FINANCIAL STATEMENTS

Independent Auditor's Report

To the Members of
Rupa & Company Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Rupa & Company Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its Cash Flows and the Changes in Equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw your attention to the following:

i. Note 48(d) to the Standalone Financial Statements which explain the management's assessment of the financial & operational impact due to the lock-down and conditions related to the Covid – 19 and its consequential impact on the carrying values of assets as at March 31, 2020.

ii. Note 50 to the Standalone Financial Statements which describes the impairment assessment performed by the Company in respect of its investment of ₹ 5,941.00 lakhs and net amounts recoverable aggregating to ₹ 307.79 lakhs in its Wholly owned Subsidiary M/s Oban Fashions Private Limited, as at March 31, 2020 in accordance with by Indian Accounting Standard 36 "Impairment of Assets" / Indian Accounting Standard 109 ''Financial Instruments". This assessment involves significant management judgment and estimates on the valuation methodology and various assumptions used in determination of value in use by independent valuation expert/management as more fully described in the aforesaid note. Based on management's assessment and the independent valuation reports, no impairment is considered necessary on the investment and the recoverable amounts.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements for the financial year ended March 31, 2020. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
1. **Assessment of impairment of investment and loans given to subsidiary** (Refer to Note 50 to the Standalone Financial Statements) As at March 31, 2020, the Company has investments aggregating to ₹ 5,941.00 lakhs and net amounts recoverable aggregating to ₹ 307.79 lakhs to it's Wholly owned Subsidiary, M/s Oban Fashions Pvt. Ltd. This subsidiary has incurred losses during the current and previous years which indicate potential impairment of investments along with loans and advances given to this subsidiary. The impairment study requires estimation and judgement around assumptions used, including the recoverable value of underlying tangible assets. We consider this a key audit matter given the relative significance of value of investment and loans and advances to the Standalone Financial Statements and extent of management's judgements and estimates involved around impairment assessment of related factors such as future cash flows, discount rate, terminal value and economic growth rates etc.	Our audit procedures performed included the following: • We understood the management's process of forecasting the future cash flows, evaluating the assumptions and comparing the estimates to externally available industry, economic and financial data, wherever necessary; • We assessed that the methodology used by management to estimate the value in use of the investment is consistent with accounting standards and is in line with the valuation standards applicable in India; • We have involved our internal valuation experts to assess the methodologies used by the management and independent valuation experts to determine the recoverable amount of the investment in subsidiary; • We checked the mathematical accuracy of the impairment model.
2. **Valuation & existence of inventories** (Refer to Note 12 to the Standalone Financial Statements) The Company holds inventories amounting to ₹ 44,185.26 lakhs as at the Balance Sheet date, which represent 44.53% of total assets. As described in the accounting policies in Note 3.1 to the Standalone Financial Statements, inventories are carried at the lower of cost and net realisable value. Inventories valuation and existence is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. We have determined this to be a matter of significance to our audit due to the quantum of the amount involved.	Our procedures included the following: • Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence. • Reviewing the document and other record related to physical verification of inventories done by the management during the year and subsequent to year end. • Verifying the effectiveness of key inventory controls operating over inventories; including performing alternate procedures to audit the existence of inventory as per the guidance provided in SA 501" Audit Evidence - Specific Considerations for Selected Items" to obtain sufficient appropriate audit evidence. We have also verified on sample basis confirmation from third parties for inventory lying with them as at year end. • Obtained assurance over the management's assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of products. • Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. • Recomputing provisions recorded to verify that they are in line with the Company policy.
3. **Revenue recognition including estimation of rebates & discounts** (Refer Note 27 to the Standalone Financial Statements) As described in Accounting Policy for Revenue recognition vide Note 3.6 of the Standalone Financial Statements, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates, discounts and incentives as per the terms of the contracts. The Company sells its products through various channels like dealers, modern trade, distributors, retailers, etc., and recognize liabilities related to rebates, discounts and incentives.	Our procedures included the following: • Obtained a detailed understanding and evaluated the design and implementation of controls that the company has established in relation to revenue recognition and recording of rebates, discounts, etc. and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls; • Tested the inputs used in the estimation of revenue in context of rebates, discounts, etc. to source data; • Assessed the underlying assumptions used for determination of rebates, discounts, etc;

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
With regard to the determination of revenue, the management is required to make significant estimates in respect of the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Company and compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Company. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	• Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes; • Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year- end along with the terms of the related schemes.
4. **Recoverability of Trade Receivables** (Refer Note 13 to the Standalone Financial Statements) The Company has trade receivables amounting to ₹ 23,017.38 lakhs as at the Balance Sheet date, which represent 23.20% of total assets. Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables and significant estimates and judgements made by the management for provision for loss allowance under Expected Credit Loss model. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	Our procedures included the following: • We evaluated and tested the controls relating to credit control and approval process and assessing the recoverability of overdue receivables by comparing management's views of recoverability of overdue receivables to historical patterns of receipts. • We assessed and validated the ageing profile of trade receivables. • We also checked on sample basis balance confirmations from customers to test whether trade receivables as per books are acknowledged by them. • We also reviewed receipts on sample basis subsequent to the financial year end for its effect in reducing overdue receivables as the financial year end. • We also reviewed at the adequacy of the management judgements and estimates on the sufficiency of provision for doubtful debts through detailed analysis of ageing of receivables and assessing the adequacy of the disclosures in respect of credit risk.

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

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

Independent Auditor's Report

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Independent Auditor's Report

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act;
   (f) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   (g) In our opinion, and according to information and explanation given to us, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act; and
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      I. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Note 11 & 37 to the Standalone Financial Statements;
      II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
      III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-

(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAABG4352

Place: Kolkata
Date: June 26, 2020

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' Section of our report to the Members of Rupa & Company Limited of even date)

i. In respect of the Company's fixed assets:

  a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

  b. As explained to us, fixed assets have been physically verified during the year by the management in a phased manner in accordance with a planned programme of verifying them once in three years and no material discrepancies have been noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

  c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. The physical verification of inventory excluding inventories in transit have been conducted at reasonable intervals by the management during the year. The discrepancies noted on physical verification of inventory as compared to book records were not material. Inventories lying with outside parties have been substantially confirmed by them at the year end.

iii. The Company has granted loan to one body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.

  a) In our opinion, the rate of interest and other terms and conditions on which the loan has been granted were not, prima-facie, prejudicial to the interest of the company.

  b) In case of the loan granted to the body corporate covered in the register maintained under Section 189 of the Companies Act, 2013, the loan and interest has been repaid as per the stipulated terms and conditions.

  c) There are no overdue amounts in respect of loan granted to body corporate covered in the register maintained under Section 189 of the Companies Act, 2013.

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

v. The Company has not accepted deposits from public within the meaning of Section 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Accordingly, clause 3 (v) of the order is not applicable to the Company.

vi. In our opinion and according to the information and explanations given to us, the Government has not specified maintenance of the cost records under Section 148(1) of the Companies Act, 2013 in regard to the activities of the Company.

vii. According to the information and explanations given to us and on the basis of our examination of the books of account:

  a. The Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Customs Duty, Goods and Service tax, Cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us and the records of the Company examined by us, no undisputed statutory dues as above were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

  b. According to the information and explanation given to us, the dues of sales tax, income tax and duty of excise, which have not been deposited on account of any dispute and the forum where the dispute is pending as on March 31, 2020 are as under:

Annexure 'A' to the Independent Auditor's Report

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Demand Relating to non-submission of C Forms & other disputes/ disallowances	44.51	Financial Year 2005-06	West Bengal Commercial Taxes Appellate Tribunal & Revisional Board
		38.58	Financial Year 2016-17	Joint Commissioner, Commercial Taxes (WB)
		9.76	Financial Year 2017-18	Joint Commissioner, Commercial Taxes (WB)
The West Bengal Value Added Tax, 2003	Demand Relating to export & other disallowances / disputes	35.80	Financial Year 2014-15	Senior Joint Commissioner Taxes (Appeal)
		12.57	Financial Year 2016-17	Joint Commissioner, Commercial Taxes (WB)
		2.12	Financial Year 2017-18	Joint Commissioner, Commercial Taxes (WB)

viii. According to the records of the Company examined by us and based on the information and explanation given to us by the management, the Company has not defaulted in repayment of loans or borrowing to banks as at the Balance sheet date. The Company does not have any outstanding dues to a financial institution or Government or debenture holders.

ix. According to the records of the Company examined by us and the information and explanation given to us, the Company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However, the Company has raised funds from Term Loan during the year and has applied the same for the purpose for which term loans are raised.

x. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year 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 Companies Act, 2013 are not applicable to the Company.

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

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAABG4352

Place: Kolkata
Date: June 26, 2020

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rupa & Company Limited of even date)

Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Rupa & Company Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statement and their operating effectiveness. Our audit of internal financial controls with reference to financial statement included obtaining an understanding of internal financial controls with reference to financial statement, 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 our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statement

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 .

Annexure 'B' to the Independent Auditor's Report

Limitations of Internal Financial Controls with reference to financial statement

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAABG4352

Place: Kolkata
Date: June 26, 2020

Standalone Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4 (a)	16,146.22	16,716.86
(b) Right of Use Assets	4 (b)	1,066.50	-
(c) Capital Work-in-progress		636.77	300.46
(d) Intangibles Assets	5	116.73	191.02
(e) Investments in Subsidiaries	6	6,370.37	1,402.00
(f) Financial assets			
(i) Investments	7	0.18	0.18
(ii) Loans	8	192.98	4,532.27
(iii) Other Financial Assets	9	18.95	18.70
(g) Non-Current Tax Assets (Net)	10	1,018.46	-
(h) Other Non Current Assets	11	1,054.55	933.69
		26,621.71	**24,095.18**
Current Assets			
(a) Inventories	12	44,185.26	35,118.40
(b) Financial Assets			
(i) Trade Receivable	13	23,017.38	37,022.35
(ii) Cash and Cash Equivalents	14	97.18	566.48
(iii) Other Bank Balances (other than above)	15	40.04	39.33
(iv) Loans	8	447.92	203.82
(v) Other Financial Assets	9	13.04	82.32
(c) Other current assets	11	4,786.05	2,805.78
		72,586.87	**75,838.48**
TOTAL ASSETS		**99,208.58**	**99,933.66**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	796.29	796.29
(b) Other Equity	17	61,896.84	56,759.28
		62,693.13	**57,555.57**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,089.91	812.65
(ii) Lease Liabilities	19	686.39	-
(b) Deferred Tax Liabilities (Net)	20	924.63	1,372.63
(c) Other Non-Current Liabilities	21	202.67	83.14
		2,903.60	**2,268.42**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	22	12,482.82	16,504.25
(ii) Lease Liabilities	19	164.47	-
(iii) Trade payables	23		
- Total outstanding dues of creditors to micro enterprises and small enterprises		-	-
- Total outstanding dues of creditor to other than micro enterprises and small enterprises		12,452.07	13,044.74
(iv) Other Financial Liabilities	24	7,653.92	8,921.25
(b) Provisions	25	323.96	288.80
(c) Current Tax Liabilities (Net)	26	-	752.52
(d) Other Current Liabilities	21	534.61	598.11
		33,611.85	**40,109.67**
TOTAL EQUITY & LIABILITIES		**99,208.58**	**99,933.66**
Basis of Accounting	**2**		
Significant Accounting Policies	**3**		
Significant Judgements and Key Estimates	**3.20**		

The notes are the integral part of the Standalone Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178

Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from Operations	27	94,140.11	1,10,824.10
II	Other Income	28	790.95	539.18
III	**Total Income (I+II)**		**94,931.06**	**1,11,363.28**
IV	**Expenses**			
	Cost of Materials Consumed	29	46,025.74	51,709.41
	Changes in Inventories of Finished Goods and Work in Progress	30	(8,332.92)	(5,296.78)
	Employee Benefits Expense	31	5,520.09	4,511.15
	Finance Costs	32	1,481.22	1,672.75
	Depreciation and Amortisation Expense	33	1,567.92	1,317.40
	Other Expenses	34	38,466.17	42,908.85
	Total Expenses (IV)		**84,728.22**	**96,822.78**
V	**Profit before Exceptional Items & Tax (III–IV)**		**10,202.84**	**14,540.50**
VI	**Exceptional Items**		-	-
VII	**Profit/(Loss) Before Tax (V–VI)**		**10,202.84**	**14,540.50**
VIII	Tax Expense	35		
	a) Current Tax (Including Earlier year Tax)		2,646.73	5,155.00
	b) Deferred Tax		(450.42)	48.12
IX	**Profit for the year (VII– VIII)**		**8,006.53**	**9,337.38**
X	**Other Comprehensive Income**			
	A. (i) Items that will not be reclassified to profit or loss			
	–Remeasurements of defined benefit plans		9.57	1.97
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.41)	(0.69)
	B. (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Other Comprehensive Income for the year [(A(i–ii) +B(i–ii)]**		**7.16**	**1.28**
XII	**Total Comprehensive Income for the year (IX+XI)**		**8,013.69**	**9,338.66**
XIII	**Earnings per Equity Share**			
	Basic Earnings per Share (₹)	43	10.07	11.74
	Diluted Earnings per Share (₹)		10.07	11.74

Basis of Accounting	**2**
Significant Accounting Policies	**3**
Significant Judgements and Key Estimates	**3.20**

The notes are the integral part of the Standalone Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

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Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020		2018-2019	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Profit before Tax		**10,202.84**		**14,540.50**
Adjustment to reconcile Profit Before Tax to Net Cash Flows				
(a) Depreciation and Amortisation	1,567.92		1,317.40	
(b) Finance Cost	1,481.22		1,672.75	
(c) (Profit)/Loss on disposal of Plant, Property & Equipment (Net)	(47.34)		5.02	
(d) Bad debts/Advances & Claims written off	37.52		1.61	
(e) Unspent liabilities written back	(317.49)		(30.17)	
(f) Provision for Doubtful Trade Receivables/(written back)	3.03		11.81	
(g) Deferred Revenue on Government Grant	(33.63)		(17.48)	
(h) Investment written off	-		10.57	
(i) Interest income	(299.60)	2,391.63	(448.29)	2,523.22
Operating Profit before Working Capital Changes		**12,594.47**		**17,063.72**
Changes in Working Capital				
(a) (Increase)/ decrease in Inventories	(9,066.86)		(3,866.01)	
(b) (Increase)/ decrease in Trade Receivables	13,964.42		(4,173.65)	
(c) (Increase)/ decrease in Other Financial Assets	(69.93)		(60.61)	
(d) (Increase)/ decrease in Non-Financial Assets	(1,980.27)		(1,233.82)	
(e) Increase/ (decrease) in Trade Payables	(522.19)		(2,597.60)	
(f) Increase/ (decrease) in other Financial Liabilities	(1,066.91)		761.31	
(g) Increase/ (decrease) in Provisions	44.72		55.30	
(h) Increase/ (decrease) in Non-financial liabilities	89.65	**1,392.63**	179.27	**(10,935.81)**
Cash Generated from Operations		**13,987.10**		**6,127.91**
Less: (a) Direct Taxes paid		(4,417.71)		(6,005.93)
Net Cash from Operating Activities		**9,569.39**		**121.98**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
(a) Purchase of Plant, Property & Equipment (including Capital Advances and CWIP)		(1,779.33)		(2,310.34)
(b Disposal of Plant, Property & Equipment		379.30		25.65
(c) Investment in Subsidiary Companies		(4,968.37)		-
(d) Redemption/(Investment) of Fixed Deposits (net)		(1.90)		136.55
(e) Refund of Loan Granted		4,699.87		-
(f) Loan Granted		(537.72)		339.30
(g) Interest received		371.61		512.51
Net Cash used in Investing Activities		**(1,836.54)**		**(1,974.93)**

Standalone Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020		2018-2019	
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES				
(a) Repayment of Non-Current Borrowings		(250.15)		(140.15)
(b) Proceeds from Non-Current Borrowings		587.23		1,125.21
(c) Proceeds/(Repayment) of Current Borrowings (net)		(4,021.43)		5,515.83
(d) Payment of Lease Liabilities		(257.46)		-
(e) Dividend and Tax paid thereon		(2,876.13)		(2,876.13)
(f) Interest Paid (Including interest on Lease Liabilities)		(1,384.21)		(1,666.27)
Net Cash used in Financing Activities		**(8,202.15)**		**1,958.49**
Net increase/ (decrease) in Cash & Cash Equivalent (A+B+C)		**(469.30)**		**105.54**
Cash & Cash Equivalents at the beginning of the period		566.48		460.94
Cash & Cash Equivalents at the end of the period		**97.18**		**566.48**

Note:

(1) The above statement of cash flows has been prepared under the "Indirect Method" as set out in IND AS - 7 "Statement of Cash Flows"

(2) Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 14 to the Financial Statements

(3) Statement of Reconciliation of Financing Activities

	Term Loan from Banks	Short Term Borrowings
Balance as at April 1, 2019 (including interest accrued thereon)	1,070.80	16,508.07
Cash Flow (Net)	337.08	(4,021.43)
Non Cash Changes	-	-
Fair Value Changes	-	-
Others	-	-
Interest Expense	100.12	1,247.79
Interest Paid	(97.72)	(1,229.26)
Closing as at March 31, 2020 (including interest accrued thereon)	**1,410.28**	**12,505.17**

(4) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

(5) Previous years figures have been regrouped/reclassified wherever necessary

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178

Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
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Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Standalone Statement of Change in Equity

for the year ended March 31, 2020

(₹ in Lakhs)

a) Equity Share Capital	
Balance as at April 1, 2018	**796.29**
Add/(Less): Changes in Equity Share Capital during the year	–
Balance as at March 31, 2019	**796.29**
Add/(Less): Changes in Equity Share Capital during the year	–
Balance as at March 31, 2020	**796.29**

	Reserves & Surplus			Total
	Securities Premium Account	General Reserve	Retained Earnings	
b) Other Equity				
Balance as at April 1, 2018	**6,880.31**	**4,231.17**	**39,185.28**	**50,296.76**
Profit for the Year	-	-	9,337.38	9,337.38
Remeasurement Gain on defined benefit plans (Net of Taxes)	-	-	1.28	1.28
Total Comprehensive Income	**-**	**-**	**9,339.66**	**9,338.66**
Final Dividend Paid	-	-	(2,385.74)	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.40)	(490.40)
Balance as at March 31, 2019	**6,880.31**	**4,231.17**	**45,647.80**	**56,759.28**
Profit for the Year	-	-	8,006.53	8,006.53
Remeasurement Gain on defined benefit plans (Net of Taxes)	-	-	7.16	7.16
Total Comprehensive Income	**-**	**-**	**8,013.69**	**8,013.69**
Final Dividends Paid	-	-	(2,385.74)	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.39)	(490.39)
Balance as at March 31, 2020	**6,880.31**	**4,231.17**	**50,785.36**	**61,896.84**

The notes are the integral part of the Standalone Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178

Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

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Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

1. CORPORATE AND GENERAL INFORMATION

Rupa & Company Limited (the Company) was incorporated in India in the year 1985 and having its registered office at Metro Towers, 8th Floor, 1, Ho Chi Minh Sarani, Kolkata - 700071.

The Company is a Public Limited Company domiciled in India & is incorporated under provision of Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Company is primarily engaged in manufacture of hosiery products in knitted undergarments, casual wears and thermal wears. It also has a Power Generation Unit operated on Windmill process.

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The Financial Statements are approved for issue by the Company's Board of Directors at their meeting held on June 26, 2020.

2.2 Basis of Measurement

The Financial Statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value.

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information presented in ''INR'' has been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of Financial Statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.5 Current Vs Non-current Classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

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

All the other assets are classified as non-current.

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

A liability is current when:

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

  The Company classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.6 Adoption of New Accounting Standards

The Company has applied the following accounting standards and its amendments for the first time for annual reporting period commencing April 1, 2019:

- Ind AS 116 - Leases
- Amendment to Ind AS 12 – Income Taxes and Ind AS 12 Appendix 'C' – Uncertainty over Income Tax Treatments
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement
- Amendment to Ind AS 23 – Borrowing Cost
- Amendment to Ind AS 103 – Business Combination and Ind AS 111 – Joint Arrangements
- Amendment to Ind AS 109 – Prepayment Features with Negative Compensation

The Company had to change its accounting policies following the adoption of Ind AS – 116. Company's new accounting policy is described in "paragraph 3.5" of Significant Accounting Policies to the financial statements and the impact of transition to IND AS 116 is given vide Note No. 41 to the Financial Statements. Most of the above amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all the periods presented in the financial statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3.1 Inventories

Raw materials and packing materials are valued at lower of cost and net realizable value. 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. Cost of raw materials is determined on weighted average basis including packing materials, accessories and dyes and chemicals.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Work-in-progress (measured in kgs) is determined on weighted average basis and cost of work-in-progress (measured in pieces) and cost of finished goods is determined on Retail sales price method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3.2 Cash and Cash Equivalents

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

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Deferred Tax

- Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Company reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3.4 Property, Plant and Equipment

3.4.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

3.4.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

3.4.3. Depreciation and Amortization

- Depreciation on Property Plant & Equipment is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used the following rates to provide depreciation on its Property Plant & Equipment.

Class of Property Plant & Equipment	Useful Lives estimated by the management (Years)
Factory Buildings	30
Non-factory Buildings	60
Plant and Equipments	10 to 15
Computer and Data Processing Equipments	3 to 6
Furnitures and Fixtures	10
Vehicles	8
Office Equipments	5

- Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.
- The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery as 10 years. These lives are lower than those indicated in Schedule II of the Companies Act, 2013.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.4.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.4.5. Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

3.4.6. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets''.

3.5 Leases

3.5.1. Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

3.5.2. Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 3.12 Impairment of non-financial assets.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.6 Revenue Recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received/receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

3.6.1. Sale of goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

3.6.2. Sale of Services

In contracts involving the rendering of services, revenue is measured using the completed service method.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.6.3. Sale of Power

Revenue from sale of Energy (Power) is recognised on the basis of Electrical Units generated net of transmission loss as applicable when no significant uncertainty as to measurability & collectability exists.

3.6.4. Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

3.6.5. Dividend Income

Dividend Income from investments is recognized when the Company's right to receive payment has been established.

3.6.6. Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Insurance & other claims, where quantum of accruals cannot be ascertained with reasonable certainty are recognized as income only when revenue is virtually certain which generally coincides with receipt/acceptance.

3.7 Employee Benefits

3.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

3.7.2. Post-Employment Benefits

The Company operates the following post-employment schemes:

➢ **Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the Statement of Profit and Loss.

➢ **Defined Contribution Plan**

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of Profit and Loss of the period when the contributions to the respective funds are due. The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the selected service.

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

3.8 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Company will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

3.9 Foreign Currency Transactions

- Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.
- Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the Statement of Profit and Loss within finance costs.
- Nonmonetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

3.10 Borrowing Cost

- Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. The Company considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the Statement of Profit and Loss in the period in which they are incurred.

3.11 Interest in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

3.12 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.

3.12.1. Financial Assets

- **Recognition and Initial Measurement:**

All financial assets are initially recognized when the Company becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

- **Classification and Subsequent Measurement:**

  For purposes of subsequent measurement, financial assets are classified in four categories:

  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Designated Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

  - **Measured at Amortized Cost:** A debt instrument is measured at the amortized cost if both the following conditions are met:
    - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
    - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method.

  - **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:
    - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
    - The asset's contractual cash flows represent SPPI.

  Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the Statement of Profit and Loss in investment income.

  - **Measured at FVTPL:** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.
  - **Equity Instruments measured at FVTOCI:** All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

- **Derecognition**

  The Company derecognizes a financial asset on trade date only 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 entity.

- **Impairment of Financial Assets**

  The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

3.12.2. Financial Liabilities

➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➢ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➢ **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➢ **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

3.13 Impairment of Non-Financial Assets

➢ The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).

➢ An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

3.14 Provisions, Contingent Liabilities and Contingent Assets

3.14.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

➢ **Onerous Contracts:**

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

3.14.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Company discloses the existence of contingent liabilities in Other Notes to Financial Statements.

3.14.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

3.15 Intangible Assets

Recognition and Measurement

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful economic lives.

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Amortization

The useful lives over which intangible assets are amortized are as under:

Assets	Useful Life (In Years)
Copyrights & Trade marks	10
Computer software	5

Disposal

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

3.16 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in Statement of Profit and Loss.

