K C LODHA & ASSOCIATES
CHARTERED ACCOUNTANTS
Contact No. :+91 9821894596 / 9320094596
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INDEPENDENT AUDITORS' REPORT

To,
The Members of Raj Rajendra Industries Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have Audited the Standalone Financial Statement of **Raj Rajendra Industries Limited** ("the Company"), which comprise standalone balance sheet as at 31 March 2022, the standalone Statement of Profit and Loss (including other comprehensive income), standalone statement of Changes in Equity and standalone statement of Cash Flow for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our auditof the Standalone financial statements of the current period. These matters were addressed in the context of our audit of the Standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

K. C. LODHA & ASSOCIATES
MUMBAI
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602, Thawar Apartment, Opp Heena Residency, Above Canara Bank, Main Carter Road No. 5, Borivali (East), Mumbai - 400066.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the Standalone Financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements:

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

- Conclude on the appropriateness of management's and Board of Directors' use of the going concern basis of accounting in preparation of Standalone financial statements 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 auditors' report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial statements, including the disclosures, and whether the Standalone financial statements represent the underlyingtransactions 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.

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INDEPENDENT AUDITORS' REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, 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. (A) As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone balance sheet, the Standalone statement of profit and loss (including other comprehensive income), the Standalone statement of changes in equity and the Standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS specified under section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31 March 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Standalone statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.

(g) According to the information and explanations given by the management, the managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Companies Act, 2013.

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INDEPENDENT AUDITORS' REPORT (continued)

Report on Other Legal and Regulatory Requirements (continued)

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The Company has no pending litigations as on 31.03.2022.

b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c) There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For K C Lodha & Associates
Chartered Accountants
FRN .: 127682W

K C LODHA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

CA K C Lodha
Proprietor
Membership No.: 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

Annexure A to the Independent Auditors' Report (continued)

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of ourreport of even date)

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the Standalone Financial statements for the year ended 31 March 2022, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of Intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in subsequent to year end. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties including land taken on lease disclosed in the Standalone financial statements are held in the name of company except under construction properties.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of the security of current assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Monthly / quarterly returns / statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company. No material discrepancies were noticed on such verification.

K. C. LODHA & ASSOCIATES ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditors' Report (continued)

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments in or provided security to companies, firms, limited liability partnerships or any other parties during the year. The Company has provided guarantees, granted loans and advances in the nature of loans during the year to companies and other parties except otherwise stated in the financial statement. The Company has not provided guarantees or granted loans or advances in the nature of loans during the year to firms or limited liability partnerships.

a. (A) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted loans to subsidiaries.

(B) Based on the audit procedures carried out by us and as per the information and explanations given to us the Company has not provided guarantees and granted advances in the nature of loans to other parties except otherwise stated in the financial statement

b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the guarantees provided during the year prima facie, not materially prejudicial to the interest of the Company and considering the underlying risk the terms and conditions of the grant of loans and advances in the nature of loans during the year are, not materially prima facie, prejudicial to the interest of the Company.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, in the case of loans and advances in the nature of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular except if considered and accepted by the management.

d. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans and advances in the nature of loans given except if considered and accepted by the management.

e. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loans granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans or advances in the nature of loans given to same parties.

f. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Section 185 and 186 of the Companies Act,2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

K. C. Lodha & Associates * Mumbai * Chartered Accountants

Annexure A to the Independent Auditors' Report (continued)

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, The maintenance of cost records as specified by the Central Government has under Section 148(1) of the Companies Act has been duly maintained by the company.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST")

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued inthe books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to GST, Provident Fund, Employees State Insurance, Sales Tax, Service Tax, Duty of Customs, Value Added Tax or Cess or other statutory dues which have not been deposited on account of any dispute except erroneous amount of Income Tax and TDS.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the IncomeTax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the Standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, as defined in the Act. The Company does not hold any investment in any associate or joint venture (as defined in the Act) during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company.Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the Standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The company is not covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. Therefore, the company is not required to appoint any internal auditor. Therefore, the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

K. C. KODHA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditors' Report (continued)

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii)of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

(xxi) The company has not made investments in subsidiary company. Therefore, the company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of the order are not applicable to the Company

For K C Lodha & Associates
Chartered Accountants
FRN. 127682W

K C LODHA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

CA K C Lodha
Proprietor
M. No.- 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

Annexure B to the Independent Auditors' Report (continued)

Report on the internal financial controls with reference to the aforesaid Standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Standalone financial statements of Raj Rajendra Industries Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Standalone financial statements of the Company as at and for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute ofChartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively forensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy andcompleteness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone Financial statements. ThoseStandards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial statements were established and maintained and whether 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 with reference to Standalone Financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for ouraudit opinion on the Company's internal financial controls with reference to Standalone Financial statements.

K. C. LODHA & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditors' Report (continued)

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

For K C Lodha & Associates
Chartered Accountants
FRN. 127682W

K. C. LODHA & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

CA K C Lodha
Proprietor
M. No.- 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

Raj Rajendra Industries Limited

Balance Sheet as at 31st March 2022
(Amount in lakhs, except share and per share data, unless otherwise stated)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
	ASSETS			
A	**Non-current assets**			
	a) Property, plant and equipment	4	1,336.94	1,441.32
	b) Right of use asset	5	28.51	29.07
	c) Financial assets		-	-
	i) Investments	6	230.72	230.72
	ii) Loans and advances	7	389.72	390.45
	d) Income tax receivable	8	14.03	-
	(A)		1,999.92	2,091.57
B	**Current assets**			
	a) Inventories	9	784.14	817.49
	b) Financial assets		-	-
	i) Trade receivables	10	737.56	505.47
	ii) Cash and cash equivalents	11	1.41	2.00
	iii) Loans	12	873.54	836.07
	c) Other current assets	13	171.32	164.21
	(B)		2,567.97	2,325.24
	TOTAL (A + B)		4,567.89	4,416.81
	EQUITY AND LIABILITIES			
A	**Equity**		-	-
	a) Equity share capital	14	850.00	850.00
	b) Other equity	15	2,402.96	2,201.27
	(A)		3,252.96	3,051.27
	Liabilities			
B	**Non-current liabilities**			
	a) Financial liabilities			
	i) Borrowings	16	115.68	156.48
	b) Provisions	17	18.18	17.36
	c) Deferred tax liabilities (Net)	18	105.30	100.67
	(B)		239.15	274.51
C	**Current liabilities**			
	a) Financial liabilities			
	i) Short term borrowings	19	898.15	893.91
	ii) Trade payables	20	-	-
	- Amount due to Micro and small enterprises		-	-
	- Amount due to other than Micro and small enterprises		103.14	127.57
	iii) Other financial liabilities		-	-
	b) Other current liabilities	21	11.71	17.41
	c) Provisions	22	62.77	52.14
	(C)		1,075.77	1,091.03
	TOTAL (A+B+C)		4,567.89	4,416.81
	Significant accounting policies and notes to financial statements	**1 to 51**		

The notes accompanied form an integral part of the financial statements

As per our audit report of even date

For KC Lodha & Associates
Chartered Accountants
FRN 127682W

CA K C Lodha
Proprietor
Membership No. : 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

For and on behalf of the Board of Directors of
Raj Rajendra Industries Limited

Ganpath R. Jain
Managing Director
(DIN : 00684357)

Kiran R. Jain
Director
(DIN : 00684349)

K. C. LODHA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Raj Rajendra Industries Limited MUMBAI

Raj Rajendra Industries Limited

Statement of profit and loss for the year ended 31st March 2022
(Amount in lakhs, except share and per share data, unless otherwise stated)

