rs.)**

Particulars	Note No.	As AT	As At
		30 September 2020	31 March 2020
I. Revenue from operations	16	-	-
II. Other income	17	-202,097	1,271,542
<b>III. Total Revenue (I + II)</b>		<b>-202,097</b>	<b>1,271,542</b>
<b>IV. Expenses:</b>			
Purchases of Stock-in-Trade	18	-	-
Changes in inventories of stock in trade	19	-	-
Employee Cost	20	-	-
Finance costs		-	-
Depreciation		9,738	19,475
Other expenses	21	90,729	596,872
<b>Total expenses</b>		<b>100,466</b>	<b>616,347</b>
<b>V. Profit before Tax (III- IV)</b>		<b>-302,563</b>	<b>655,195</b>
Extraordinary items		-	613,830
<b>Profit /( Loss ) before tax</b>		<b>-302,563</b>	<b>41,365</b>
<b>Tax expenses:</b>			
<b>VI Tax expense:</b>			
~Current Tax		-	200,000
~Previous Year		-	-8,529
~Deferred Tax		-996	53
		<b>-996</b>	<b>191,524</b>
<b>VII Profit / (Loss) after Tax</b>		<b>-301,567</b>	<b>-150,159</b>
<b>VIII Earnings per equity share:</b>	22		
(1) Basic		-0.10	-0.05
(2) Diluted		-0.10	-0.05

For S. D. Mota & Associates

Chartered Accountants

*(Sanjay D. Motta)*

Proprietor

Membership No.107688

Place : Mumbai

Date : 31/10/2020



For and on behalf of the Board of Directors

*Kiran R. Jain*

Director

DIN: 00684349



*P. G. Jain*

Priya G. Jain

Director

DIN: 02348459

**KRKUMAR INDUSTRIES LIMITED**  
CIN: U45203MH1987PLC042969  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH SEPTEMBER 2020**

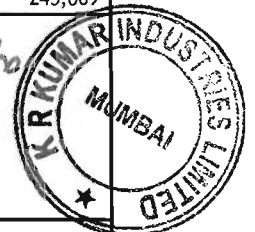
(Amount in ₹)

	As at 30TH SEPT 2020	As at 31st March 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	(302,563)	41,365
Adjusted for		
Depreciation	9,738	19,475
(Profit)/Loss on sale of Investments	385,107	100,934
Other Income	-	-
Interest Income	(12,167)	(456,418)
Interest Expenses	-	384,329
<b>Operating Profit before Working Capital changes</b>	<b>80,114</b>	<b>89,686</b>
Adjustments for changes in working capital		
(Increase)/Decrease in Trade and Other Receivables	-	-
(Increase)/Decrease in Inventories	-	-
(Increase)/Decrease in Loans & Advances and Other C.A.	(873,214)	1,127,939
(Increase)/Decrease in Long term Loans & Advances	(265,650)	(193,000)
Increase/(Decrease) in Trade Payables	-	-
Increase/(Decrease) in other Current liabilities & Provisions	-	(8,301,300)
<b>Cash generated from operations</b>	<b>(1,058,750)</b>	<b>(7,276,675)</b>
Direct Taxes Paid	-	191,471
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(1,058,750)</b>	<b>(7,468,146)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets	-	-
(Purchase) of Fixed Assets (Net) & Capital WIP	-	-
(Purchase)/Sales of Investments (Net)	616,142	270,736
Profit/(Loss) on sale of Investments	(385,107)	(100,934)
Interest / Other income	12,167	456,418
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>243,202</b>	<b>626,220</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	-	-
Repayment of Long Term Borrowings	-	-
Proceeds from Short Term Borrowings	870,000.00	7,200,000
Decrease in Working Capital Borrowing from Banks	-	-
Interest paid	-	(384,329)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>870,000</b>	<b>6,815,671</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALANTS (A+B+C)</b>	<b>54,452</b>	<b>(26,256)</b>
<b>OPENING BALANCE OF CASH AND CASH EQUIVALANTS</b>	<b>245,069</b>	<b>271,325</b>
<b>CLOSING BALANCE OF CASH AND CASH EQUIVALANTS</b>	<b>299,521</b>	<b>245,069</b>

*Kiran R. Jain*      *P.G. Jain*

Kiran R. Jain  
Director  
DIN: 00684349

Priya G. Jain  
Director  
DIN: 02348459



**AUDITOR'S REPORT ON CASH FLOW STATEMENT**

We have examined the above Cash Flow Statement of M/s. KR KUMAR INDUSTRIES LIMITED, derived from audited financial statements and the books and records maintained by the company for the period ended 30th September 2020 and found the same in agreement therewith.