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

3.17 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the Chief Operating Decision Maker (CODM). An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Company and for which discrete financial information is available. Based on assessment of CODM in terms of Indian Accounting Standard – 108, the Company is predominantly engaged in a single segment of Garments & Hosiery goods and related services. The analysis of geographical segments is based on the areas in which customers of the Company are located.

3.18 Earnings Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.19 Measurement of Fair Values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Company considering the requirements of Ind As and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

3.20 Significant accounting judgements and key sources of estimation:

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the Financial Statements is included in the following notes:

- **Recognition of Deferred Tax Assets:** The extent to which deferred tax assets can be recognized is based on an

Notes to the Standalone Financial Statement

for the year ended March 31, 2020

assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.

- **Useful lives of depreciable/ amortisable assets (tangible and intangible)**: Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Extension and termination option in leases** : Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

  This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.
- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies**: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best judgement by management regarding the probability of exposure to potential loss.
- **Impairment of Assets (Investment in Subsidiaries)** - Ind AS 36 requires the Company reviews its carrying value of investments in subsidiaries carried at cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for. The values in use (considering discounted cash flows) have been determined by external valuation experts based on management's financial projections. The determination of the value in use / fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, etc.
- **Allowances for Doubtful Debts:** The Company makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Estimation uncertainty relating to the global health pandemic on Covid-19**: The Company has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of Covid-19 pandemic on various elements of its Financial Statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. However, the eventual outcome of the impact of the Covid-19 pandemic may be different from those estimated as on the date of approval of these Financial Statements.

3.21 New Standards/Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Company's Financial Statement are disclosed below.

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

Notes to the Standalone Financial Statement
for the year ended March 31, 2020

(₹ in Lakhs)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
4(a) Property, Plant and Equipment								
Cost								
As at April 1, 2018	**2,547.22**	**271.67**	**8,034.89**	**6,019.67**	**344.50**	**491.84**	**255.27**	**17,965.06**
Additions	-	-	1,008.16	1,545.50	32.16	184.03	79.00	2,848.85
Disposals/ Withdrawals	-	-	-	19.90	-	38.48	-	58.38
As at March 31, 2019	**2,547.22**	**271.67**	**9,043.05**	**7,545.27**	**376.66**	**637.39**	**334.27**	**20,755.53**
Additions	-	-	493.77	234.39	41.45	100.99	100.51	971.11
Disposals/ Withdrawals/ Transfer	-	271.67	-	-	-	25.72	0.08	297.47
As at March 31, 2020	**2,547.22**	**-**	**9,536.82**	**7,779.66**	**418.11**	**712.66**	**434.70**	**21,429.17**
Depreciation								
As at April 1, 2018	**-**	**6.44**	**386.43**	**2,054.95**	**119.09**	**143.23**	**114.58**	**2,824.72**
Charge for the year	-	3.22	212.57	844.18	44.67	81.44	55.57	1,241.65
On Disposals/ Withdrawals/ adjustments	-	-	-	9.78	-	17.92	-	27.70
As at March 31, 2019	**-**	**9.66**	**599.00**	**2,889.35**	**163.76**	**206.75**	**170.15**	**4,038.67**
Charge for the year	-	-	222.91	837.66	46.09	91.61	66.61	1,264.88
On Disposals/ Withdrawals/ adjustments/ Transfer	-	9.66	-	-	-	10.86	0.08	20.60
As at March 31, 2020	**-**	**-**	**821.91**	**3,727.01**	**209.85**	**287.50**	**236.68**	**5,282.95**
Net Block								
As at March 31, 2019	**2,547.22**	**262.01**	**8,444.05**	**4,655.92**	**212.90**	**430.64**	**164.12**	**16,716.86**
As at March 31, 2020	**2,547.22**	**-**	**8,714.91**	**4,052.65**	**208.26**	**425.16**	**198.02**	**16,146.22**

Note:

i) Term Loan from Banks amounting ₹ 1,399.78 Lakhs is secured by first charge by way of hypothecation of plant and equipment specifically funded by the Bank, installed at Domjur, West Bengal and Tirupur Unit, Tamilnadu. Cash Credit including Working Capital Demand Loan amounting ₹ 12,482.82 Lakhs are secured by hypothecation of inventories, book debts and other current assets of the Company and further secured by second charge of movable and immovable property, plant and equipment of Domjur Unit, West Bengal.

ii) Pursuant to adoption of Ind AS 116 "Leases", Company has reclassified Leasehold Land to Right of Use Asset which was earlier classified under Property, Plant & Equipment as per Ind AS 17 "Leases"

iii) Refer Note No- 36 for disclosure on Contractual commitment for acquisition of property, plant and equipment.

	Leasehold Land	Buildings	Total
4(b) Right of Use Assets			
As at April 1, 2019	271.67	1,032.24	1,303.91
Additions	-	-	-
Disposals/ Withdrawals	-	-	-
As at March 31, 2020	**271.67**	**1,032.24**	**1,303.91**
Depreciation			
As at April 1, 2019	9.66	-	9.66
Charge for the year	3.21	224.54	227.76
On Disposals/ Withdrawals/ adjustments/ Transfer	-	-	-
As at March 31, 2020	**12.87**	**224.54**	**237.41**
Net Right of Use Assets			
As at March 31, 2020	**258.80**	**807.70**	**1,066.50**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Computer Software
5. Intangible Assets	
Cost	
As at April 1, 2018	**384.44**
Additions	0.25
As at March 31, 2019	**384.69**
Additions	0.99
As at March 31, 2020	**385.68**
Amortisation	
As at April 1, 2018	**117.92**
Charge for the year	75.75
As at March 31, 2019	**193.67**
Charge for the year	75.28
As at March 31, 2020	**268.95**
Net Block	
As at March 31, 2019	191.02
As at March 31, 2020	**116.73**

	Number of Shares	
	March 31, 2020	**March 31, 2019**
6. Investments in Subsidiaries		
In Equity Shares (at cost unless otherwise stated)		
(Unquoted)		
Imoogi Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	10,000	10,000
Euro Fashion Inners International Pvt. Ltd. (Equity Shares of ₹ 10 each)	41,00,000	41,00,000
Oban Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	99,10,000	99,10,000
Rupa Fashions Pvt. Ltd. (Equity Shares of ₹ 10 each)	50,000	
Rupa Bangladesh Pvt. Ltd. (Equity Shares of BDT 10 each)	1,59,004	-
In Preference Shares (at cost unless otherwise stated)		
Oban Fashions Pvt. Ltd. (0.1% Non-cumulative Compulsorily Convertible Preference Shares of ₹ 100 each)	49,50,000	-

	Amount	
	March 31, 2020	**March 31, 2019**
In Equity Shares (at cost unless otherwise stated)		
Imoogi Fashions Pvt. Ltd.	1.00	1.00
Euro Fashion Inners International Pvt. Ltd.	410.00	410.00
Oban Fashions Pvt. Ltd.	991.00	991.00
Rupa Fashions Pvt. Ltd.	5.00	-
Rupa Bangladesh Pvt. Ltd.	13.37	-
In Preference Shares (at cost unless otherwise stated)		-
Oban Fashions Pvt. Ltd.	4,950.00	-
	6,370.37	**1,402.00**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Number of Shares/Units	
	March 31, 2020	March 31, 2019
7. Investments		
In Equity Instruments (at cost unless otherwise stated)		
(Unquoted)		
West Bengal Hosiery Park Infrastructure Limited (Equity Shares of ₹ 10 each)	1,800	1,800
	Amount	
	March 31, 2020	March 31, 2019
In Equity Instruments (at cost unless otherwise stated)		
(Unquoted)		
West Bengal Hosiery Park Infrastructure Limited	0.18	0.18
	0.18	**0.18**
Aggregate Carrying value of Unquoted Investments	0.18	0.18

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
8. Loans				
(Unsecured, considered good unless otherwise stated)				
Security deposits*	192.98	132.27	142.27	136.02
Loan to a Subsidiary**	-	4,400.00	105.65	67.80
Loan to Bodies Corporate	-	-	200.00	-
	192.98	**4,532.27**	**447.92**	**203.82**

* Dues from private companies in which any director is a director is ₹ 67.40/- Lakhs (March 31, 2019 ₹ 67.40/- Lakhs)

** To be utilised for business purpose

Note:

There are no outstanding debts from director or other officer of the Company.

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
9. Other Financial Asset				
Interest Accrued on Loan to a Subsidiary	-	-	4.59	79.37
Interest Accrued on Loan to Bodies Corporate	-	-	2.53	-
Interest Accrued on fixed deposit	0.25	-	-	-
Bank deposits with maturity of more than 12 months**	18.70	18.70	-	-
Others*	-	-	5.92	2.95
	18.95	**18.70**	**13.04**	**82.32**

*Represents amount receivable from a Subsidiary towards Corporate Guarantee Commission

**Held as lien by bank against bank guarantees.

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Non-Current	
	March 31, 2020	March 31, 2019
10. Tax Assets (Net)		
Advance Tax (Net of Provision)	1,018.46	-
	1,018.46	**-**

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
11. Other Assets (Unsecured Considered)				
Capital advances*	1,054.55	933.69	-	-
Prepaid Expenses	-	-	94.95	83.36
Advance against supply of goods & services^	-	-	831.75	751.09
Advance to Employees	-	-	72.25	63.52
Balances with Government Authorities	-	-	3,350.17	1,748.45
Claims and Refund Receivable	-	-	412.17	141.37
Sales Tax paid under dispute	-	-	20.54	13.77
Other advances	-	-	4.22	4.22
	1,054.55	**933.69**	**4,786.05**	**2,805.78**

*Includes advance amounting to ₹ 400.92 Lakhs (March 31, 2019: ₹ 400.92 Lakhs) given to West Bengal Housing Infrastructure Development Corporation (WB HIDCO) towards offer for allotment of land on a freehold basis. WB HIDCO later decided to allot land on a leasehold basis, which the Company has challenged the matter in the Hon'ble Calcutta High Court. In light of the fact that the Hon'ble High Court at Calcutta has vide its Order dated February 10, 2020 has decided the Writ Petition in favour of the Company, in its appellate jurisdiction and so far no appeal has been preferred by the West Bengal Government in the Hon'ble Supreme Court of India.

^Includes advance amounting to ₹ 23.11 Lakhs (March 31, 2019: ₹ 2.83 Lakhs) given to Related Party.

	March 31, 2020	March 31, 2019
12. Inventories		
(Valued at lower of cost and net realisable value)		
Raw Material including packing materials	4,068.88	3,334.94
Finished Goods	27,718.29	20,005.62
Work in Progress	12,398.09	11,777.84
	44,185.26	**35,118.40**

Mode of Valuation - Refer Note No. 3.1 of Accounting policy.

Note : The above includes Stock in transit

Work-in-Progress	-	38.19
Finished Goods	849.62	20.79

Note : Inventories are hypothecated/ pledged against borrowings (Refer Note No. 22)

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Current	
	March 31, 2020	March 31, 2019
13. Trade Receivable		
Secured	2,390.12	3,038.87
Unsecured	20,627.26	33,983.48
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	38.54	35.51
	23,055.92	**37,057.86**
Impairment Allowance (Allowance for Bad and Doubtful Debt)		
Unsecured	-	-
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable - Credit Impaired	38.54	35.51
	38.54	**35.51**
Total Trade Receivable	**23,017.38**	**37,022.35**

a) No Trade Receivables due by directors and its officers of the Company.

b) The above amount includes ₹ 294.51 Lakhs (March 31, 2019: ₹ 210.95 Lakhs) due from its Related Parties .

c) Allowances for credit losses of trade receivables, has been computed based on the ageing of the receivables. In computing expected credit losses the Company has taken into account historical credit loss experience and forward looking information.

d) Trade Receivables are hypothecated/ pledged against borrowings (Refer Note No. 22)

	March 31, 2020	March 31, 2019
14. Cash and Cash Equivalents		
Cash in hand	15.00	18.11
Balances with banks		
Current accounts	13.50	190.33
Cash Credit account	68.68	358.04
	97.18	**566.48**

	March 31, 2020	March 31, 2019
15. Other Bank Balances (other than note - 14)		
Unpaid dividend accounts	11.39	12.58
Bank deposits maturity for more than 3 months but less than 12 months*	28.65	26.75
	40.04	**39.33**

* Held as lien by bank against bank guarantees.