	Particulars	Note No.	Year ended 31st March 2022	Year ended 31st March, 2021
A	**Income**			
	Revenue from operations	23	6,886.76	3,047.70
	Other income	24	73.31	193.10
	Total income (A)		**6,960.07**	**3,240.79**
B	**Expenses**			
	Cost of materials consumed	25	5,411.60	2,113.91
	Changes in inventories of finished goods and work in progress	26	30.30	36.09
	Manufacturing expenses	27	410.13	260.76
	Employee benefit expenses	28	429.87	340.04
	Finance costs	29	72.73	93.48
	Depreciation and amortisation	4 & 5	144.54	209.24
	Other expenses	30	175.92	101.94
	Total expenses (B)		**6,675.10**	**3,155.46**
C	**Profit before tax (A - B) (C)**		**284.96**	**85.33**
D	**Tax expense:**			
	- Current tax	18	81.29	29.39
	- Deferred tax charge/ (credit)		3.96	(21.35)
	Total tax expense (D)		**85.25**	**8.04**
E	**Profit after tax (C - D) (E)**		**199.71**	**77.29**
G	**Other comprehensive income / (loss)**			
	a) (i) Items not to be reclassified subsequently to Statement of Profit and Loss			
	- Remeasurement of defined benefit plans - gain/(loss)		2.65	2.81
	- Income tax relating to items that will be classified to profit or loss		(0.67)	(0.71)
	b) (i) Items that will be reclassified subsequently to statement of Profit and Loss		-	-
	(ii) Income tax relating to items that will be classified to profit or loss		-	-
	Other comprehensive income for the year (G)		**1.98**	**2.10**
H	**Total comprehensive income for the year (F + G)**		**201.69**	**79.40**
	Basic and diluted earnings/ (loss) per share	34	2.35	0.91
	Equity shares [Face value of Rs. 10 each]			
	Significant accounting policies and notes to financial statement	1 to 51		

The notes accompanied form an integral part of the financial statements

As per our audit report of even date

For KC Lodha & Associates
Chartered Accountants
FRN 127682W

KC LODHA & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

CA K C Lodha
Proprietor
Membership No. : 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

For and on behalf of the Board of Directors of
Raj Rajendra Industries Limited

Raj Rajendra Industries Limited MUMBAI

Ganpath R. Jain
Managing Director
(DIN : 00684357)

Kiran R. Jain
Director
(DIN : 00684349)

Raj Rajendra Industries Limited

Cash Flow Statement for the year ended 31st March 2022
(Amount in lakhs, except share and per share data, unless otherwise stated)

	Particulars	Year ended 31st March 2022	Year ended 31st March, 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit /(loss) before taxes	284.96	85.33
	Adjustments for:		
	Finance cost	72.73	93.48
	Interest income	(68.94)	(114.61)
	Depreciation and amortization	144.54	209.24
	(Profit) on sale/ discard of fixed assets	(3.18)	(44.27)
	Loss on sale of investment		1.18
	Operating profit / (loss) before working capital changes	**430.12**	**230.35**
	Movements in working capital : [Including Current and Non-current]		
	(Increase) / decrease in loans, trade receivable and other assets	(240.00)	1,235.53
	(Increase) / decrease in inventories		(207.22)
	Increase / (decrease) in trade payable, other liabilities and provisions	(24.75)	(167.85)
		198.72	**1,090.83**
	Adjustment for:		
	Direct taxes paid (including tax deducted at source)	(86.61)	(33.27)
	Net cash generated/ (used in) from operating activities...(A)	**112.11**	**1,057.55**
		-	-
B.	**CASH FLOW FROM INVESTING ACTIVITIES**	-	-
	Purchase of property, plant and equipment (Including capital work in progress and capital advances)	(39.60)	(121.24)
	Sale of property, plant and equipment	3.18	44.20
	Sale of investment	-	93.06
	Increase/(decrease) in fixed deposit (not considered as cash and cash equivalent)	10.37	0.23
	Advance given	(47.61)	(580.47)
	Interest income	70.25	115.92
		(3.41)	**(448.30)**
	Adjustment for:		
	Direct taxes (paid)/ refund received (including tax deducted at source) - (Net)	-	(11.46)
	Net cash (used in) / from investing activities... (B)	**(3.41)**	**(459.76)**

K. C. LODHA & ASSOCIATES CHARTERED ACCOUNTANTS MUMBAI

Raj Rajendra Industries Limited MUMBAI

Raj Rajendra Industries Limited

Cash Flow Statement for the year ended 31st March 2022
(Amount in lakhs, except share and per share data, unless otherwise stated)

Particulars	Year ended 31st March 2022	Year ended 31st March, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings (Net)	(36.59)	(120.01)
Increase/ (Decrease) in working capital loan	0.03	(384.11)
Interest paid (Including other borrowing cost)	(72.73)	(93.48)
Net cash (used in) / from financing activities... (C)	**(109.28)**	**(597.59)**
	-	-
Net increase / (decrease) in cash and cash equivalents (A+ B+C)	**(0.58)**	**0.20**
	-	-
Cash and cash equivalents at beginning of the year (Refer note 11)	2.00	1.80
Cash and cash equivalents at end of the year	1.41	2.00
	-	-
Net increase / (decrease) in cash and cash equivalents	**(0.58)**	**0.20**

Notes:
(i) Cash flow statement has been prepared under "indirect method" as set out in Ind AS 7 - "Cash Flow Statement".
(ii) Refer note 36 for other cash flow statement related notes.

Notes referred to herein above form an integral part of standalone financial statements.

As per our report of even date

For KC Lodha & Associates
Chartered Accountants
FRN 127682W

CA K C Lodha
Proprietor
Membership No. : 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

For and on behalf of the Board of Directiors of
Raj Rajendra Industries Limited

Ganpath R. Jain
Managing Director
(DIN : 00684357)

Kiran R. Jain
Director
(DIN : 00684349)

Raj Rajendra Industries Limited

Statement of changes in equity for the year ended 31st March 2022
(Amount in lakhs, except share and per share data, unless otherwise stated)

(a) Equity share capital

Particulars	As at 31st March 2022	As at 31st March, 2021
Opening balance	850.00	850.00
Changes in equity share capital during the year	-	-
Closing balance	850.00	850.00

(Refer note 14)

(b) Other equity

Particulars	Reserves & surplus	OCI*	Total other equity
	Retained Earnings	Remeasurement gain/ (loss) of defined benefit plan	
Balance as at 1st April, 2020	2,119.62	2.25	2,121.87
Profit for the year	77.29	-	77.29
Other comprehensive income/ (loss) for the year (net)	-	2.10	2.10
Balance as at 31st March, 2021	**2,196.92**	**4.35**	**2,201.27**
Profit for the year	199.71	-	199.71
Other comprehensive income/ (loss) for the year	-	1.98	1.98
Balance as at 31st March 2022	**2,396.63**	**6.34**	**2,402.96**

(Refer note 15)
*Other comprehensive income

As per our audit report of even date

For KC Lodha & Associates
Chartered Accountants
FRN 127682W

MUMBAI
K. C. LODHA & ASSOCIATES * CHARTERED ACCOUNTANTS *

CA K C Lodha
Proprietor
Membership No. : 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

For and on behalf of the Board of Directors of
Raj Rajendra Industries Limited

Ganpath R. Jain
Managing Director
(DIN : 00684357)

Kiran R. Jain
Director
(DIN : 00684349)

Raj Rajendra Industries Limited
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1. Background

The Company was incorporated on 5th May 1994 under Companies Act, 1956 and is domiciled in India. The registered office of the Company is located at 324, 3rd Floor, Hari Om Plaza, M. G. Road, Opp. National Park, Borivali (East) Mumbai–400 066, India. The Company is in the business of manufacturing and trading in textile products. Currently, it has manufacturing plants in Umargaon (Gujarat) and Palghar (Maharashtra).

The financial statements of the Company for the year ended 31stMarch, 2022 were approved and adopted by board of directors of the Company in their meeting held on 28th May 2022.

2. Basis of preparation

2.1. Statement of compliance with Ind AS

The financial statements (on standalone basis) of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements are prepared complying in all material respects with the Ind AS notified under Section 133 of the Companies Act, 2013.The financial statements comply with Ind AS notified by the Ministry of Corporate Affairs ('MCA').