As per our attached report of even date

FOR S D Mota & Associates  
Chartered Accountants



*Sanjay D Motta*  
Sanjay D Motta  
Proprietor  
Membership No. 107688

Place: Mumbai  
Date : 31/10/2020

**KRKUMAR INDUSTRIES LIMITED**

**Notes to the financial statements for the period ended 30TH SEPTEMBER 2020**

NOTE 2 : SHARE CAPITAL	30 September 2020		31 March 2020	
	Number	Rs.	Number	Rs.
<b>Authorised share capital</b>				
Equity shares of Rs.10 each	5,000,000	50,000,000	5,000,000	50,000,000
	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of Rs.10 each	3,080,000	30,800,000	3,080,000	30,800,000
<b>Total</b>	<b>3,080,000</b>	<b>30,800,000</b>	<b>3,080,000</b>	<b>30,800,000</b>

**Notes:**

**a. Reconciliation of equity shares outstanding at the end of the reporting period**

Particulars	30 September 2020		31 March 2020	
	Number	Rs.	Number	Rs.
<b>Authorised share capital</b>				
Equity shares of Rs.10 each				
At the beginning of the period	5,000,000	50,000,000	5,000,000	50,000,000
Added as per scheme of amalgamation	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>5,000,000</b>	<b>50,000,000</b>	<b>5,000,000</b>	<b>50,000,000</b>
<b>Issued, subscribed and paid-up shares</b>				
Equity shares of Rs.10 each				
At the beginning of the period	3,080,000	30,800,000	3,080,000	30,800,000
Added pending allotment on account of Amalgamation	-	-	-	-
<b>Outstanding at the end of the period</b>	<b>3,080,000</b>	<b>30,800,000</b>	<b>3,080,000</b>	<b>30,800,000</b>

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of **Rs. 10** per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

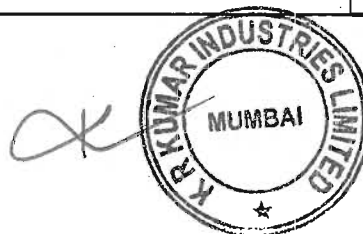
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Shareholders holding more than 5% of the shares in the Company as at balance sheet date**

Name of the Share Holder	30 September 2020		31 March 2020	
	Number	%	Number	%
<b>Equity shares of 10 each</b>				
Ratanchand Jain	1,520,700	49.37%	1,520,700	49.37%
Kiran R. jain	759,200	24.65%	759,200	24.65%
Priya jain	200,000	6.49%	200,000	6.49%
Harish Jain	260,000	8.44%	260,000	8.44%
Ganpat jain	200,000	6.49%	200,000	6.49%
<b>Total</b>	<b>2,939,900</b>	<b>95.45%</b>	<b>2,939,900</b>	<b>95.45%</b>

**NOTE : 3 RESERVES AND SURPLUS**

	30 September 2020	31 March 2020
	Rs.	Rs.
<b>a. Securities Premium Account</b>		
Balance as Per Last Account	6,200,000	6,200,000
<b>Total</b>	<b>6,200,000</b>	<b>6,200,000</b>
<b>b. Profit and Loss Account</b>		
Opening balance	33741681.42	33,891,840
(+)Net profit /(Loss) for the current year	-301,567	-150,159
<b>Total</b>	<b>33,440,115</b>	<b>33,741,681</b>
<b>Total</b>	<b>39,640,115</b>	<b>39,941,681</b>



P. U. Jain



**KRKUMAR INDUSTRIES LIMITED**

**Notes to the financial statements for the period ended 30TH SEPTEMBER 2020**

<b>NOTE : 4 SHORT TERM BORROWINGS</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
<b>Unsecured</b>		
(a) Loans from Directors and related parties	8,070,000	7,200,000
<b>Total</b>	<b>8,070,000</b>	<b>7,200,000</b>