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
16. Equity Share Capital				
Authorised Share Capital				
Equity Shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
	20,00,00,000	**2,000.00**	**20,00,00,000**	**2,000.00**
Issued Share Capital				
Equity Shares of ₹ 1/- each	7,97,33,560	797.34	7,97,33,560	797.34
	7,97,33,560	**797.34**	**7,97,33,560**	**797.34**
Subscribed & Paid-up Share Capital				
Equity Shares of ₹ 1/- each	7,95,24,560	795.24	7,95,24,560	795.24
Equity shares forfeited of ₹ 1/- each, Paid up ₹ 0.50 per Share	2,09,000	1.05	2,09,000	1.05
	7,97,33,560	**796.29**	**7,97,33,560**	**796.29**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

a) Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

b) Terms/ Rights attached to Equity Shares :

The Parent Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company . The distribution will be in proportion to the number of equity shares held by the shareholders.

For the year ended March 31, 2020 the Company has proposed final dividend of ₹ 3/- per share (March 31, 2019: ₹3/- per Share) subject to approval of members in the ensuing Annual General Meeting.

c) Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

d) Details of shareholders holding more than 5% shares in the Company

(₹ in Lakhs)

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 1/- each, fully paid up				
Ullas Sales Promotion LLP (Formerly known as Ullas Sales Promotion Limited)	2,16,30,860	27.20%	-	-
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,67,63,656	21.08%
Rajnish Enterprises Ltd.	-	-	1,58,23,190	19.90%
Ziyan Developers LLP	86,50,000	10.88%	86,50,000	10.88%
Purvanchal Leasing Ltd.	-	-	58,07,670	7.30%

* holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm

As per records of the Company, including its register of shareholders/members as on March 31, 2020, the above shareholding represents legal ownership of shares.

e) The company has neither issued bonus shares not has bought back any shares during last 5 years.

f) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

h) No calls are unpaid by any Director or Officer of the Company during the year.

	Note	March 31, 2020	March 31, 2019
17. Other Equity			
Securities Premium Reserve	17.1	6,880.31	6,880.31
General Reserve	17.2	4,231.17	4,231.17
Retained Earnings	17.3	50,785.36	45,647.80
		61,896.84	**56,759.28**

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

Changes in Other Equity

	March 31, 2020	March 31, 2019
17.1 Securities Premium Reserve		
Opening balance	6,880.31	6,880.31
Changes during the year	-	-
	6,880.31	**6,880.31**

	March 31, 2020	March 31, 2019
17.2 General Reserve		
Opening balance	4,231.17	4,231.17
Changes during the year	-	-
	4,231.17	**4,231.17**

	March 31, 2020	March 31, 2019
17.3 Retained Earnings		
Opening balance	45,647.80	39,185.28
Add: Profit for the year	8,006.53	9,337.38
Less: Remeasurement of Defined Benefit Plans (Net of Tax)	7.16	1.28
Equity Dividend	(2,385.74)	(2,385.74)
Tax on Equity Dividend	(490.39)	(490.40)
	50,785.36	**45,647.80**

Nature and purpose of other reserves

Securities Premium Reserve

Securities Premium Reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.

General Reserve

Under the erstwhile the Companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings

This reserves represents the cumulative profit of company and effects of remeasurement of defined benefit obligation. This reserves can be utilised in accordance with the provisions of the Companies Act, 2013 .

Remeasurement of Defined benefit obligation

Remeasurement of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income) recognised in other comprehensive income and then immediately transferred to retained earnings.

	Non-Current	
	March 31, 2020	March 31, 2019
18. Non Current Borrowings		
Secured Term Loan		
Rupee loan from Banks	1,399.78	1,062.70
Less: Current portion of Long Term Borrowings (Disclosed under other Financial Liabilities, Refer Note No. 24)	309.87	250.05
	1,089.91	**812.65**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Note:

1. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

2. **Terms & conditions**

a) Term Loan with a balance of ₹ 812.65 Lakhs (March 31, 2019: ₹ 1,062.70 Lakhs) is repayable in 13 equal quarterly installments of ₹ 62.51 Lakhs and carries interest @ 8.90% to 9.15% per annum (March 31, 2019: @ 8.90% to 9.15% per annum). The said Term Loan is secured by first charge by way of hypothecation on specific plant and machinery funded by bank.

b) Term Loan with a balance of ₹ 548.90 Lakhs (March 31, 2019: Nil) is repayable in 72 equal monthly installments of ₹ 7.62 Lakhs starting with w.e.f. September 03, 2020 and carries interest @ 9% per annum (March 31, 2019: Nil).The said Term Loan having sanction limit of ₹ 800.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.

c) Term Loan with a balance of ₹ 38.23 Lakhs (March 31, 2019: Nil) is repayable in one installment of ₹ 0.10 Lakhs and 18 equal quarterly installments of ₹ 2.12 Lakhs and carries interest @ 8.85% per annum (March 31, 2019: Nil). The said Term Loan having sanction limit of ₹ 1,445.00 lakhs is secured by exclusive charge by way of hypothecation of specific Plant & Machinery funded by bank.

d) No loans have been guaranteed by the directors and others.

		Non-Current		Current	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
19.	**Lease Liabilities**				
	Maturities of Lease Obligations (Refer Note No. 41)	686.39	-	164.47	-
		686.39	**-**	**164.47**	**-**

		March 31, 2020	March 31, 2019
20.	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liabilities		
	Arising on account of:		
	Difference between Tax Depreciation and Depreciation/Amortisation charged for the financial reporting	1,026.73	1,485.96
		1,026.73	**1,485.96**
	Less: Deferred Tax Assets		
	Arising on account of:		
	Provision for Doubtful debt & advances	9.70	12.41
	Provision for gratuity (Refer Note No. 40)	63.78	76.27
	Provision for Litigation, Claims & Contingencies	17.76	24.65
	Other	10.86	-
		102.10	**113.33**
	Deferred Tax Liabilities (Net)	**924.63**	**1,372.63**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

20.1 Movement in deferred tax assets and liabilities during the year ended March 31, 2019

	As at April 1, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2019
Deferred Income Tax Liabilities				
Difference between Tax Depreciation and Depreciation/ Amortisation charged for the financial reporting*	1,414.34	71.62	-	1,485.96
Others	0.04	(0.04)		-
A	**1,414.38**	**71.58**	**-**	**1,485.96**
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	8.28	4.13	-	12.41
Provision for gratuity	57.63	19.33	(0.69)	76.27
Provision for Litigation, Claims & Contingencies	24.65	-	-	24.65
B	**90.56**	**23.46**	**(0.69)**	**113.33**
Deferred Tax Liabilities (Net) (A-B)	**1,323.82**	**48.12**	**0.69**	**1,372.63**

20.2 Movement in deferred tax assets and liabilities during the year ended March 31, 2020

	As at April 1, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2020
Deferred Income Tax Liabilities				
Difference between Tax Depreciation and Depreciation/ Amortisation charged for the financial reporting	1,485.96	(459.23)	-	1,026.73
Others	-	-	-	-
A	**1,485.96**	**(459.23)**	**-**	**1,026.73**
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	12.41	(2.71)	-	9.70
Provision for gratuity	76.27	(10.08)	(2.41)	63.78
Provision for Litigation, Claims & Contingencies	24.65	(6.88)	-	17.76
Others	-	10.86	-	10.86
B	**113.33**	**(8.81)**	**(2.41)**	**102.10**
Deferred Tax Liabilities (Net) (A-B)	**1,372.63**	**(450.42)**	**2.41**	**924.63**

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
21. Other Liabilities				
Deferred Revenue	202.67	83.14	30.67	17.48
Advances from customers	-	-	68.69	84.04
Statutory dues payable	-	-	435.25	496.59
	202.67	**83.14**	**534.61**	**598.11**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Current	
	March 31, 2020	March 31, 2019
22. Current Borrowing		
Loan Repayable on demand		
From banks:		
Cash Credit	2,251.44	4,804.25
Working Capital Demand Loans	10,231.38	10,900.00
Packing Credit	-	800.00
	12,482.82	**16,504.25**

Terms & conditions

a) Cash Credit including Working Capital Demand Loan are secured by hypothecation of inventories, book debts and other current assets of the Company and further secured by second charge of movable and immovable property, plant and equipment of Domjur Unit, West Bengal.

b) Working Capital Demand Loans carries interest @7.05% to 10.00% p.a. (March 31, 2019: @5.50% to 9.65% p.a.)

c) Cash Credit are repayable on demand and carries interest @8.50% to 11.50% p.a. (March 31, 2019: @8.50% to 11.50% p.a.)

d) No loans have been guaranteed by the directors and others.

e) There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

	Current	
	March 31, 2020	March 31, 2019
23. Trade Payables		
Due to micro, small and medium-enterprises (Refer Note No. 38)	-	-
Due to Creditors other than micro, small and medium enterprises	12,452.07	13,044.74
	12,452.07	**13,044.74**

	Current	
	March 31, 2020	March 31, 2019
24. Other Financial Liabilities		
Current Maturities of Long Term Borrowings (Refer Note No. 18)	309.87	250.05
Interest Accrued but not due on borrowings	32.85	11.93
Book Overdraft in current Account	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	12.58
Security Deposits from customers	3,925.22	3,840.53
Capital Creditors	57.51	90.46
Dealers Incentive payable	1,879.16	3,666.73
Payable to employees	1,046.42	748.76
Others	391.50	300.21
	7,653.92	**8,921.25**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Current March 31, 2020	Current March 31, 2019
25. Provisions		
Provision for gratuity (Refer Note No. 40)	253.41	218.25
Provision for Litigation, Claims & Contingencies	70.55	70.55
	323.96	**288.80**

The Company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the company in due course.

25.1. Balance as at April 1, 2018	70.55
Provision utilized during the year	-
As at March 31, 2019	70.55
Provision utilized during the year	-
As at March 31, 2020	**70.55**

	Current March 31, 2020	Current March 31, 2019
26. Current Tax Liabilities (Net)		
Provisions for Taxation (Net of Payments)	-	752.52
	-	**752.52**

	March 31, 2020	March 31, 2019
27. Revenue from Operations		
Sale of Products		
Finished Goods	90,948.34	1,07,584.33
Semi-Finished Goods	627.28	542.81
	91,575.62	**1,08,127.14**
Sale of services		
Service Income	2,168.05	2,219.79
	2,168.05	**2,219.79**
Other Operating Revenues		
Sale of Power	54.58	88.50
Scrap sale	138.40	160.91
Export Incentive	169.83	210.28
Deferred Revenue on Government Grant	33.63	17.48
	396.44	477.17
	94,140.11	**1,10,824.10**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

A) Nature of goods and services

The following is a description of principal activities separated by reportable segments from which the Company generates its revenue.

a) The Company is engaged in the manufacturing of hosiery products and generates revenue from the sale of hosiery products and the same is only the reportable segment of the Company.