2.2. Functional and presentation of currency

The financial statements are prepared in Indian currency in Lakhs which is also the Company's functional currency. All amounts are rounded to the nearest in Lakhs.

2.3. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

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Raj Rajendra Industries Limited * MUMBAI

Level 1 – Unadjusted quoted price in active markets for identical assets and liabilities.

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

Level 3 – unobservable inputs for the asset or liability

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.4. Use of significant accounting estimates, judgements and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses for the periods presented. The Company based its assumptions and estimates on parameters available when the financial statements were prepared.Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

i) Property, plant & equipment, investment property and Intangible assets

The Company has estimated the useful life, residual value and method of depreciation / amortisation of property, plant & equipment, investment property and intangible assets based on its internal technical assessment. Property, plant & equipment, investment property and intangible assets represent a significant proportion of the asset base of the Company. Further, the Company has estimated that scrap value of property, plant & equipment and investment property would be able to cover the residual value & decommissioning costs of property, plant & equipment and investment property.

Therefore, the estimates and assumptions made to determine useful life, residual value, method of depreciation/amortization and decommissioning costs are critical to the Company's financial position and performance.

ii) Impairment of financial assets

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

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Raj Rajendra Industries Limited * Mumbai

iii) Income taxes

Provision for tax liabilities require judgements on the interpretation of tax legislation, developments in case law and the potential outcomes of tax audits and appeals which may be subject to significant uncertainty. Therefore, the actual results may vary from expectations resulting in adjustments to provisions, the valuation of deferred tax assets, cash tax settlements and therefore the tax charge in the statement of profit and loss.

3. Significant Accounting Policies

3.1. Presentation and disclosure of standalone financial statement

All assets and liabilities have been classified as current and non-current as per Company's normal operating cycle and other criteria set out in the division II of Schedule III of the Companies Act, 2013 for a company whose financial statements are made in compliance with the Companies (India Accounting Standards) Rules, 2015.

Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Company for the purpose of current / non-current classification of assets and liabilities.

3.2. Property, Plant and Equipment and Depreciation

Recognition and measurement

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non-refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipmentshaving different useful livesare accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date.

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than freehold land and capital work in progress) is provided on a straight-line method (SLM) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

Building on leasehold lands and improvements to building on leasehold land / premises are amortized over the period of lease or useful life whichever is lower.

Leasehold land considered as finance lease is amortized over the period of lease.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted prospectively.

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De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is de-recognised.

3.3. Intangible assets and amortisation

Recognition and measurement

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Company and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Computer softwares are amortized on straight line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively.

In case of assets purchased during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition

3.4. Inventories

The inventories (including traded goods) are valued at lower of cost and net realisable value after providing for cost of obsolescence wherever considered necessary. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable), conversion cost and other costs incurred in bringing the inventories to their present location and condition.

In case of work in progress and finished goods, the costs of conversion include costs directly related to the units of production and systematic allocation of fixed and variable production overheads. The cost of finished goods also includes excise duty wherever applicable.

3.5. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

a) Sales of goods are recognised when significant risks and rewards of ownership of the goods have passed to the buyer that coincides with delivery and is measured at the fair value of consideration received or receivable taking net off the amount of goods and services tax (GST), sales tax, rebates, discounts and sales returns.

b) Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

c) Dividend income on investment is accounted for in the period/year in which the right to receive the same is established.

d) Service income is recognised upon rendering of services. Service income is recorded net of service tax/GST.

e) Rental income (net of taxes) on assets given under operating lease arrangements is recognised on a straight-line basis over the period of the lease unless the receipts are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases.

3.6. Government grants

Government grants are recognized in the period to which they relate when there is reasonable assurance that the grant will be received and that the Company will comply with the attached conditions. Government grants are recognized in the Statement of Profit and Loss on systematic basis over a period in which the Company recognizes as expenses the related costs for which the grants are intended to compensate.

3.7. Foreign currency transaction

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. As at the Balance Sheet date, foreign currency monetary items are translated at closing exchange rate. Exchange difference arising on settlement or translation of foreign currency monetary items are recognised as income or expense in the year in which they arise.

Foreign currency non-monetary items which are carried at historical cost are reported using the exchange rate at the date of transactions.

3.8. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits& other long term benefits

  a. Defined contribution plan

  The defined contribution plan is a post-employment benefit plan under which the Company contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fundand Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

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Raj Rajendra Industries Limited MUMBAI

b. Post-employment benefitand other long term benefits

The Company has defined benefit plans comprising of gratuity. The present value of the defined benefit obligations is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

For gratuity plan, re-measurements comprising of (a) actuarial gains and losses and (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Such re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for other employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

3.9. Borrowing cost

Borrowing costs (net of interest income on temporary investments) that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.10. Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated on a straight-line basis over the lease term. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their

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carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

3.11. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Company has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

Minimum Alternative Tax ("MAT") credit is recognised as an asset only when and to theextent it is probable that the Company will pay normal income tax during the specified period.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allow deferred tax assets to be recovered.

3.12. Cash and cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

For the purpose of cash flow statement, cash and cash equivalent as calculated above also includes outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.13. Cashflow statement

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.14. Provisions, contingent liabilities,contingent assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

The Company does not recognize a contingent asset but discloses its existence in the financial statements if the inflow of economic benefits is probable. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.15. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.16. 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. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and

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financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.16.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valuedthrough profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equalto lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unlessthere has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amountof expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required tobe recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Company de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognised on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part

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that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.16.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in

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accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

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Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in profit or loss.

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Property, plant and equipment	**Factory Building**	**Office Building**	**Computers & Printers**	**Plant & Equipment**	**Furniture & Fixtures**	**Vehicles**	**Office Equipments**	**Total**
Gross carrying value								
Balance as at 31st March, 2020	**209.49**	**116.17**	**0.95**	**888.31**	**30.03**	**27.37**	**4.97**	**1,277.29**
Additions during the year 2020-21	371.13	-	1.98	102.75	-	-	5.38	481.24
Deletions during the year 2020-21	-	-	-	7.49	-	6.24	-	13.73
	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	**580.61**	**116.17**	**2.93**	**983.57**	**30.03**	**21.13**	**10.35**	**1,744.79**
	-	-	-	-	-	-	-	-
Additions during the year 2021-22	-	-	0.37	-	-	37.34	3.19	40.89
Deletions during the year 2021-22	-	-	-	-	-	16.43	-	16.43
	-	-	-	-	-	-	-	-
Balance as at 31st March 2022	**580.61**	**116.17**	**3.30**	**983.57**	**30.03**	**42.04**	**13.54**	**1,769.26**
	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Balance as at 31st March, 2020	**14.76**	**2.08**	**0.22**	**121.41**	**5.92**	**8.91**	**0.98**	**154.28**
Additions during the year 2020-21	14.76	2.08	0.63	123.78	5.94	8.51	1.20	156.90
Deletions during the year 2020-21	-	-	-	4.33	3.38	-	-	7.71
	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	**29.53**	**4.16**	**0.85**	**240.86**	**8.48**	**17.42**	**2.18**	**303.47**
	-	-	-	-	-	-	-	-
Additions during the year 2021-22	11.71	2.08	1.03	116.21	5.94	5.40	2.08	144.46
Deletions during the year 2021-22	-	-	-	-	-	15.61	-	15.61
	41.24	**6.23**	**1.88**	**357.07**	**14.42**	**7.21**	**4.26**	**43.23**
Net carrying amount	-	-	-	-	-	-	-	-
Balance as at 31st March, 2021	551.08	112.01	2.08	742.72	21.55	3.71	8.17	1,441.32
Balance as at 31st March 2022	**539.37**	**109.93**	**1.42**	**626.50**	**15.60**	**34.83**	**9.28**	**1,336.94**

Notes:

4.1 For details of assets given as security, refer note 16.1 and 19.1.

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5	Right of use asset	Lease hold land	Factory land	Total
	Gross carrying value			
	Balance as at 31st March, 2020	**30.17**	**177.21**	**207.38**
	Additions during the year 2020-21	-	-	-
	Deletions during the year 2020-21	-	177.21	177.21
		-	-	-
	Balance as at 31st March, 2021	**30.17**	-	**30.17**
	Additions during the year 2021-22	-	-	-
	Deletions during the year 2021-22	-	-	-
		-	-	-
	Balance as at 31st March 2022	**30.17**	-	**30.17**
		-	-	-
	Accumulated depreciation	-	-	-
	Balance as at 31st March, 2020	**0.55**	**51.79**	**52.34**
		-	-	-
	Depreciation for the year 2020-21	0.55	51.79	52.34
	Deletions during the year 2020-21	-	103.57	103.57
		-	-	-
	Balance as at 31st March, 2021	**1.11**	-	**1.11**
		-	-	-
	Depreciation for the year 2021-22	**0.55**	-	0.55
	Deletions during the year 2021-22	-	-	-
		-	-	-
		1.66	-	**1.66**
		-	-	-
	Net carrying amount	-	-	-
	Balance as at 31st March, 2021	**29.07**	-	**29.07**
	Balance as at 31st March, 2022	**28.51**	-	**28.51**

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Investments	As at31st March, 2022	As at31st March, 2021
(a) Investment measured at Fair Value Through Profit or Loss		
Investment in equity instruments		
Unquoted		
Sumati Spintex Private Limited 22,70,000 equity shares (31st March, 2021 22,70,000) of Rs. 10 each	229.72	229.72
Cosmos Co-Op Bank Limited 5,000 equity shares (31st March, 2021 5,000) of Rs. 20 each	1.00	1.00
	-	-
Total	**230.72**	**230.72**
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	230.72	230.72
Market value of quoted investments	230.72	230.72
Aggregate amount of impairment in value of investments	-	-
	-	-

7

Loans and advances (Unsecured, considered good unless otherwise stated)	As at31st March, 2022	As at31st March, 2021
Security deposits		
- Others	68.07	22.97
Advance for property		
- Related Party	10.00	10.00
- Others	311.65	357.49
Total	**389.72**	**390.45**

8

Income tax receivable (Unsecured, considered good unless otherwise stated)	As at31st March, 2022	As at31st March, 2021
Income tax receivable (Net)	14.03	
Total	**14.03**	-

9

Inventories (At lower of cost or net realisable value)	As at31st March, 2022	As at31st March, 2021
Raw material	747.75	750.81
Finished goods	36.39	66.69
	-	-
Total	**784.14**	**817.49**

9.1 Mode of Valuation - Refer note no. 3.4 of significant accounting policy.

9.2 Refer Note - 19.1 for information on hypothecation of inventories.

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Trade receivable (Unsecured considered good, unless otherwise stated)	As at31st March, 2022	As at31st March, 2021
- Considered good	737.56	505.47
- Considered doubtful	-	-
Sub-total	**737.56**	**505.47**
Less: Allowance for expected credit loss	-	-
	-	-
Total	**737.56**	**505.47**

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10.1	Trade receivables ageing analysis	As at31st March, 2022	As at31st March, 2021
	Undisputed trade receivables - considered good		
	- Less than 6 months	734.56	493.34
	- 6 Months - 1 year	3.00	12.13
	- 1-2 years	-	-
	- 2-3 years	-	-
	More than 3 years	-	-
		-	-
	Total	**737.56**	**505.47**

10.2 There were no receivables due by directors or any of the officers of the Company.
10.3 Refer Note - 19.1 for information on hypothecation of trade receivables

11	Cash and cash equivalent	As at31st March, 2022	As at31st March, 2021
	Balances with bank		
	- In current accounts	0.66	1.28
	- Cash in hand	0.75	0.72
		-	-
	Total	**1.41**	**2.00**

12	**Loans and advances** (Unsecured considered good, unless otherwise stated)	As at31st March, 2022	As at31st March, 2021
	Fixed deposit (Maturity less than 12 months)	-	10.37
	Interest receivable	-	1.31
	Loans and advances to related party (Refer note 32)	862.61	815.00
	Advance to staff	10.93	9.39
	Total	**873.54**	**836.07**

13	**Other current assets** (Unsecured, considered good unless otherwise stated)	As at31st March, 2022	As at31st March, 2021
	Balances with Government authorities (GST input credit)	141.28	76.29
	Prepaid expenses	10.70	10.65
	GST refund receivable	19.34	71.77
	Others	-	5.50
		-	-
	Total	**171.32**	**164.21**

14	Share capital	As at31st March, 2022	As at31st March, 2021
	Authorised capital		
	120,00,000 (31st March, 2021: 120,00,000) Equity Shares of Rs.10 each.	1,200.00	1,200.00
		-	-
	Total	**1,200.00**	**1,200.00**
		-	-
	Issued, subscribed and paid-up	-	-
	85,00,000 (31st March, 2021 85,00,000) Equity Shares of Rs.10 each, fully paid up	850.00	850.00
	Total	**850.00**	**850.00**

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14.1 Terms/ rights attached to equity shares :
The Company has only one class of shares referred to as equity shares having a par value of Rs. 10. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. However, there are no preferential amounts inter se equity shareholders. The distribution will be in proportion to the number of equity shares held by the shareholders (after due adjustment in case shares are not fully paid up).

14.2 Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Number of shares at the beginning	8,500,000	850.00	8,500,000	850.00
Add: Shares issued during the year	-	-	-	-
Less: Buyback during the year	-	-	-	-
Number of shares at the end	8,500,000	850.00	8,500,000	850.00

14.2 Details of shareholders holding more than 5 % shares and also shares held by promoters

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of Shares	% held	Number of Shares	% held
Ganpath R. Jain*	10	0%	10	0%
Harish R Jain*	10	0%	10	0%
Kiran R. Jain*	10	0%	10	0%
Rekha H. Jain*	10	0%	10	0%
Leena K. Jain*	10	0%	10	0%
Narpat D. Jain*	10	0%	10	0%
Krkumar Industries Limited#	-	0%	3,664,100	43%
RRIL Limited	8,499,940	100%	4,835,840	57%

#Krkumar Industries Limited shares acquired by RRIL Limited pursuant to scheme of merger.
*Person holding Shares in the capicity as nominee of RRIL Ltd.

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Other equity	As at31st March, 2022	As at31st March, 2021
Surplus/ (deficit) in the Statement of Profit and loss (Refer note 15.1)		
As per last balance sheet	2,196.92	2,119.62
Add: Profit/(loss) for the year	199.71	77.29
	-	-
Closing balance	**2,396.63**	**2,196.92**
Other comprehensive income		
As per last balance sheet	4.35	2.25
Add: Movement in OCI (Net) during the year	1.98	2.10
Closing balance	**6.34**	**4.35**
	-	-
Total	**2,402.96**	**2,201.27**

15.1 Surplus / (Deficit) in Statement of Profit and Loss represent net loss remaining after all intra reserve allocations.

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Borrowings	As at31st March, 2022	As at31st March, 2021
Non-current borrowings		
Secured		
Term loans (Refer note 16.1(a))		
- From banks (Refer Note 16.1(a) and 16.2)	156.63	193.21
	156.63	193.21
Less: Current maturities of long term loans	40.95	36.73
Total	**115.68**	**156.48**

16.1 Details of security provided and terms of repayment
(a) Term Loan from Kotak Mahindra Bank is secured against Office Premises located at Borivali (E), Mumbai.