<b>NOTE : 5 TRADE PAYABLES</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Creditors for Goods	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>NOTE : 6 OTHER CURRENT LIABILITIES</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Professional Fees Payable	25,000	25,000
Audit fees Payable	30,000	30,000
<b>Total</b>	<b>55,000</b>	<b>55,000</b>

<b>NOTE : 7 SHORT TERM PROVISION</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Provision for Income Tax (Net of Taxes Paid)	200,000	200,000
<b>Total</b>	<b>200,000</b>	<b>200,000</b>

<b>NOTE : 9 NON CURRENT INVESTMENTS</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
<b>A. Quoted Investments</b>		
<b>1. Trade Investments</b>		
In Equity Securities	288,738	904,880
(Market Value as on 30.09.2020 is Rs.13,94,369/-)		
<b>2. Other Investments</b>		
<b>Investment in Associates</b>		
36,64,100. (P.Y. 36,64,100) Eq. Shares of Raj Rajendra Industries Ltd.	35,332,850	35,332,850
of Rs. 10/- each fully paid up.		
Others	-	-
<b>Total</b>	<b>35,621,588</b>	<b>36,237,730</b>



*P. N. Jain*

KRKUMAR INDUSTRIES LIMITED

CIN: U45203MH1987PLC042969

NOTE 8 - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01/04/2020	Addition	Deletion	As at 30/09/2020	As at 01/04/2020	For the Period	As at 30/09/2020	As at 30/09/2020	As at 31/03/2020
Computers & Printers	61,500	-	-	61,500	27,590	9,738	37,328	24,173	33,910
Total	61,500	-	-	61,500	27,590	9,738	37,328	24,173	33,910
Previous Year	61,500	-	-	61,500	8,115	19,475	27,590	33,910	



P. U. Jain

**KRKUMAR INDUSTRIES LIMITED**

**Notes to the financial statements for the period ended 30TH SEPTEMBER 2020**

<b>NOTE : 10 LONG TERM LOANS AND ADVANCES</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
<b>Unsecured but considered good -</b>		
<b>Advance given for purchase of property and development rights:</b>		
Advance for Project Shanwadi (Refer Note below)	16,584,674	16,319,024
Deposit Receivable	18,000	18,000
<b>Total</b>	<b>16,602,674</b>	<b>16,337,024</b>

**Note:** Advance is paid towards 50% share in the property jointly acquired with Basudeo Builders Pvt. Ltd.

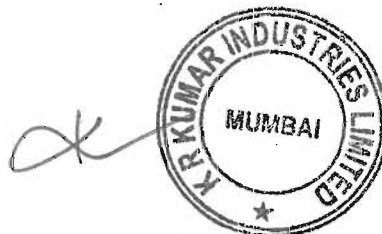
<b>NOTE : 11 OTHER NON CURRENT ASSETS</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>NOTE : 12 INVENTORIES</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Closing Stock	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

<b>NOTE : 13 CASH &amp; CASH EQUIVALENT</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Bank Balances:		
a. In current Account	282,033	227,581.00
b. Cash in hand	17,488	17,487.00
<b>Total</b>	<b>299,521</b>	<b>245,068.00</b>

<b>NOTE : 14 SHORT TERM LOANS &amp; ADVANCES</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Advance Tax, TDS & MAT Receivable	2,432,320	2,432,320
Basudeo Builders Pvt Ltd.	22,500,000	22,500,000
<b>Total</b>	<b>24,932,320</b>	<b>24,932,320</b>

<b>NOTE : 15 OTHER CURRENT ASSETS</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Sundry Debtors	22,817	411,770
Fixed Deposit (Margin against Bank Guarantee of Rs. 12,50,000)	1,262,167	-
<b>Total</b>	<b>1,284,984</b>	<b>411,770</b>



*p. u. Jan*

**KRKUMAR INDUSTRIES LIMITED**

**Notes to the financial statements for the period ended 30TH SEPTEMBER 2020**

<b>NOTE 16 : REVENUE FROM OPERATIONS</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Sales	-	-
<b>Total</b>	-	-

<b>NOTE 17 : OTHER INCOME</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Dividend	-	-
Rental Income	1,024	2,048
F&O Gain / (Loss) on sale of Listed Shares	169,819	(700,841)
Interest Income	12,167	456,418
Commission Received	-	1,614,893
Speculation Loss on Shares	-	(42)
Short Term Capital Gain on Sale of Listed Shares	21,573	(47,611)
Long Term Capital Gain on Sale of Unlisted Shares	(406,680)	(53,323)
<b>Total</b>	<b>-202,097</b>	<b>1,271,542</b>