B) Disaggregation of revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

	March 31, 2020	March 31, 2019
i) Primary Geographical Markets		
Within India	91,250.10	1,07,599.48
Outside India	2,493.57	2,747.45
Total	**93,743.67**	**1,10,346.93**
ii) (a) Major Products		
Hosiery Products	91,575.62	1,08,127.14
Others	-	-
Total	**91,575.62**	**1,08,127.14**
ii) (b) Sale of services		
Service Income	2,168.05	2,219.79
Others	-	-
Total	**2,168.05**	**2,219.79**
iii) Timing of Revenue	-	-
At a point in time	93,743.67	1,10,346.93
Over time	-	-
Total	**93,743.67**	**1,10,346.93**
iv) Contract Duration		
Long Term	-	-
Short Term	93,743.67	1,10,346.93
Total	**93,743.67**	**1,10,346.93**

C. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	March 31, 2020	March 31, 2019
Receivables, which are included in 'Trade receivables'	23,017.38	37,022.35
Contract assets	-	-
Contract liabilities (Refer Note No- 21)	68.69	84.04
Total	**22,948.69**	**36,938.31**

D. Other Information

	March 31, 2020	March 31, 2019
Transaction price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current year that was included in the opening contract liability balance	84.04	Nil
The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

E. Reconciliation of amount of revenue recognised in the Statement of Profit & Loss with Contracted Price

Particulars	March 31, 2020	March 31, 2019
Revenue as per Contracted Price	1,03,651.28	1,21,972.82
Adjustments		
Significant Financing Component	-	-
Dealer Incentive & Discount	9,907.61	11,625.89
Revenue from Contract with Customers	**93,743.67**	**1,10,346.93**

	March 31, 2020	March 31, 2019
28. Other Income		
Interest Income		
On Bank deposits	12.80	5.71
On Receivable	98.64	75.18
On Loan to a Subsidiary Company	185.35	351.68
On Loan to Bodies Corporate	2.81	15.73
	299.60	**448.30**
Other Non-Operating Income		
Profit on disposal of Property, Plant and Equipment (Net)	47.34	-
Excess provision/Liabilities written back	317.48	30.17
Net Foreign Exchange gain	116.14	21.46
Insurance Claim Received	3.81	25.19
Miscellaneous Income*	6.58	14.06
	491.35	**90.88**
	790.95	**539.18**

* Includes Corporate Guarantee Commission from a Subsidiary ₹ 5.93 Lakhs (March 31, 2019: ₹ 2.95 Lakhs)

	March 31, 2020	March 31, 2019
29. Cost of Material Consumed		
Opening inventory	3,334.94	4,765.71
Add: Purchases	46,759.68	50,278.64
Less: Inventory at the end of the year	4,068.88	3,334.94
	46,025.74	**51,709.41**

	March 31, 2020	March 31, 2019
Details of Material Consumed		
Yarn/Than	32,756.41	36,662.54
Packing Material, Accessories and Other Material	13,269.33	15,046.87
	46,025.74	51,709.41

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
30. Changes in Inventories of Finished Goods and Work-in-progress		
Opening Stock		
Finished Goods	20,005.62	15,368.09
Work-in-Progress	11,777.84	11,118.59
	31,783.46	**26,486.68**
Closing Stock		
Finished Goods	27,718.29	20,005.62
Work-in-Progress	12,398.09	11,777.84
	40,116.38	**31,783.46**
	(8,332.92)	**(5,296.78)**

	March 31, 2020	March 31, 2019
31. Employee Benefit Expense		
Salaries, Wages and Bonus	5,297.42	4,324.71
Contribution to Provident and Other Funds	113.09	101.95
Gratuity*	81.09	60.10
Staff Welfare Expenses	28.49	24.39
	5,520.09	**4,511.15**

*For descriptive notes on disclosure of defined benefit obligation Refer Note No. 40

	March 31, 2020	March 31, 2019
32. Finance Costs		
Interest Expenses [Net of Interest rate subsidy from Technology Upgradation Fund Scheme Nil (March 31, 2019: ₹ 1.42 Lakhs)]	1,347.91	1,600.80
Interest on Lease Liabilities	76.08	-
Bank Charges	57.23	71.95
	1,481.22	**1,672.75**

	March 31, 2020	March 31, 2019
33. Depreciation & Amortisation Expense		
Depreciation on Property, Plant & Equipment	1,264.88	1,241.65
Amortisation of Intangible assets	75.28	75.75
Depreciation on Right of Use Assets	227.76	-
	1,567.92	**1,317.40**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

		March 31, 2020	March 31, 2019
34.	**Other Expenses**		
	Consumption of Stores and Spares	72.22	57.49
	Sub-contracting/Job Worker expenses	23,027.80	25,958.65
	Power and Fuel	1,370.71	1,465.73
	Freight outwards and Forwarding expenses	1,899.33	1,896.24
	Rent	89.00	334.23
	Rates and Taxes	101.07	114.82
	Insurance	185.75	107.65
	Repairs and Maintenance		
	- Plant and Machinery	251.63	214.47
	- Buidling and others	210.71	344.54
	Advertising and Sales Promotion	6,897.30	7,462.60
	Business Convention	458.20	892.07
	Brokerage	1,094.99	1,265.79
	Travelling and Conveyance	1,002.03	1,020.29
	Communication Costs	114.04	123.22
	Legal and Professional fees	252.41	267.34
	Directors' Sitting Fees & Commision	58.90	81.35
	Payment to Auditor (refer note below)	30.91	24.46
	Bad Debts/Advance Written off	37.52	1.61
	Provision for Doubtful Trade Receivables	3.03	11.81
	Investment Written off	-	10.56
	Loss on sale of Property, Plant & Equipment (net)	-	5.02
	Royalty on Sales	8.95	10.44
	Contribution for CSR Activities (Refer Note No- 46)	224.93	257.36
	Miscellaneous expenses	1,074.74	981.11
		38,466.17	**42,908.85**
	Note:		
	Payment to Auditor		
	For Audit Fees	17.00	13.00
	For Limited Review Fees	12.00	9.00
	For Others	1.50	0.50
	Out of Pocket Expenses	0.41	1.96
	Total	**30.91**	**24.46**

		March 31, 2020	March 31, 2019
35.	**Tax Expense**		
	Current Tax	2,646.73	5,155.00
	Deferred Tax	(450.42)	48.12
	Tax Expense	**2,196.31**	**5,203.12**
	Income Tax for earlier years	-	-
	Tax Expense in Statement of Profit & Loss	**2,196.31**	**5,203.12**

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

	March 31, 2020	March 31, 2019
Income before Income Taxes	10,202.84	14,540.50
Indian Statutory Income Tax Rate*	25.17%	34.94%
Estimated Income Tax Expenses	2,567.85	5,081.03

Tax effect of adjustments to reconcile expected Income Tax expense to reported Income tax expense:

	March 31, 2020	March 31, 2019
Expenses Disallowed for tax purpose	56.20	95.38
Deductions allowable under Income Tax Act	-	(49.00)
Provision for Interest for delayed payment under Income Tax Act	-	74.36
Tax Payable at different Rate	(11.51)	-
Change in Effective Tax Rate	(384.01)	-
Others *	(32.22)	1.35
	(371.54)	**122.09**
Income Tax expense in the Statement of Profit and Loss	**2,196.31**	**5,203.12**

*The Company has opted to apply concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective for financial year 2019-20 pursuant to Taxation Laws (Amendment) Act, 2019. Accordingly, the provision for Income tax and Deferred Tax balances have been recorded/re-measured using the new tax rate and the resultant impact is recognized in the Statement of Profit & Loss for the current year.

	March 31, 2020	March 31, 2019
36. Capital and Other Commitments		
Estimated amount of contracts remaining to be executed and not provided for (Net of Advances)	1,299.06	-

37. a) Contingent Liabilities

	March 31, 2020	March 31, 2019
Demands/claims by various government authorities and others not acknowledged as debts and contested by the government		
Sales Tax Matters [net of amount deposited under dispute ₹ 20.53 Lakhs (March 31, 2019 ₹ 13.77 Lakhs)]	143.33	80.30
Bank Guarantees outstanding	747.34	720.30
Guarantees Given to Bank		
- For Subsidiaries (For Loan Outstanding ₹ 4,025.96 Lakhs (March 31, 2019: ₹ 3,477.84 Lakhs)	3,550.00	3,477.84
- For Others	200.00	200.00
Letter of Credit Outstanding	847.32	-
During the year 2013-14, the Company had challenged, before the Hon'ble High Court of Calcutta, the imposition of entry tax by the State Government of West Bengal on receipt of materials from outside the state on the ground that such imposition of entry tax is ultra vires/unconstitutional. The Company has received a favourable interim order dated June 5, 2013 and the matter is presently sub judice. Accordingly, the liabiity of ₹ 820.71 Lakhs (March 31, 2019 ₹ 599.82 Lakhs) has not been provided in books of accounts.	820.71	599.82

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

Note: The amount shown above represents the best possible estimate arrived at on the basis of available information. The uncertainties are dependent on outcome of different legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decisions pending with various forums/authorities. The Company does not expect any reimbursements against above.

b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Management has assessed the applicability of the judgement and is of the view that there is no material impact of the same. Further the Company is awaiting the directions from EPFO, if any, to assess any potential impact on the Company and consequently no adjustments have been made in the books of account.

		March 31, 2020	March 31, 2019
38.	**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables***	–	–
	Principal amount remaining unpaid to any supplier at the end of accounting year	-	-
	Interest due on above	-	-
	Total	**-**	**-**
	Amount of interest paid by the Company to the suppliers in terms of Section 16 of the MSMED Act, 2006 alongwith amount paid to the suppliers beyond the respective due date	-	-
	Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	-	-
	Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act	-	-

*As per information available with the company there are no suppliers covered under Micro, Small and Medium Enterprise Development Act, 2006. As a result, no interest provision/ payment have been made by the Company to such creditors, if any.

39. Dividend

The Board of Directors at its meeting held on June 26, 2020 have recommended a payment of final dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2020 which amounts to ₹ 2,385.74 Lakhs. The same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

40. Employee Benefit (Defined Benefit Plan)

The Company has a Defined Benefit Gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of the Payment of Gratuity Act, 1972. The Company has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the plan.

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

		March 31, 2020	March 31, 2019
40(a)	**Change in Projected Benefit Obligations**		
	Obligations at beginning of the year	413.58	371.72
	Current Service Cost	64.87	48.03
	Past Service Cost	-	-
	Interest Cost	31.85	12.07
	Benefits settled	(21.12)	(16.27)
	Actuarial (gain)/loss	(7.72)	(1.97)
	Obligations at end of the year	**481.46**	**413.58**

		March 31, 2020	March 31, 2019
40(b)	**Change in Plan Assets**		
	Plan assets at beginning of the year, at fair value	195.33	206.80
	Interest income	15.63	15.92
	Remeasurement - Return on Assets	1.85	(15.92)
	Contributions	36.36	4.80
	Benefits Settled	(21.12)	(16.27)
	Plan assets at end of the year	**228.05**	**195.33**

		March 31, 2020	March 31, 2019
40(c)	**Net Defined Benefit Liability/ (Asset)**		
	Present value of defined benefit obligation at the end of the year	481.46	413.58
	Fair value of plan assets at the end of the year	228.05	195.33
	Net Liability/ (Asset) recognised in the Balance Sheet	**253.41**	**218.25**

		March 31, 2020	March 31, 2019
40(d)	**Expenses recognised in Statement of Profit and Loss**		
	Service Cost	64.87	48.03
	Interest Cost (Net)	16.22	12.07
	Total Expense recognised in Statement of Profit and Loss	**81.09**	**60.10**

		March 31, 2020	March 31, 2019
40(e)	**Re-measurement (gains)/ losses in OCI**		
	Actuarial (gain)/ loss due to financial assumption changes	38.09	63.46
	Actuarial (gain)/ loss due to experience adjustments	(45.81)	(81.35)
	Return on plan assets (greater)/ less than discount rate	(1.85)	15.92
	Total expenses routed through OCI	**(9.57)**	**(1.97)**

		March 31, 2020	March 31, 2019
40(f)	**The major categories of plan assets of the fair value of the total plan assets are as follows:**		
	Investments with insurer	100%	100%

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

40(g) The principal assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	March 31, 2020	March 31, 2019
Discount Rate	7.00%	7.70%
Salary Escalation Rate	6.00%	6.00%
Mortality Rate	IALM (2012-14) table	IALM (2006-08) table
Withdrawal Rate	1% to 20%	1% to 8%

40(h) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

	Sensitivity	March 31, 2020		March 31, 2019	
		Increase	Decrease	Increase	Decrease
Effects on Defined Benefit Obligation due to change in					
Discount Rate	1%	443.98	524.54	378.28	454.54
Further salary increase	1%	516.97	449.66	447.76	383.19
Withdrawal Rates	1%	486.17	476.06	-	-

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

40(i) The average duration of the defined benefit plan obligation at the end of the reporting period is 5.68 years (March 31, 2019: 5.83 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows:

Expected benefits payment for the year ending on	March 31, 2020
March 31, 2021	44.02
March 31, 2022	33.67
March 31, 2023	33.19
March 31, 2024	40.02
March 31, 2025	36.59
April 1, 2025 onwards	795.92

		March 31, 2020	March 31, 2019
40(j)	**Defined Contribution Plan**		
	Contribution to Provident/ pension funds (Refer Note No. 31)	113.09	101.95

41. Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient:-

i) The Company has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as Ind-AS 17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 3.5 Significant Accounting Policies for detailed measurement and recognition principles on Leases

a) On adoption of Ind AS 116 the Company has reclassified Leasehold Land having net block of ₹ 262.01 lakhs from Property Plant & Equipment to Right of Use Asset. The said land was under finance lease arrangements as per Ind-AS 17 for terms ranging from 86 to 90 years.

b) The adoption of new standard has also resulted in recognition of right of use assets of ₹ 1,032.24 lakhs and a corresponding lease liability of the same amount on the date of transition.

c) In the statement of profit and loss for the current year, rent expenses which was earlier recognised under other expenses is now recognised as Depreciation of right of use assets and Interest on lease liability under finance cost. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The operating cash flows for the year ended March 31, 2020 has increased by ₹ 257.46 lakhs and the financing cash flows have decreased by ₹ 257.46 lakhs as payment of lease liabilities.

d) The weighted average incremental borrowing rate of 8% has been applied to lease liabilities recognised in the balance sheet.

e) Maturity analysis of lease liabilities

As per the requirement of Ind As-107 maturity analysis of lease liability have been shown under maturity analysis of financial liabilities under Liquidity risk (Refer Note 59.3(b)(i)].