16.2 Term loan from bank is repayable in equated monthly installments and last installment payable in October 2025.

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Provision	As at31st March, 2022	As at31st March, 2021
Provision for gratuity (Refer note 35(ii)(a)	18.18	17.36
	-	-
Total	**18.18**	**17.36**

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Deferred tax assets/ (liabilities)	As at31st March, 2022	As at31st March, 2021
Significant components of net deferred tax assets and liabilities		
Deferred tax assets		
Fiscal disallowances	4.89	4.58
Sub-total (A)	**4.89**	**4.58**
Deferred tax liabilities		
Difference in net carrying value of property, plant and equipment, intangible assets and investment properties as per income tax and books	109.65	104.70
Measurement of financial assets at fair value	0.54	0.54
Sub-total (B)	**110.19**	**105.25**
	-	-
Deferred tax assets/(liability) (A-B)	**(105.30)**	**(100.67)**

18.1 **Reconciliation of tax expenses and the accounting profit multiplied by applicable tax rate for 31st March 2022 and 31st March 2021:**

Particulars	As at31st March, 2022	As at31st March, 2021
Profit before tax (a)	287.61	88.15
Income tax rate as applicable (b)	25.17%	25.17%
Income tax liability/(asset) as per applicable tax rate (a X b)	72.39	22.18
Tax effect of amounts which are not deductible/ not taxable in calculating taxable income		
(i) Expenses disallowed for tax purposes	0.35	0.07
(ii) Other disallowances	13.18	(13.50)
Tax expense reported in the Statement of Profit and Loss/ Other comprehensive income	**85.92**	**8.75**

Note:

(a) The Company offsets tax assets and liabilities in and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same authority.

(b) No provision for income tax has been made in the current year as there is no taxable income as per the Income Tax Act, 1961 considering brought forwarded losses and payments made, allowable on payments basis.

18.2 **Income tax recognised in the Statement of Profit and Loss:**

Particulars	As at31st March, 2022	As at31st March, 2021
Current tax		
In respect of the current year	81.29	29.39
In respect of the earlier years		-
	81.29	**29.39**
Deferred tax charge/ (credit)	4.63	(20.64)
	4.63	**(20.64)**
Total tax expense recognized in current year	**85.92**	**8.75**

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(Amount in lakhs, except share and per share data, unless otherwise stated)

19	Borrowings	As at31st March, 2022	As at31st March, 2021
	Short term borrowings		
	Working capital loan		
	From bank		
	- Cash credit facility (Refer Note 19.1)	857.21	857.17
	Current maturities of long term borrowings	40.95	36.73
	Total	**898.15**	**893.91**

19.1 Working capital loan from Kotak Mahindra Bank Ltd is secured by Hypothecation of present and future stocks of Raw Material, Stock in Process, finished goods and Book debts of the Company and collaterally secured by immovable property situated at Umbergaon of the Company and personal guarantees of two directors.

20	Trade payables	As at31st March, 2022	As at31st March, 2021
	Outstanding dues of micro enterprises and small enterprises (Refer note 20.1)	-	-
	Outstanding dues of creditors other than micro enterprises and small enterprises	103.14	127.57
	Total	**103.14**	**127.57**

20.1 Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been requested to the parties however the information has not been provided by the parties, hence information regarding MSME has not given.

20.2 **Trade payable analysis**

Particulars	As at31st March, 2022	As at31st March, 2021
Micro, small and medium enterprises		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	-	-
Others		
Less than 1 year	141.42	127.57
1-2 years		
2-3 years		
More than 3 years		
Total	**141.42**	**127.56**

21	Other current liabilities	As at31st March, 2022	As at31st March, 2021
	Advance from customer	1.33	9.52
	Statutory dues	10.38	7.89
		-	-
	Total	**11.71**	**17.41**

22	Provision	As at31st March, 2022	As at31st March, 2021
	Provision for gratuity (Refer note 35((ii)(a))	1.26	0.82
	Provision for Income Tax (net)	23.23	14.54
	Expenses payable	38.28	36.78
	Total	**62.77**	**52.14**

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23	Revenue from operations	Year ended 31st March 2022	Year ended 31st March, 2021
	Income from sale of goods and services		
	- Sale of goods	6,855.07	2,983.18
	- Job work income	31.69	64.51
		-	-
	Total	**6,886.76**	**3,047.70**

23.1 Disclosure pursuant to Ind AS 115: Revenue from contract with customers

a	Disaggregated revenue	Year ended 31st March 2022	Year ended 31st March, 2021
	Revenue by geographical market		
	Within India	6,886.76	3,047.70
	Outside India	-	-
		-	-
	Total	**6,886.76**	**3,047.70**

b Contract Balances

Particulars	As at31st March 2022	As at31st March, 2021
Trade receivable (Refer note 11)	737.56	505.47
Contract liabilities (Refer note 23)	1.33	9.52
	-	-
Net contract balances	**738.89**	**515.00**

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

Particulars	Year ended 31st March 2022	Year ended 31st March, 2021
Revenue as per contract price	6,886.76	3,047.70
Less: Adjustment	-	-
- Government grants - export incentives	-	-
	-	-
Add: Adjustments	-	-
	-	-
Net revenue from contract with customers	**6,886.76**	**3,047.70**

24	Other income	Year ended 31st March 2022	Year ended 31st March, 2021
	Interest income on		
	- on fixed deposit with bank	0.41	1.01
	- Interest from customers	18.87	35.13
	- Interest on advances	49.67	21.20
	- Interest on deposit GEB	-	1.31
	- Rent deposit (Fair value adjustment)	-	55.97
	Sales tax refund	0.58	3.73
	Rental income	0.60	6.73
	Sundry balances written back	-	4.47
	Profit on sale/ discard of property, plant and equipment	3.18	44.27
	Insurance claim receipt	-	19.29
		-	-
	Total	**73.31**	**193.10**

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25	Cost of raw material consumed	Year ended 31st March 2022	Year ended 31st March, 2021
	Opening Stock		
	Raw Material (Yarn)	574.82	295.16
	Raw Material (Grey)	175.98	212.33
	Total Opening Stock (A)	750.81	507.50
		-	-
	Add : Purchases	-	-
	Yarn	3,956.75	1,666.83
	Fabrics	1,451.79	690.39
	Total Purchase (B)	**5,408.55**	**2,357.22**
		-	-
	Less: Closing stock	-	-
	Raw Material (Yarn)	621.83	574.82
	Raw Material (Grey)	125.93	175.98
	Total of Closing stock (C)	747.75	750.81
		-	-
	Cost of raw material consumed (A+B-C)	**5,411.60**	**2,113.91**

26	Changes in inventories of work in progress and finished goods	Year ended 31st March 2022	Year ended 31st March, 2021
	Opening Stock of Finished Goods	66.69	102.78
	Closing Stock of Finished Goods	36.39	66.69
		-	-
	Total	**30.30**	**36.09**

27	Manufacturing expenses	Year ended 31st March 2022	Year ended 31st March, 2021
	Power and fuel	118.48	71.12
	Job charges	153.11	79.63
	Consumption of stores and spares	97.75	65.89
	Transportation charges	5.73	6.52
	Repairs expenses for	-	-
	- Plant and machinery	10.84	11.04
	Insurance	24.22	26.56
		-	-
	Total	**410.13**	**260.76**

28	Employee benefit expenses	Year ended 31st March 2022	Year ended 31st March, 2021
	Salaries, wages and bonus	359.65	287.80
	Directors remuneration	51.50	39.40
	Contribution to provident and other funds	4.73	2.32
	Provision for gratuity (Refer note 35(ii)(a))	3.90	4.05
	Staff welfare expenses	10.09	6.47
		-	-
	Total	**429.87**	**340.04**

29	Finance costs	Year ended 31st March 2022	Year ended 31st March, 2021
	Interest expense at effective interest rate on borrowings which are measured at amortized cost	72.73	93.48
	Total	**72.73**	**93.48**

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30	Other expenses	Year ended 31st March 2022	Year ended 31st March, 2021
	Operating expenses		
	Licenses, rates and taxes	9.80	15.30
	Repairs expenses for	-	-
	- Others	3.86	6.51
	Advertisement, publicity and sales promotion	-	-
	Selling and distribution expenses	15.44	7.78
	Brokerage expenses	99.86	49.18
	Communication expenses	2.73	1.49
	Printing and stationery	1.82	1.68
	Professional and consultancy charges	25.14	8.05
	Travelling and conveyance	11.80	6.29
	Misc expenses	1.33	1.58
	Auditors' remuneration (Refer Note 30.1)	2.25	1.50
	Loss on sale of investment	-	1.18
	RTA Connectivity Charges	0.23	0.23
	Sundry Balance W/off	0.11	-
	Donation	1.38	0.46
	Bank charges	0.16	0.71
		-	-
	Total (A+B+C)	**175.92**	**101.94**

30.1	Auditors' remuneration	Year ended 31st March 2022	Year ended 31st March, 2021
	Statutory audit fees	1.10	1.10
	Tax audit fees	0.40	0.40
	Other services	0.75	-
		-	-
	Total	**2.25**	**1.50**

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31 Capital commitments, other commitments and contingent liabilities

31.1 Capital Commitments.

(a) Estimated amount of capital commitments to be executed on capital accounts and not provided for Rs. 17.65 crores as at 31st March, 2022 (31st March, 2021: Rs. 17.65 crores) (Net of advances).