<b>NOTE 18 : PURCHASE OF STOCK IN TRADE</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Purchase	-	-
<b>Total</b>	-	-

<b>NOTE 19 : CHANGES IN INVENTORIES OF STOCK -IN-TRADE</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Opening Stock	-	-
Less: Closing Stock	-	-
<b>Total</b>	-	-

<b>NOTE 20 : Employee Cost</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Salary Expenses	-	-
<b>Total</b>	-	-

<b>NOTE 21 : OTHER EXPENSES</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Bank Charges	58,591	790
Audit Fees	-	30,000
Filing Fees	-	8,900
Professional Charges	30,500	99,452
Share Trading Exp	1,638	9,468
Connectivity Charges	-	21,240
Short Margin Interest	-	42,693
Interest on Unsecured Loan	-	384,329
<b>Total</b>	<b>90,729</b>	<b>596,872</b>

<b>NOTE 22 : EARNING PER SHARE</b>	<b>30 September 2020</b>	<b>31 March 2020</b>
	Rs.	Rs.
Net Profit After tax	-301,567	-150,159
Weighted Avg. no. of shares	3,080,000	3,080,000
EPS (Basic & Diluted) (Rs.)	-0.10	-0.05
Face value per Equity share (Rs.)	10.00	10.00



*p. u. Jain*

**NOTE 23 : RELATED PARTY TRANSACTION****(a) Names of Related Parties & Nature of Relationship****(i) Key Management Personnel -**

Kiran R. Jain	Director
Priya G. Jain	Director

**(ii) Relative of Key Management Personnel -**

<b>Name of Relative</b>	<b>Nature of Relation</b>
Mr. Ratanchand Jain	Father of Mr. Kiran Jain
Mr. Ganpath R. Jain	Husband of Priya Jain and Brother of Kiran Jain
Mr. Harish R. Jain	Brother of Kiran R. Jain
Mrs. Leena Jain	Wife of Kiran Jain

**(iii) Entities where control exists -**

Rishabhraj Infra LLP	Sister Concern
Rishabhraj Estate Developers Pvt. Ltd.	Sister Concern
Sumati Spintex Private Limited	Sister Concern
Raj Rajendra Industries Limited	Sister Concern
SGR Textile House LLP	Sister Concern

**(iv) For Related Party Transactions Please refer Annexure -1 attached.**

For S. D. Mota &amp; Associates

Chartered Accountants

Membership No. 107688

*(Sanjay D. Motta)*  
Proprietor

Membership No. 107688  
Place : Mumbai

Date : 31/10/2020



For and on behalf of the Board of Directors

*Kiran R. Jain*  
Kiran R. Jain  
Director  
DIN: 00684349



*P. G. Jain*

Priya G. Jain  
Director  
DIN: 02348459

RELATED PARTY	Loan Given	Loan recd back	Advance Recd. back for purchase of Property	INVESTMENT IN SHARES	Loan Taken	Loan Repaid	Salary/Director Remuneration	Job Work	Sale	Purchase	Interest paid	Int Recd
KIRAN R. JAIN - DIRECTOR	-	-	-	-	20,000	750,000	-	-	-	-	-	-
PRIYA G JAIN - DIRECTOR	-	-	-	-	-	-	-	-	-	-	-	-
HIREN DHANJI CHHEDA - DIRECTOR	-	-	-	-	-	-	-	-	-	-	-	-
1) Ratanchand Jain	-	-	-	-	-	-	-	-	-	-	-	-
2) Ganpat Jain	-	-	-	-	-	-	-	-	-	-	-	-
3) Kiran Jain	-	-	-	-	-	-	-	-	-	-	-	-
4) Harish Jain	-	-	-	-	-	-	-	-	-	-	-	-
5) Surajdevi R Jain	-	-	-	-	-	-	-	-	-	-	-	-
6) Leena Jain (Wife of Kiran Jain)	-	-	-	-	-	-	-	-	-	-	-	-
7) Priya Jain	-	-	-	-	-	-	-	-	-	-	-	-
8) Rekha Jain	-	-	-	-	-	-	-	-	-	-	-	-
9) Rishabhraj Inifra LLP	-	-	-	-	-	-	-	-	-	-	-	-
10) Rishabhraj Estate Developers Pvt. Ltd.	-	-	-	-	1,600,000	-	-	-	-	-	-	-
10) Sumati Spintex Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
11) Raj Rajendra Industries Limited	-	-	-	-	-	-	-	-	-	-	-	-
12) SGR Textile House LLP	-	-	-	-	-	-	-	-	-	-	-	-