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

f) Rental expenses for short-term leases, low value leases or leases which are cancellable in nature amounts to ₹89 lakhs for the year ended March 31, 2020. (Refer Note 34)

g) Changes in carrying value of Right of use Assets and Lease Liabilities is given below:

(i) Carrying value of Right-of-Use Assets

	Leasehold Land	Buildings	Total
Balance as at April 1, 2019	-	-	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	262.01	1,032.24	1,294.25
Addition during the year	-	-	-
Depreciation for the year	3.21	224.54	227.75
Balance as at March 31, 2020	**258.80**	**807.70**	**1,066.50**

(ii) Movement in Lease Liabilities

	Amount
Balance as at April 1, 2019	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	1,032.24
Addition during the year	-
Finance Cost accrued during the year	76.08
Payment of Lease Liabilities for the year	257.46
Balance as at March 31, 2020	**850.86**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

42. Related Party Disclosure

Names of related parties and related party relationship

Related parties where control exists		
Related Parties which exercises Significant influence over the Company (Forming Part of Promotor Group)	Ullas Sales Promotion LLP (Previously known as Ullas Sales Promotion Ltd)(w.e.f. August 21, 2019)	
Subsidiary Companies	Euro Fashion Inners International Pvt. Ltd.	
	Imoogi Fashions Pvt. Ltd.	
	Oban Fashions Pvt Ltd	
	Rupa Fashions Private Limited (w.e.f. December 11, 2019)	
	Rupa Bangladesh Private Limited (w.e.f. September 1, 2019)	
Related parties with whom transactions have taken place during the year		
Key Management Personnel	Mr. Prahlad Rai Agarwala	Chairman
	Mr. Ghanshyam Prasad Agarwala	Vice Chairman
	Mr. Kunj Bihari Agarwal	Managing Director
	Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer
	Mr. Mukesh Agarwal	Whole-time Director
	Mr. Niraj Kabra	Executive Director
	Mr. Dinesh Kumar Lodha	Chief Executive officer (w.e.f. February 25, 2019)
	Mr. Ashok Bhandari	Independent Director (w.e.f. August 10, 2018)
	Mr. Kundan Kumar Jha	Company Secretary
	Mr. Satya Brata Ganguly	Independent Director (Up to July 3, 2018)
	Mr. Dipak Kumar Banerjee	Independent Director
	Mr. Dharam Chand Jain	Independent Director
	Mr. Vinod Kumar Kothari	Independent Director
	Mr. Sushil Patwari	Independent Director
	Mrs. Alka Devi Bangur	Independent Director
Relatives of Key Management Personnel	Mr. Suresh Agarwal	Son of Mr. Prahlad Rai Agarwala
	Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Vikash Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Siddhant Agarwal	Grand-Son of Mr. Prahlad Rai Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. Prahlad Rai Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlad Rai Agarwala
	Mrs. Pushpa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Shalini Agarwal	Wife of Mr. Vikash Agarwal
	Mrs. Sudha Agarwal	Wife of Mr. Suresh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

Enterprises owned or significantly influenced by key management personnel or their relatives	Salasar Projects and Estates Pvt. Ltd.
	Sidhant Flats & Apartments Pvt. Ltd.
	Salasar Infrastructure Ltd.
	Sobhasaria Properties Pvt. Ltd
	Lambodar Hosiery Pvt. Ltd.
	Arrow-Link Stitchers Pvt. Ltd (w.e.f. April 22, 2019)
	Rupa Spinners Ltd.
	Salasar Developers & Garments Pvt. Ltd.
	Bajrangbali Projects Ltd.
	Bajrangbali Hosiery Pvt. Ltd.
	Sidhant Textiles Pvt. Ltd.
	Ganesh Enclave Ltd.
	Gajkarna Projects Private Limited
	Ravi Global Pvt. Ltd.
	Kadambari Impex & Agency Pvt. Ltd.
	Prahlad Rai Suresh Kumar - HUF
	Suresh Kumar Agarwal - HUF
	Mukesh Kumar Agarwal - HUF
	Ghanshyam Prasad Manish Kumar - HUF
	K B & Sons - HUF
	Ravi Agarwal - HUF
	Binod Hosiery
	Rajnish Enterprises Ltd. [Merged with Ullas Sales Promotion Pvt. Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]
	Purvanchal Leasing Ltd. [Merged with Ullas Sales Promotion Pvt. Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]
	Siddhant Credit Capital Ltd.
	Yashoda Hosiery Pvt. Ltd. (w.e.f. April 22, 2019)
	Rupa Dyeing & Printing Pvt. Ltd.
	Rupa Foundation
	Tushar Knitting LLP
Private companies in which directors or relatives are director or members	Salasar Processors Pvt. Ltd.
	Bajarangbali Textiles Pvt. Ltd.
	Metro Towers Office Owners Association

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

Related party transactions

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Rent	Mr. Prahlad Rai Agarwala	Key Management Personnel	3.38	3.38
	Mr. Ghanshyam Prasad Agarwala		1.37	1.37
	Mr. Kunj Bihari Agarwal		0.58	0.58
	Mr. Mukesh Agarwal		1.30	1.30
	Mrs. Pushpa Devi Agarwal	Relative of Key Management Personnel	0.22	0.22
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	1.30	1.30
	Rupa Spinners Ltd.		1.30	1.30
	Salasar Developers & Garments Pvt Ltd.		1.30	1.30
	Bajrangbali Projects Ltd.		1.30	1.30
	Sidhant Textiles Pvt Ltd.		1.37	1.37
	Bajrangbali Hosiery Pvt. Ltd.		1.74	1.74
	Ganesh Enclave Ltd.		1.30	1.30
	Ravi Global Pvt Ltd.		1.37	1.37
	Kadambari Impex & Agency Pvt Ltd.		1.37	1.37
	Sobhasaria Properties Pvt Ltd		1.73	30.53
	Others		1.15	1.15
Payment of Lease Liabilities	Sobhasaria Properties Pvt Ltd		28.80	-
Salary and Perquisites	Mr. Prahlad Rai Agarwala#	Key Management Personnel	208.00	196.00
	Mr. Ghanshyam Prasad Agarwala		102.00	90.00
	Mr. Kunj Bihari Agarwal		102.00	90.00
	Mr. Ramesh Agarwal		102.00	87.00
	Mr. Mukesh Agarwal		102.00	87.00
	Mr. Dinesh Kumar Lodha		255.75	21.34
	Mr. Niraj Kabra		18.43	16.45
	Mr. Kundan Kumar Jha		23.08	20.14
	Mr. Manish Agarwal	Relatives of Key Management Personnel	72.00	60.00
	Mr. Ravi Agarwal		72.00	60.00
	Mr. Vikash Agarwal		72.00	60.00
	Mr. Rajnish Agarwal		72.00	60.00
	Mr. Suresh Agarwal		48.00	36.00
	Mr. Siddhant Agarwal		42.00	36.00
	Mrs. Rekha Patodia		17.34	15.70
Sitting Fees and Commission	Mr. Satya Brata Ganguly	Independent Director	-	6.40
	Mr. Dipak Kumar Banerjee		12.85	17.50
	Mr. Dharam Chand Jain		7.50	10.50
	Mr. Vinod Kumar Kothari		12.60	14.45
	Mr. Sushil Patwari		10.05	13.30
	Mr. Ashok Bhandari		10.20	9.60
	Mrs. Alka Devi Bangur		5.70	9.60

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Sales of Goods	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	52.83	184.22
	Oban Fashions Pvt. Ltd.		165.34	59.28
Sale of Services	Imoogi Fashions Pvt. Ltd.		62.15	49.08
Corporate Guarantee Commission	Oban Fashions Pvt. Ltd.		5.93	2.95
Interest Income	Oban Fashions Pvt Ltd		185.35	351.68
Royalty	Euro Fashion Inners International Pvt. Ltd.		8.95	10.44
Purchases	Oban Fashions Pvt Ltd		19.80	-
	Imoogi Fashions Pvt. Ltd.		31.15	12.69
Rental Income	Bajarangbali Textiles Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	6.00	6.00
	Tushar Kntting LLP		3.60	4.20
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd		840.14	735.27
	Tushar Knitting LLP		46.33	48.72
	Arrow Link Stitchers Pvt. Ltd.		5,669.79	-
	Salasar Processors Pvt. Ltd.		775.93	630.97
	Yashoda Hosiery Pvt. Ltd.		211.67	-
	Lambodar Hosiery Pvt Ltd.		128.60	130.05
	Bajarangbali Textiles Pvt. Ltd.		20.17	39.51
Advertisement Expense	Gajkarna Projects Private Limited		3.94	-
CSR Expenditure	Rupa Foundation		46.68	83.00
Miscellaneous Expenses	Metro Towers Office Owners Association	Private companies in which directors or relatives are director or members	49.60	47.96
Investment in Equity Shares	Rupa Bangladesh Private Limited	Subsidiary Company	13.37	-
	Rupa Fashions Private Limited		5.00	-
Investment in Preference Shares	Oban Fashions Pvt Ltd		4,950.00	-
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	86.74	86.74
	Mr. Ghanshyam Prasad Agarwala		39.58	39.58
	Mr. Kunj Bihari Agarwal		38.39	38.39
	Mr. Mukesh Agarwal		21.89	21.89
	Mr. Ramesh Agarwal		31.78	31.78
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	52.66	52.66
	Mr. Ravi Agarwal		52.28	52.28
	Mr. Rajnish Agarwal		37.30	37.30
	Mr. Manish Agarwal		36.98	36.98
	Mr. Suresh Agarwal		32.00	32.00
	Others		76.96	76.96

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	474.70	474.70
	Purvanchal Leasing Ltd.		174.23	174.23
	Binod Hosiery		502.91	502.91
	Siddhant Credit Capital Ltd.		50.76	50.76
	Others		39.31	39.31

[#] includes Commission of ₹ 100.00 lakhs (March 31, 2019: ₹ 100.00 lakhs)

As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to Key Managerial Personnel and relatives of Key Managerial Personnel are not included above.