31.2 Contingent liability (to the extent not provided for)

Particulars	As at 31st March 2022	As at 31st March 2021
(i) Claims against the Company/ disputed liabilities not acknowledged as debts	Nil	Nil

In respect of above, the Company does not expect any reimbursement in respect of above.

32 Disclosures as required by Indian Accounting Standard (Ind AS) 24 - Related Party Disclosures

32.1 Name and relationships of related parties:

(a) Entities having significant influence over the Company
Krkumar Industries Limited (Merge with RRIL Limited w.e.f. 25.03.2022)
RRIL Limited

(b) Entities in which Director/ KMP and relatives have significant influence
(Only where there are transactions/ balances)
Rishabraj Estate Developers Private Limited
Sumati Spintex Private Limited

(c) Key Management Personnel [KMP]:
Mr. Ganpath Jain, (Managing Director)
Mr. Kiran R. Jain, (Director) (appointed w.e.f 05th August 2020)
Mr. Hiren Chheda, (Director)
MR. Sunil Giri, Company Secretary (Resigned on 31.03.2021)

(d) Relatives of KMP
(Only where there are transactions)
Mrs. Leena K Jain, (Wife of Mr. Kiran Jain)
Mr. Harish R. Jain

32.2 Transactions with related parties

Name of the party	Nature of transaction	Year ended 31st March 2022	Year ended 31st March 2021
Ganpath R. Jain	Remuneration	-	12.00
Kiran R. Jain	Remuneration	42.00	16.00
Hiren Chedda	Remuneration	11.40	11.40
		-	-
Sunil Giri (Resigned on 31.03.2021)	Salary paid	-	5.26
Priya G. Jain	Salary paid	-	18.00
Leena K. Jain	Salary paid	6.00	18.00
Kiran R. Jain	Salary paid	-	8.00
		-	-
Harish R. Jain	Sale of Investment*	-	93.06
		-	-
Rishabraj Estate Developers P Ltd	Purchase of fixed assets at Palghar	-	360.00
		-	-
RRIL Limited	Rent Income	0.60	0.43
		-	-
RRIL Limited	Purchase of Textile Goods	4.30	-
Sumati Spintex Pvt. Ltd	Purchase of Textile Goods	52.99	-
		-	-
Rishabraj Estate Developers P Ltd	Advance against fixed assets	-	-
	Opening	10.00	-
	Transaction during the Year	-	10.00
	Closing Balance	10.00	10.00
		-	-
Rishabraj Estate Developers P Ltd	**Loan Given:**	-	-
	Opening	815.00	234.53
	Paid during the year	3.60	560.86
	Interest (Net of TDS)	44.01	19.61
	Repaid during the year	-	-
	Closing balance	862.61	815.00
		-	-
Outstanding balances:		-	-
Kiran R. Jain	Remuneration payable	6.00	-
Sumati Spintex Pvt. Ltd	Investment in shares	229.72	229.72
Rishabraj Estate Developers P Ltd	Advance against fixed assets	10.00	10.00
Rishabraj Estate Developers P Ltd	Loan Given	862.61	815.00

(Amount in lakhs, except share and per share data, unless otherwise stated)

Notes:

(a) Transactions with related parties and outstanding balances at the year end are disclosed at transaction value.

(b) In addition to above transactions, two directors of the has given personal guarantee for loan taken by the Company (Refer note 19.1)

32.3 Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash. For the year ended 31st March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

33 Breakup of compensation to key managerial personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

(a) Compensation to KMP as specified in note 32.1 (c) above:

Particulars	Year ended31st March 2022	Year ended31st March 2021
Short term employee benefits	53.40	39.40
Other long term benefits*	-	-
Total	**53.40**	**39.40**

*As the liabilities for defined benefit plans are provided on actuarial basis for the Company as a whole, the amounts pertaining to Key Management Personnel are not included.

34 Earnings per share

Particulars	Year ended31st March 2022	Year ended31st March 2021
Basic and diluted earning per share		
Profit attributable to the equity holders of the Company	199.71	77.29
Weighted average number of equity shares	8,500,000	8,500,000
Face value per equity share (Rs.)	10	10
Basic and diluted earnings per share	2.35	0.91

35 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) Disclosures for defined contribution plan

The Company has certain defined contribution plans. The obligation of the Company is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding Company's contributions made during the year:

Particulars	2021-2022	2020-2021
Provident and other funds	4.73	2.32
Employees' state insurance (ESIC)	0.84	0.74
Total	**5.57**	**3.06**

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(ii) Disclosures for defined benefit plans

(a) Defined benefit obligations - Gratuity (funded)

The Company has a defined benefit gratuity plan for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The scheme is unfunded.

Risks associated with plan provisions

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

Interest rate risk	The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria.

For determination of the liability in respect of compensated gratuity, the Company has used following actuarial assumptions:

Particulars	2021-2022	2020-2021
Discount Rate (per annum)	7.11%	6.66%
Salary Escalation (per annum)	3.50%	5.00%
Attrition Rate (per annum)	3.00%	3.00%
Mortality Rate	As per Indian Assured Lives Mortality (2012-14)	

Changes in the present value of obligations	2021-2022	2020-2021
Liability at the beginning of the year	18.18	16.95
Interest cost	1.23	1.13
Current service cost	2.67	2.92
Benefits paid	-	-
Past service cost	-	-
Actuarial (gain)/loss on obligations	(2.65)	(2.81)
Liability at the end of the year	**19.44**	**18.18**

Table of recognition of actuarial gain / loss	2021-2022	2020-2021
Actuarial (gain)/ loss on obligation for the year	(2.65)	(2.81)
Actuarial gain/ (loss) on assets for the year	-	-
Actuarial (gain)/ loss recognised in Statement of Profit and Loss	**(2.65)**	**(2.81)**

Breakup of actuarial (gain) /loss:	2021-2022	2020-2021
Actuarial loss/(gain) arising from change in demographic assumption	0.43	-
Actuarial loss arising from change in financial assumption	(2.33)	(3.38)
Actuarial loss/(gain) arising from experience	(0.75)	0.57
Total	**(2.65)**	**(2.81)**

Amount recognized in the Balance Sheet:	As at 31st March 2022	As at 31st March 2021
Liability at the end of the year	18.18	16.95
Fair value of plan assets at the end of the year	-	-
Amount recognized in Balance Sheet	**18.18**	**16.95**

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Expenses recognized in the Income Statement:	2021-2022	2020-2021
Current service cost	2.67	2.92
Interest cost	1.23	1.13
Expected return on plan assets	-	-
Past Service Cost	-	-
Actuarial (Gain)/Loss	(2.65)	(2.81)
Expense/ (income) recognized in	-	-
- Statement of Profit and Loss	3.90	4.05
- Other comprehensive income	(2.65)	(2.81)