P. N. JAIN

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## Note 1 –

### Significant Accounting Policies & Notes to Accounts –

#### A. SIGNIFICANT ACCOUNTING POLICIES –

##### 1. Basis of Preparation of standalone Financial Statements

The Interim standalone financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act. All income and expenditure having a material bearing on the interim standalone financial statements are recognized on accrual basis.

##### 2. Use of Estimates

The Presentation of interim standalone financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the interim standalone financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates made in the preparation of interim standalone financial statements are prudent and reasonable. Any difference between the actual results and estimate are recognised in the period in which results are known or materialised.

##### 3. Fixed Assets

Fixed Assets are capitalized at cost less accumulated depreciation inclusive of purchase price, duties and other non refundable taxes, direct attributable cost of bringing asset to its working condition and financing cost till commercial production. Projects, if any, under which assets are not ready for their intended use are shown as Capital Work-in-Progress.

##### 4. Depreciation / Amortization

Depreciation on fixed assets is provided on the basis of its useful life in the manner prescribed under Part C of Schedule II of the Companies Act 2013 on SLM basis.

##### 5. Inventories

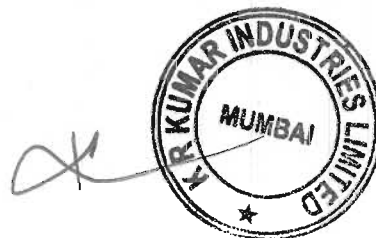
The inventories are stated at lower of cost and net realizable value, after providing for obsolescence, if any. Cost of Inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing inventory to the present location and condition and valuation is inclusive of taxes and duties incurred on same. Company did not held any Inventory during the year under review.

##### 6. Revenue Recognition

Revenue from sales transactions is recognized on transfer of significant risk and rewards of ownership, which generally is on the dispatch of goods. Revenue from services is recognized upon rendering of services. Dividend is recognized when the right to receive the payment is established and Interest Income is recognized on accrual basis, if any.

##### 7. Investment

Investments are classified as Current & Non Current Investments. Investments intended to be held for more than a year are classified as Non-current investments. Non-current investments are valued at cost less permanent diminution in value, if such a decline is other than temporary in the opinion of the management. Current Investments are carried at lower of cost or Market / Fair Value determined on an individual investment basis.



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## 8. Borrowing Costs

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. All Other Borrowing costs are reduced from corresponding income or recognized as expense in the period in which they are incurred.

## 9. Taxation

Tax expenses for the Period comprise of current tax and deferred tax. Current tax is measured as amount of tax payable in respect of taxable income for current Period as per Income Tax Act 1961 after considering tax allowances and exemptions, if any.

Deferred Tax assets or liabilities are recognized for further tax consequence attributable to timing difference between taxable income and accounting income that originate in one Period and are capable of reversal in one or more subsequent Period.

## 10. Leases

Lease arrangements, where the risk and rewards incidental to the ownership of asset substantially vests with the lesser are recognized as operating lease. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss. Assets leased out under operating leases are capitalized. Lease rental are charged to the statement of profit and loss on accrual basis.

## 11. Impairment of Assets

An asset is impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to Profit & Loss in the Period in which an asset is identified as Impaired. As on Balance Sheet date, the Company reviews the carrying amount of Fixed Assets to determine whether there are any indications that those assets have suffered "Impairment Loss".

## 12. Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period and adjusted for the effects of all dilutive potential equity shares.

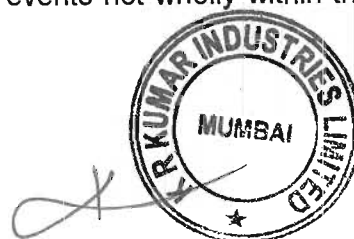
## 13. Related Party Transactions

As per accounting standard 18 (AS-18) Related party disclosures, notified in the companies (Accounting Standards) Rules 2006, the list of related parties with disclosure of transactions with the related parties defined in AS-18 are given at Note No.23 of standalone Financial Statements.