Balance at end of the year

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
Trade Payables and Other Liabilities (Payable to Employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	281.35	103.73
	Mr. Ghanshyam Prasad Agarwala		92.27	27.35
	Mr. Kunj Bihari Agarwal		26.47	14.67
	Mr. Ramesh Agarwal		88.51	34.84
	Mr. Mukesh Agarwal		152.63	77.25
	Mr. Dinesh Kumar Lodha		19.34	17.10
	Mr. Niraj Kabra		1.64	1.22
	Mr. Kundan Kumar Jha		1.58	0.37
	Mr. Manish Agarwal	Relatives of Key Management Personnel	60.96	18.90
	Mr. Rajnish Agarwal		61.04	28.19
	Mr. Ravi Agarwal		21.79	24.33
	Mr. Vikash Agarwal		30.47	20.75
	Mr. Suresh Agarwal		42.84	14.31
	Mr. Siddhant Agarwal		50.48	30.13
	Mrs. Rekha Patodia		1.90	2.03
	Mrs. Pushpa Devi Agarwal		0.61	0.22
	Mr. Dipak Kumar Banerjee	Independent Director	5.00	5.00
	Mr. Dharam Chand Jain		3.00	3.00
	Mr. Vinod Kumar Kothari		5.00	5.00
	Mr. Sushil Patwari		5.00	5.00
	Mr. Ashok Bhandari		5.00	5.00
	Mrs. Alka Devi Bangur		3.00	3.00
Trade Receivables	Imoogi Fashions Pvt. Ltd.	Subsidiary Company	102.89	179.16
	Oban Fashions Pvt Ltd		191.62	31.79
Trade Payables	Euro Fashion Inners International Pvt. Ltd.		148.79	8.09

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	126.80	67.24
	Salasar Infrastructure Ltd.		0.54	-
	Salasar Projects and Estates Pvt. Ltd.		0.21	-
	Sidhant Flats & Apartments Pvt Ltd.		0.21	-
	Sidhant Textiles Pvt Ltd.		0.57	-
	Ganesh Enclave Ltd.		0.54	-
	Ravi Global Pvt Ltd.		0.57	-
	Rupa Spinners Ltd.		0.54	-
	Bajrangbali Projects Ltd.		0.54	-
	Kadambari Impex & Agency Pvt Ltd.		0.57	-
	Lambodar Hosiery Pvt Ltd.		14.81	14.51
	M/s Binod Hosiery		0.41	0.26
	Arrow Link Stitchers Pvt. Ltd.		97.03	-
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members	-	23.88
	Bajarangbali Textiles Pvt. Ltd.		11.95	37.12
	Tushar Knitting LLP		5.73	23.02
	Yashoda Hosiery Pvt. Ltd.		4.90	-
	Metro Towers Office Owners Association		6.72	1.99
Advance against supply of goods & services	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members	23.11	-
	Sobhasaria Properties Pvt. Ltd.		-	2.83
Corporate Guarantee Commission Receivable	Oban Fashions Pvt Ltd	Subsidiary Company	5.93	2.95
Financial Assets - Loan granted & Other Financial Asset	Oban Fashions Pvt Ltd		110.24	4,550.12
Financial Assets - Security Deposit	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	26.00	26.00
	Sidhant Flats & Apartments Pvt Ltd.		26.40	26.40
	Bajrangbali Projects Ltd.		3.00	3.00
	Ganesh Enclave Ltd.		3.00	3.00
	Rupa Spinners Ltd.		3.00	3.00
	Salasar Infrastructure Ltd.		3.00	3.00
	Salasar Developers & Garments Pvt Ltd.		3.00	3.00
Lease Liability Payable*	Sobhasaria Properties Pvt Ltd		2.21	-
Guarantees Given	Oban Fashions Pvt Ltd	Subsidiary Company	3,550.00	3,477.84

Note:

The remuneration to the Key Management Personnel and relatives of the Key Management Personnel does not include provision made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

*Amount due as on March 31, 2020

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
43. Earning per share		
Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	8,006.53	9,337.38
Weighted average number of Equity Shares (in number) (b)	7,95,24,560	7,95,24,560
Basic & Diluted Earnings Per Share (a/b) (Nominal Value - ₹ 1/- per share)	10.07	11.74

44. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Company and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Description of Segment

The Company is principally engaged in a single business segment viz., Hosiery Products.

B. Geographical Information

	March 31, 2020	March 31, 2019
i) Segment Revenue from External Customer (Sale of Goods)		
Within India	91,250.10	1,07,599.48
Outside India- Export Sales	2,493.57	2,747.45
Total	**93,743.67**	**1,10,346.93**

	March 31, 2020	March 31, 2019
ii) Carrying value of Non-Current Assets (other than financial instruments)		
Within India*	20,039.23	18,142.03
Outside India	-	-
Total	**20,039.23**	**18,142.03**

*Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Righ of Use, Non-Current Tax Assets and Other Non-Current Assets.

45. Information pursuant to Regulation 34(3) of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. Loan & Advances (in nature of loan both Current & Non Current) to subsidiary company are as under:

	Balance as on March 31, 2020	Balance as on March 31, 2019	Maximum Balance outstanding during FY 2019-2020	Maximum Balance outstanding during FY 2018-2019
Oban Fashions Private Limited	110.24	4,547.17	5,026.04	4,547.17

46. Disclosures of Corporate Social Responsibility expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities".

	March 31, 2020	March 31, 2019
Amount of CSR expenditure to be incurred during the year	287.73	254.96
CSR Expenditure incurred during the year	224.93	257.36
Related party transaction as per Ind AS 24 in relation to CSR expenditure	46.68	83.00

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

47. Capital Management

The Company's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (total borrowings less cash & cash equivalents) to equity ratio is used to monitor capital.

	March 31, 2020	March 31, 2019
Debt Equity Ratio	0.23:1	0.30:1

48. Disclosure on Financial Instrument

This section gives an overview of the significance of financial instruments for the Company and provides additional information on Balance Sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note No. 3.12 to the financial statements.

(a) Fair Value of Financial Asset & Liabilities

The Company has measured its Financial Asset and Financial Liabilities at Amortised Cost. Hence no separate disclosure has been given for fair value hierarchy.

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

The carrying value of trade receivables, trade payables, cash and cash equivalents, loans, borrowings and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities.

(b) Financial Risk Management

The Company has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The Risk Management Policy is approved by the Directors. The different types of risk impacting the fair value of financial instruments are as below:

(a) Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels

(i) Trade Receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note No. 13.

Reconciliation of Loss Allowance provision:-

Loss Allowance in March 31, 2019	35.51
Change in loss Allowance	3.03
Loss Allowance in March 31, 2020	**38.54**

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

(b) Liquidity Risk

The Company determines its liquidity requirement in the short term and long term. The Company manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis.

(i) Maturity Analysis for Financial Liabilities

The following are the remaining contractual maturities of financial liabilities as at March 31, 2020

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-derivative				
Trade payables	-	12,452.07	-	-
Borrowings	2,251.44	10,541.25	762.51	327.40
Other Financial Liabilities				
Interest Accrued but not due on borrowings	-	32.85	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	-	-	-
Security Deposits from customers	3,925.22	-	-	-
Capital Creditors	-	57.51	-	-
Dealers Incentive payable	-	1,879.16	-	-
Payable to employees	-	1,046.42	-	-
Lease Liability	-	164.47	160.99	525.40
Others	-	391.50	-	-
Total	**6,188.05**	**26,565.23**	**923.50**	**852.80**

The following are the remaining contractual maturities of financial liabilities as at March 31, 2019

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-derivative				
Trade payables	-	13,044.74	-	-
Borrowings	4,804.24	11,950.06	750.14	62.51
Other Financial Liabilities				
Interest Accrued but not due on borrowings	-	11.93	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	12.58	-	-	-
Security Deposits from customers	3,840.53	-	-	-
Capital Creditors	-	90.46	-	-
Dealers Incentive payable	-	3,666.73	-	-
Payable to employees	-	748.76	-	-
Others	-	300.21	-	-
Total	**8,657.35**	**29,812.89**	**750.14**	**62.51**

Notes to the Standalone Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

(i) Interest Rate Risk: Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/ refinancing options where considered necessary.

The Company is also exposed to interest rate risk on surplus funds parked in fixed deposits. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

a) Exposure to Interest Rate Risk

	March 31, 2020	March 31, 2019
Fixed Rate Instruments		
Financial Assets	353.00	4,513.25
Financial Liabilities	4,776.08	4,640.53
Variable Rate Instruments		
Financial Liabilities	13,915.45	16,766.94

(b) Interest rate Sensitivity: A change in 50 basis points in the interest rate would have following impact on profit before tax and other equity.

	Sensitivity Analysis	March 31, 2020 Impact on		March 31, 2019 Impact on	
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest rate increase by	0.50%	(69.58)	(52.07)	(83.83)	(54.54)
Interest rate decrease by	0.50%	69.58	52.07	83.83	54.54

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

(i) Unhedged Foreign Currency Exposure

The Company's exposure to foreign currency in USD at the end of the reporting period expressed in INR in Lakhs is as follows :

	March 31, 2020	March 31, 2019
Financial Assets		
Trade Receivables	787.93	672.70
EEFC Bank Account	48.62	240.41

Notes to the Standalone Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

i) The Company's exposure to unhedged foreign currency being not significant, sensitivity analysis has not been done for the same.

(d) Other Risk

The spread of Covid-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-downs and other emergency measures. As a result the volumes for the month of March 2020 has been impacted. The Company has since resumed operations in a phased manner taking into account directives from the Government. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables and other assets. Having regard to the above and the company's liquidity position, there is no material uncertainty in meeting it's liabilities in the foreseeable future. However, the eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

49. Movement of Deferred Revenue (Refer Note No. 21)

	March 31, 2020	March 31, 2019
Opening Balance (including Current portion)	**100.62**	**118.10**
Government Grant received during the year	166.35	-
Less:		
Deferred Revenue on Government Grant recognised in Profit and Loss Statement	33.63	17.48
Current portion of Deferred Revenue Grant carried forward as at year end	30.67	17.48
Non-Current portion of Deferred Revenue Grant carried forward as at year end	202.67	83.14

50. The Company has investments in equity and preference shares aggregating to ₹ 5,941.00 lakhs as at March 31, 2020 in it's Wholly owned Subsidiary, Oban Fashions Private Limited (OFPL). Further, the Company also has net recoverable amounts aggregating to ₹ 307.79 lakhs from OFPL as at March 31, 2020 and also provided Corporate Guarantee aggregating to ₹ 3,550 lakhs. OFPL has incurred a net loss of ₹ 1,847.85 lakhs for the year ended March 31, 2020 and its current liabilities exceeded its current assets as at that date. Management has performed an impairment assessment of its investment in OFPL as required by Indian Accounting Standard 36 "Impairment of Assets" / Indian Accounting Standard 109 ''Financial Instruments", by considering *interalia* the value in use (considering discounted cash flows) which have been determined by external valuation experts based on management's financial projections. The determination of the value in use/ fair value involves significant management judgement and estimates on the various assumptions including relating to growth rates, discount rates, terminal value, etc. Further, management believes that the above assessment based on value in use appropriately reflects the recoverable amount. Based on management's assessment and the independent valuation reports, no impairment is considered necessary on this investment and recoverable amounts.

51. Previous year figures have been reclassified/ regrouped wherever considered necessary.

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Independent Auditor's Report

To the Members of
Rupa & Company Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Rupa & Company Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Consolidated Balance sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss, (including the Statement of Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at March 31, 2020, its Consolidated profit including Other Comprehensive Income, its Consolidated Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

Attention is drawn to the following:

a. Note 22 of the Consolidated Financial Statements regarding carry forward of Deferred Tax Asset on business loss and unabsorbed depreciation amounting to ₹ 1,155.12 lakhs as at March 31, 2020 in one of the subsidiary company based on future profitability projections by the management.

b. Note 48(d) to the Consolidated Financial Statements which explain the management's assessment of the financial & operational impact due to the lock-down and conditions related to the Covid – 19 and its consequential impact on the carrying values of assets of the Group as at March 31, 2020.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
1. **Valuation & existence of inventories** (Refer to Note No. 12 to the Consolidated Financial Statements) The Group holds inventories amounting to ₹ 46,731.12 lakhs as at the Balance Sheet date, which represent 47.00% of total assets. As described in the accounting policies in Note 4.1 to the financial statements, inventories are carried at the lower of cost and net realisable value. Inventories valuation and existence is a significant audit risk as inventories may be held for long periods of time before being sold making it vulnerable to obsolescence. As a result, the management applies judgment in determining the appropriate provisions for obsolete stock based upon a detailed analysis of old inventory, net realisable value below cost based upon future plans for sale of inventory. We have determined this to be a matter of significance to our audit due to the quantum of the amount involved.	Our procedures included the following: ▪ Obtained a detailed understanding and evaluated the design and implementation of controls that the Company has established in relation to inventory valuation and existence. ▪ Reviewing the document and other record related to physical verification of inventories done by the management of Companies in the Group during the year and subsequent to year end. ▪ Verifying the effectiveness of key inventory controls operating over inventories; including performing alternate procedures to audit the existence of inventory as per the guidance provided in SA 501 "Audit Evidence - Specific Considerations for Selected Items" to obtain sufficient appropriate audit evidence. We have also verified on sample basis confirmation from third parties for inventory lying with them as at year end. ▪ Obtained assurance over the management's assumptions applied in calculating the gross profit margin and discounts to be deducted from sales price to arrive at cost of products. ▪ Comparing the net realisable value to the cost price of inventories to check for completeness of the associated provision. ▪ Recomputing provisions recorded to verify that they are in line with the policy of the companies in the group.
2. Revenue recognition including estimation of rebates & discounts (Refer Note No. 27 to the Consolidated Financial Statements) As described in Accounting Policy for Revenue recognition vide Note 4.6 of the Consolidated Financial Statements, the revenue is recognised upon transfer of control of goods to the customer and thus requires an estimation of the revenue taking into consideration the rebates, discounts and incentives as per the terms of the contracts. The companies in the group sells its products through various channels like dealers, modern trade, distributors, retailers, etc., and recognize liabilities related to rebates, discounts and incentives. With regard to the determination of revenue, the management is required to make significant estimates in respect of the rebates/ discounts linked to sales, which will be given to the customers pursuant to schemes offered by the Group and compensation (discounts) offered by the customers to the ultimate consumers at the behest of the Group. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	Our procedures included the following: • Obtained a detailed understanding and evaluated the design and implementation of controls that the companies in the group has established in relation to revenue recognition and recording of rebates, discounts, etc. and period end provisions relating to estimation of revenue, and tested the operating effectiveness of such controls; • Tested the inputs used in the estimation of revenue in context of rebates, discounts, etc. to source data; • Assessed the underlying assumptions used for determination of rebates, discounts etc; • Ensured the completeness of liabilities recognised by evaluating the parameters for sample schemes; • Performed look-back analysis for past trends by comparing recent actuals with the estimates of earlier periods and assessed subsequent events; • Tested credit notes issued to customers and payments made to them during the year and subsequent to the year- end along with the terms of the related schemes.