Balance sheet reconciliation	As at 31st March 2022	As at 31st March 2021
Opening net liability	18.18	16.95
Expense recognised in Statement of Profit and Loss & OCI	1.25	1.24
	-	-
Amount recognized in Balance Sheet	**19.44**	**18.18**
Non current portion of defined benefit obligation	1.26	0.82
Current portion of defined benefit obligation	18.18	17.36

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	2021-22	2020-21
a)Impact of change in discount rate		
Present value of obligation at the end of the year		
a) Impact due to increase of 1%	22.33	15.79
b) Impact due to decrease of 1%	16.97	21.05
b)Impact of change in salary growth	-	-
Present value of obligation at the end of the year	-	-
a) Impact due to increase of 1%	20.31	21.21
b) Impact due to decrease of 1%	18.45	15.63
c)Impact of change in withdrawal rate	-	-
Present value of obligation at the end of the year	-	-
a) withdrawal rate Increase	17.15	18.86
b) withdrawal rate decrease	22.14	17.41

Maturity profile of defined benefit obligation

Particulars	As at 31st March 2022	As at 31st March 2021
Weighted average duration of the defined benefit obligation	16.16	18.00
Projected benefit obligation	19.44	16.95
Accumulated benefit obligation	19.44	16.95

Pay-out analysis

Particulars	As at 31st March 2022	As at 31st March 2021
1st year	1.26	0.82
2nd year	0.66	0.32
3rd year	0.63	0.35
4th year	0.61	0.37
5th year	0.52	0.39
Next 5 year pay-out (6-10 year)	3.65	3.14

(b) Compensated absences (non-funded)

As per the policy of the Company, obligations on account of benefit of accumulated leave of an employee is settled every year and there is no accumulation of leave. Such liability is recognised on accrual basis calculated arithmetically based on year end unpaid leave compensation which is going to be paid in subsequent year.

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36 Note on Cash Flow Statement

i) The aggregate amount of outflow on account of direct taxes paid is Rs. 87 (Previous year Rs. 45).

ii) Changes in financing liabilities arising from cash and non-cash changes:

Particulars	Opening balance	Cash flows	Non-cash changes	Closing
	1st April 2021	2021-2022		31st March 2022
Borrowings (including interest dues)	1,050.38	(36.55)	-	1,013.83
	1st April 2020	2020-2021		31st March 2021
Borrowings (including interest dues)	1,554.50	(504.11)	-	1,050.38

37 Disclosures as required by Indian Accounting Standard (Ind AS) 108 - Operating Segments

There are no reportable segments under Ind AS-108 'Operating Segments' as the Company is operating only in the "Manufacturing of Fabrics", therefore, disclosures of segment wise information is not applicable. Further, no single customer represents 10% or more of the Company's total revenue during the year ended 31st March 2022 and 31st March 2021.

38 The outbreak of COVID-19 across the globe and in India has resulted in pandemic requiring unprecedented steps to combat it. Consequent to the nation-wide lockdown imposed by the Central Government from March 23, 2020 to prevent the spread thereof, the Company had to shut down its factories and all its operational activities across its locations, impacting the business during the quarter. The Company has taken and shall continue to take various precautionary measures to protect employees and their families from COVID-19.

Significant decline in the economic activity of the whole nation and the disruption created across the businesses have affected the operations of the Company as well, the impact whereof would evolve around the developments taking place in forthcoming months.

The operations of the Company have resumed in a partial manner at manufacturing locations from June 2020, taking cognizance of the Governments' views around resuming manufacturing activities with controlled entry and exit facilities, maintaining appropriate distancing and following other directives of the regulatory authorities.

Further, the Company expects to recover the carrying amount of all its assets including inventory, receivables and loans in the ordinary course of business based on information available on current economic conditions. The Company is continuously monitoring any material changes in future economic conditions for taking prompt corrective actions within its purview and would keep assessing the impact for taking appropriate cognizance in financial reporting in the forthcoming quarters.

39 Leases (Ind AS 116)

(a) **As lessee**

Company has taken Lease hold land on operating lease. Details of lease are as given below:

Following is the information pertaining to leases for the year ended March 2022 and March 2021:

Particulars	As at 31st March 2022	As at 31st March 2021
	Amount	Amount
a. Depreciation charge for Right to Use Asset	0.55	52.34
b. Interest expense on Lease Liability	-	-
c. Expense relating to short term leases accounted in profit & loss	-	-
d. Total Cash Outflow for leases for the period	-	-
e. Additions to Right to use Assets	-	-
f. Carrying Amount of Right to use Assets as on March 31, 2021	28.51	29.07

(b) **As Lessor:**

The Company has given certain part of its property on operating lease. These lease arrangements are for a period of 2 years and cancellable. Rental income from leasing of property of Rs. 60,000 (Previous year: Rs. 6,72,500) is recognised in the Statement of Profit and Loss. The initial direct cost (if any) is charged off to expenses in the year in which it is incurred.

The Company has not given any property under non-cancellable operating lease.

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40 **Ratios:**

Financial ratios	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021
(a) Current ratio	Current Assets	Current Liabilities	2.39	2.03
(b) Debt Equity Ratio	Total debt	Total shareholders equity	0.31	0.44
(c) Debt Service coverage ratio	Earnings available for debt services	Total Interest and principal repayments	3.81	1.78
(d) Return on Equity (%)	PAT	Total equity	(1.42)	0.59
(e) Inventory Turnover ratio	Cost of Material Consumed	Closing inventories	6.90	2.59
(f) Trade receivable Turnover ratio	Revenue from operations	Closing trade receivables	9.34	6.03
(g) Trade payable Turnover	Adjusted expenses	Closing trade payables	52.44	18.48
(h) Net capital turnover ratio	Revenue from operations	Working capital	4.62	2.17
(i) Net profit (%)	Net profit	Revenue	0.03	0.03
(j) EBITDA	EBITDA	Revenue	0.07	0.13
(k) Return on capital	EBIT	Capital employed	0.08	0.01

Change in ratios vis a vis earlier year:

Financial ratios	Numerator	Denominator	As at 31st March 2022	As at 31st March 2021
(a) Current ratio	Current Assets	Current Liabilities	-17.87	-41.65
(b) Debt Equity Ratio	Total debt	Total shareholders equity	28.73	14.99
(c) Debt Service coverage ratio	Earnings available for debt services	Total Interest and principal repayments	-114.29	45.40
(d) Return on Equity (%)	PAT	Total equity	-142.36	58.97
(e) Inventory Turnover ratio	Cost of Material Consumed	Closing inventories	-166.89	72.35
(f) Trade receivable Turnover ratio	Revenue from operations	Closing trade receivables	-54.86	-7.83
(g) Trade payable Turnover	Adjusted expenses	Closing trade payables	-183.79	-142.30
(h) Net capital turnover ratio	Revenue from operations	Working capital	-112.61	79.33
(i) Net profit (%)	Net profit	Revenue	-14.35	-3.04
(j) EBITDA	EBITDA	Revenue	-714.71	84.54
(k) Return on capital	EBIT	Capital employed	-0.05	0.05

Reason for change more than 25%

	As at 31st March 2022	As at 31st March 2021
(a) Current ratio	Reason for change more than 25%: There has been improvement in operating profits and cash flows during the year ended 31st March, 2022, 31st March, 2021 as compared to earlier years due to COVID-19.	
(b) Debt Equity Ratio		
(c) Debt Service coverage ratio		
(d) Return on Equity (%)		
(e) Trade receivable Turnover ratio		
(f) Trade payable Turnover ratio		
(g) Net capital turnover ratio		
(h) Net profit (%)		
(i) EBITDA		
(j) Return on capital employed		

40(a) Additional information as required by para 5 of General Instructions for preparation of Statement of Profit and Loss (other than already disclosed above) are either Nil or Not Applicable.