## 14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent Liability is disclosed for, by way of note for -

a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or



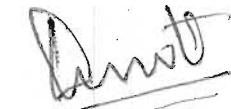
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b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c) Contingent Assets are not recognized in the standalone financial statements since this may result in the recognition of income that may never be realized.

**FOR S. D. MOTA & ASSOCIATES  
CHARTERED ACCOUNTANTS**



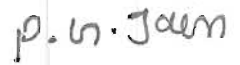
**(SANJAY D. MOTTA)  
PROPRIETOR  
Mem. No. 107688**



**FOR KRKUMAR INDUSTRIES LIMITED**



**KIRAN R. JAIN  
DIRECTOR  
DIN: 00684349**



**PRIYA G. JAIN  
DIRECTOR  
DIN: 02348459**

**Date -31/10/2020  
Place- Mumbai**

## NOTES TO ACCOUNTS –

1. Figures have been rounded off to the nearest rupee, wherever required. Previous Year's figures have been regrouped/reclassified wherever considered necessary to make them comparable with the current period figures. Same accounting policies as used for full year are used for this interim period by the Management.

2. In the Opinion of the Board the current assets, loans and advances will fetch the amounts stated, if realized in the ordinary course of business and adequate provision for all known liabilities of the company has been made. Balances shown under Loans, Advances, Sundry Debtors & Creditors are subject to confirmation, reconciliation and subsequent adjustment if any.

3. According to management, Company has not given any guarantee on behalf of the Directors or other Officers.

4. According to management, the Company has not received information from vendors/suppliers regarding their status as per section 22 of the "Micro , Small & Medium Enterprises Act, 2006" and hence disclosure relating to amount unpaid for the period end together with interest paid or payable under this Act has not been given.

### 5. Contingent Liabilities & Capital Commitments –

#### Contingent Liabilities –

According to management, No litigations are filed against or pending against the Company, hence no provision is made for contingent liabilities. According to management, Company has not given any guarantee to any of the Parties except –

- a) Performance Guarantee given to The Municipal Commissioner for Greater Mumbai amounting to Rs.12.50Lacs

#### Capital Commitments –

Estimated amount of Contracts remaining to be executed on Capital Account & not provided for –

- a) Tangible Assets – Rs. Nil (Previous Year Rs. Nil)  
b) Intangible Assets - Rs. Nil (Previous Year Rs. Nil)

6. As verified from records, Company has given Loans/Advances to its group companies/sister concerns. According to management same are given on temporary basis.

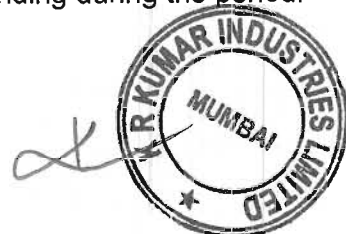
### 7. Foreign Currency Transactions –

#### Particulars Amount

Paid for Import of Machinery	-	Rs. Nil/-
Paid for Foreign Travelling	-	Rs. Nil/-

### 8. Earning Per Share (on Face Value of Rs.10/- each)

In determining the Earnings Per share, the company considers the net profit after tax which includes any post tax effect of any extraordinary/exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.



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The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, or share split the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

Basic Earning Per Share - (0.10)  
Profit/(Loss) after Tax / Weighted Avg. Shares Outstanding = (301567)/3080000 = (0.10)

Diluted Earning Per Share - (0.10)  
Profit/(Loss) after Tax / Weighted Avg. Shares Outstanding = (301567)/3080000 = (0.10)


(Diluted EPS is similar to Basic EPS as there are no potential equity shares as on reporting date)


**FOR S. D. MOTTA & ASSOCIATES  
CHARTERED ACCOUNTANTS**

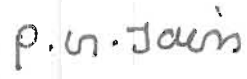
  
(SANJAY D. MOTTA)  
PROPRIETOR  
Mem. No. 107688



**FOR KRKUMAR INDUSTRIES LIMITED**

  
KIRAN R. JAIN  
DIRECTOR  
DIN: 00684349



  
PRIYA G. JAIN  
DIRECTOR  
DIN: 02348459

Date - 31/10/2020

Place- Mumbai