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41 **Financial instruments - Accounting classifications & fair value measurement**

(a) **Financial instruments by category**

Sr. No.	Particulars	31st March, 2022			31st March, 2021		
		Amortised Cost	FVTOCI	FVTPL	Amortised Cost	FVTOCI	FVTPL
A	**Financial assets**						
(i)	Non-current investments	-	-	230.72	-	-	230.72
(ii)	Other non-current financial asset	389.72	-	-	390.45	-	-
(iii)	Trade receivables (net)	737.56	-	-	505.47	-	-
(iv)	Cash and cash equivalents	1.41	-	-	2.00	-	-
(v)	Loans	873.54	-	-	836.07	-	-
	Total financial assets	2,002.24	-	230.72	1,733.99	-	230.72
B	**Financial liabilities**						
(i)	Non-current borrowings	115.68	-	-	156.48	-	-
(ii)	Current borrowings	898.15	-	-	893.91	-	-
(iii)	Trade payables	103.14	-	-	127.57	-	-
(iv)	Other current financial liabilities	-	-	-	-	-	-
	Total financial liabilities	1,116.97	-	-	1,177.95	-	-

FVTOCI - Fair Value Through Other Comprehensive Income
FVTPL - Fair Value Through Profit or Loss

(b) **Fair valuation techniques**

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The management assessed that fair value of Trade receivables (net), Cash and cash equivalents, Loans, Current borrowings, Trade payables and Other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further, the management has assessed that fair value will be approximate to their carrying amounts as they are priced to market interest rates on or near the end of reporting period.

(c) **Fair value hierarchy**

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarehy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

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

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

(d) **Financial assets/ liabilities measured at fair value**

The following table represents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis.

Particulars	Level	31st March, 2022		31st March, 2021	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Non-current investments	Level 3	227.57	229.72	227.57	229.72
Total financial assets		227.57	229.72	227.57	229.72

(e) **Valuation techniques used to determine fair value**

The level 3 hierarchy includes financial assets measured usimg inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.
(a) Discounted cash flow method (income approach) is used for valuation of investment in equity instruments.

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(f) The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (e) above for the valuation techniques adopted.

Sr. No.	Particulars	Fair value as at		Significant unobservable inputs	Probability - Weighted range	Sensitivity Impact^	
		31st March 2022	31st March 2021			Reduction in discount rate FV Increase^	Increase in discount rate FV Decrease^
1	Unlisted equity instruments	230.72	230.72	Discount Rate	1.00%	As at 31.03.2022 Rs. 249.47; As at 31.03.2021 Rs. 249.47;	As at 31.03.2022 Rs. 210.88; As at 31.03.2021 Rs.210.88;

*Sensitivity has been considered for mentioned inputs, keeping the other variables constant. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

^ This represents increase/ decrease in fair values considering changes in inputs.

(g) The following table presents the changes in level 3 items for the year ended 31 March 2022 and 31st March 2021:

Particulars	Investment in equity instrument
As at Ist April 2020	230.72
Acquisition during the year	-
Disposal during the year	-
Gains/(loss) recognised in other comprehensive income/ Statement of profit and loss	-
As at 31st March 2021	230.72
Acquisition during the year	-
Disposal during the year	-
Gains/(loss) recognised in other comprehensive income/ Statement of profit and loss	-
As at 31st March 2022	230.72

(h) Fair value of instruments measured at amortised cost:

Particulars	Level	31st March, 2022		31st March, 2021	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Investment	Level 3	230.72	230.72	230.72	230.72
Loans	Level 3	389.72	389.72	390.45	390.45
Trade receivable	Level 3	737.56	737.56	505.47	505.47
Cash and cash equivalent	Level 3	1.41	1.41	2.00	2.00
Loans	Level 3	873.54	873.54	836.07	836.07
Total financial assets		2,232.96	2,232.96	1,964.72	1,964.72
Financial liabilities					
Borrowings	Level 3	1,013.83	1,013.83	1,050.38	1,050.38
Trade payable	Level 3	103.14	103.14	127.57	127.57
Other financial liabilities	Level 3	11.71	11.71	17.41	17.41
Total financial liabilities		1,128.68	1,128.68	1,195.36	1,195.36

Notes:
(i) The above disclosures are given only for non-current financial assets and non-current financial liabilities. Short term financial assets and current financial liabilities (investment, cash and cash equivalents, other receivables, trade payables and other current financial liabilities) represents the best estimate of fair value.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2022, March 31, 2021.

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42 **Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company's Board of Director oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Company has exposure to the following risks arising from financial instruments:
• Credit risk;
• Liquidity risk;
• Market risk

(a) **Credit risk :**
Credit risk arises from the possibility that customers or counterparty to financial instruments may not be able to meet their obligations. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Credit risks arises from cash and cash equivalents, deposits with banks, financial institutions and others, as well as credit exposures to customers, including outstanding receivables.

The Company considers factors such as track record, size of institutions, market reputation and service standards to select banks with which balances and deposits are maintained. the balances and fixed deposits are generally maintained with the banks with whom the Company has regular transactions. Further, the Company does not maintain significant cash in hand other than those required for its day to day operations. Considering the same, the Company is not exposed to expected credit loss of cash and cash equivalent and bank balances.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into contract. Sale limits are established for each customer, reviewed regularly and any sales exceeding those limits require approval from the appropriate authority. There are no significant concentrations of credit risk within the Company.

(b) **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 have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

(i) Maturities of financial liabilities:

The following are the remaining contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 year	Above 5 years	Total
As at 31st March 2022				
Borrowings	898.15	115.68	-	1,013.83
Trade payables	103.14	-	-	103.14
Other current financial liabilities	-	-	-	-
As at 31st March 2021				
Borrowings	893.91	156.48	-	1,050.38
Trade payables	103.14	-	-	103.14
Other current financial liabilities	-	-	-	-

(c) **Market risk**
Market risk is the risk that the changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The pre dominant currency of the Company's revenue and operating cash-flows is Indian Rupees (INR). Company has earnings in foreign currency. There is no foreign currency risk as there is no outstanding foreign currency exposure at the year end.

(d) **Interest Rate Risk**
The Company has taken term loans from bank and others. With respect to loans from banks and others aggregating to Rs. 157 as at 31st March 2022 (as at 31st March 2021 Rs. 193, interest rate is fixed. Therefore, there are no interest rate risks, since neither the carrying amount nor the future cash flows will fluctuate because of change in market interest rates.

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43 **Capital risk management**

The Company manages its capital to ensure that it will be able to continue as a going concern so, that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce cost of capital. The Company manages its capital structure and make adjustments to, in light of changes in economic conditions, and the risk characteristics of underlying assets. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define the capital structure requirements.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by equity. Net debt is calculated as total borrowing (including current and non-current terms loans as shown in the balance sheet).

The Company monitors capital using 'Total Debt' to 'Equity'. The Company's Total Debt to Equity are as follows:

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total debt*	1,013.83	1,050.38
Total capital (total equity shareholder's fund)	3,252.96	3,051.27
Net debt to equity ratio	0.31	0.34

* Total debt = Non-current borrowings + current borrowings

44 The company has used the borrowings from banks for the purpose for which it was obtained.

45 The Company has borrowings from banks on the basis of security of current assets and quarterly returns or statements of current assets filed by the Company with banks are in agreement with the books of accounts. No material discrepancies were noticed.

46 The company has no transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

47 The Company has not given advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries).

48 The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey).

49 The Company does not have any Benami property, where any proceeding has been initiated or pending against the company.

50 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

51 The Company has not traded or invested in Crypto currency or Virtual Currency during the year.

For KC Lodha & Associates
Chartered Accountants
FRN 127682W

KC Lodha & Associates MUMBAI Chartered Accountants

CA K C Lodha
Proprietor
Membership No. : 404728
UDIN: 22404728AJWDJC4592

Place: Mumbai
Date: 28.05.2022

For and on behalf of the Board of Directors of
Raj Rajendra Industries Limited

Ganpath R. Jain
Managing Director
(DIN : 00684357)

Kiran R. Jain
Director
(DIN : 00684349)

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