Independent Auditor's Report

Description of Key Audit Matter	How we addressed the matter in our audit
3. Recoverability of Trade Receivables (Refer Note No. 13 to the Consolidated Financial Statements) The Group has trade receivables amounting to ₹ 25,129.44 lakhs as at the Balance Sheet date, which represent 25.27 % of total assets. Due to the inherent subjectivity that is involved in making judgments in relation to credit risk exposures to determine the recoverability of trade receivables and significant estimates and judgements made by the management for provision for loss allowance under Expected credit Loss model. The matter has been determined to be a key audit matter in view of the involvement of significant estimates by the management.	Our procedures included the following: • We evaluated and tested the controls relating to credit control and approval process and assessing the recoverability of overdue receivables by comparing management's views of recoverability of overdue receivables to historical patterns of receipts. • We also checked on sample basis balance confirmations from customers to test whether trade receivables as per books are acknowledged by them. • We also reviewed receipts subsequent to the financial year end for its effect in reducing overdue receivables as the financial year end. • We also reviewed at the adequacy of the management judgements and estimates on the sufficiency of provision for doubtful debts through detailed analyses of ageing of receivables and assessing the adequacy of the disclosures in respect of credit risk.

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

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group is responsible for assessing the Group Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of the Directors of companies included in the Group are also responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are

Independent Auditor's Report

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

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

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

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

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

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

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

Other Matters

We did not audit the financial statements/ financial information of three subsidiaries whose financial statements/ financial information reflect total assets of ₹ 1036.15 Lakhs and net assets ₹ 740.25 Lakhs as at March 31, 2020, total revenues of ₹ 416.96 Lakhs, total net profit after tax of ₹ 33.05 Lakhs, total comprehensive income of ₹ 33.15 Lakhs for the year ended on that date respectively and net cash outflow of ₹ 126.38 Lakhs for the year ended March 31, 2020 as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

We did not audit the Financial Statements/ financial information of one foreign subsidiary, whose Financial Statements/

Independent Auditor's Report

financial information reflect total assets of ₹ 12.86 Lakhs and net assets ₹ 12.65 Lakhs as at March 31, 2020, total revenue of ₹ Nil, total net loss after tax of ₹ 1.39 Lakhs and total comprehensive loss of ₹ 0.72 Lakhs for the year ended on that date respectively and net cash inflow of ₹ 7.60 Lakhs for the year ended March 31, 2020 as considered in the Consolidated Financial Statements. This financial statements/ financial information are audited as per the local law of the respective country and have been converted by the management of the Holding Company into Ind-AS compliant financial statements. Our opinion on the statement in so far as relates to the amounts included in respect of these subsidiaries are based solely on audited accounts as per the respective local laws which has been converted into Ind AS by the Holding Company's management and duly certified by them.

Our opinion above on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements of the subsidiaries referred to in the other matter paragraph above, we report, to the extent applicable 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 relating to the preparation of aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the Consolidated Ind AS Financial Statements;
   (d) In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of statutory auditors of its subsidiaries, none of the directors of Group Companies are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.;
   (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
   (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/ provided by the Group to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act; and
   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
      I. The Group has disclosed the impact of pending litigations on its financial position in its Financial Statements – Note 11 & 38 to the Consolidated Financial Statements;
      II. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and it's subsidiaries.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAABH7412

Place: Kolkata
Date: June 26, 2020

Annexure 'A' to the Independent Auditor's Report

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Rupa & Company Limited of even date)

Report on the Internal Financial Controls with reference to financial statement under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of Consolidated Ind AS Financial Statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to Financial Statements of the Holding Company. Based on comments made by the independent auditors of the subsidiary companies incorporated in India (covered entities) with respect to the internal financial controls with reference to Financial Statements as required in terms of Sub-section (3)(i) of Section 143 of the Act, we report as under:

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statement

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

Annexure 'A' to the Independent Auditor's Report

timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls with reference to financial statement

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

Opinion

In our opinion, the Holding Company and its subsidiaries have in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to 3 subsidiaries incorporated in India, is based on the corresponding reports of the auditors of such companies.

For **Singhi & Co.,**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
(Ankit Dhelia)
Partner
Membership No. 069178
UDIN: 20069178AAAABH7412

Place: Kolkata
Date: June 26, 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lakhs)

	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5 (a)	16,616.83	17,252.33
(b) Right of Use Assets	5 (b)	1,190.73	-
(c) Capital Work-in-progress		636.77	300.46
(d) Intangibles Assets	6	723.39	901.27
(e) Intangible Assets under Development	6(a)	2.74	2.74
(f) Financial Assets			
(i) Investments	7	0.18	0.18
(ii) Loans	8	198.81	132.85
(iii) Other Financial Assets	9	18.95	18.70
(g) Deferred Tax Assets (Net)	22	194.18	-
(h) Non-Current Tax Assets (Net)	10	1,017.61	-
(i) Other Non Current Assets	11	1,054.55	933.69
		21,654.74	**19,542.22**
Current Assets			
(a) Inventories	12	46,731.12	38,229.25
(b) Financial Assets			
(i) Trade Receivable	13	25,129.44	39,653.61
(ii) Cash and Cash Equivalents	14	128.31	720.09
(iii) Other Bank Balances (other than Note 13 above)	15	42.20	39.33
(iv) Loans	8	344.31	146.62
(v) Other Financial Assets	9	2.53	1.55
(c) Other current assets	11	5,400.07	3,310.95
		77,777.98	**82,101.40**
TOTAL ASSETS		**99,432.72**	**1,01,643.62**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	796.29	796.29
(b) Other Equity	17	56,999.17	53,670.97
		57,795.46	**54,467.26**
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,089.91	812.65
(ii) Lease Liabilities	19	686.39	-
(b) Provisions	21	67.99	57.53
(c) Deferred Tax Liabilities (Net)	22	-	253.19
(d) Other Non-Current Liabilities	23	202.67	83.13
		2,046.96	**1,206.50**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	16,508.78	19,982.09
(ii) Lease Liabilities	19	296.06	-
(iii) Trade payables	25		
- Total outstanding dues of creditors to micro enterprises and small enterprises		25.69	27.41
- Total outstanding dues of creditor to other than micro enterprises and small enterprises		13,772.03	14,864.10
(iv) Other Financial Liabilities	20	8,085.14	9,390.96
(b) Provisions	21	329.18	293.24
(c) Current Tax Liabilities (Net)	26	2.13	751.78
(d) Other Current Liabilities	23	571.29	660.28
		39,590.30	**45,969.86**
TOTAL EQUITY & LIABILITIES		**99,432.72**	**1,01,643.62**
Basis of Accounting	**2**		
Basis of Consolidation	**3**		
Significant Accounting Policies	**4**		
Significant Judgements and Key Estimates	**4.20**		

The notes are the integral part of the Consolidated Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178

Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakhs)

		Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from Operations	27	97,464.28	1,14,864.78
II	Other Income	28	737.09	197.70
III	**Total Income (I+II)**		**98,201.37**	**1,15,062.48**
IV	**Expenses**			
	Cost of Materials Consumed	29	46,218.21	51,889.49
	Purchase of Traded Goods	30	1,522.70	4,242.02
	Changes in Inventories of Finished Goods, Work in Progress	31	(7,743.89)	(6,559.43)
	Employee Benefits Expense	32	6,567.57	5,665.89
	Finance Costs	33	1,862.10	1,855.25
	Depreciation and Amortisation Expense	34	1,851.45	1,501.17
	Other Expenses	35	39,524.98	44,520.29
	Total Expenses (IV)		**89,803.12**	**1,03,114.68**
V	**Profit before Exceptional Items & Tax (III–IV)**		**8,398.25**	**11,947.80**
VI	**Exceptional Items**		-	-
VII	**Profit/(Loss) Before Tax (V–VI)**		**8,398.25**	**11,947.80**
VIII	Tax Expense			
	a) Current Tax (Including Earlier year Tax)	36	2,657.72	5,169.68
	b) Deferred Tax		(449.81)	(639.66)
IX	**Profit for the year (VII– VIII)**		**6,190.34**	**7,417.78**
X	**Other Comprehensive Income**			
	A. (i) Items that will not be reclassified to profit or loss			
	– Remeasurements of defined benefit plans		15.76	6.04
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(2.44)	(1.75)
	B. (i) Items that will be reclassified to profit or loss Exchange difference in respect of Non Integral Foreign Operation		0.67	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XI	**Other Comprehensive Income for the year [(A(i–ii) +B (i–ii)]**		**13.99**	**4.29**
XII	**Total Comprehensive Income for the year (IX+XI)**		**6,204.33**	**7,422.07**
XIII	**Earnings per Equity Share**			
	Basic Earnings per Share (₹)	44	7.78	9.33
	Diluted Earnings per Share (₹)		7.78	9.33

Basis of Accounting	**2**
Basis of Consolidation	**3**
Significant Accounting policies	**4**
Significant Judgements and Key Estimates	**4.20**

The notes are the integral part of the Consolidated Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E
Sd/-
Ankit Dhelia
Partner
Membership No. 069178
Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Consolidated Cash Flow Statement
for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020		2018-2019	
A. CASH FLOW ARISING FROM OPERATING ACTIVITIES				
Profit before Tax		**8,398.25**		**11,947.80**
Adjustment to reconcile Profit Before Tax to Net Cash Flows				
(a) Depreciation and Amortisation	1,851.45		1,501.17	
(b) Finance Cost	1,862.10		1,855.25	
(c) (Profit)/ loss on disposal of Plant, Property & Equipment (Net)	(47.34)		5.02	
(d) Bad debts/ Advances & Claims written off	37.52		2.42	
(e) Unspent Liabilities written back	(442.53)		(30.17)	
(f) Provision for Doubtful Trade Receivables/ (written back)	75.70		14.47	
(g) Deferred Revenue on Government Grant	(33.63)		(17.48)	
(h) Investment written off	-		10.57	
(i) Interest income	(120.26)	3,183.01	(104.20)	3,237.05
Operating Profit before Working Capital Changes		**11,581.26**		**15,184.85**
Changes in Working Capital				
(a) (Increase)/ decrease in Inventories	(8,501.87)		(5,048.64)	
(b) (Increase)/ decrease in Trade Receivables	14,410.95		(4,534.18)	
(c) (Increase)/ decrease in Other Financial Assets	(63.66)		(59.69)	
(d) (Increase)/ decrease in Non-Financial Assets	(2,089.11)		(1,415.53)	
(e) Increase/ (decrease) in Trade Payables	(898.29)		(1,587.12)	
(f) Increase/ (decrease) in other Financial Liabilities	(1,103.96)		681.07	
(g) Increase/ (decrease) in Provisions	62.84		(79.03)	
(h) Increase/ (decrease) in Non-Financial Liabilities	64.16	**1,881.06**	198.41	**(11,844.71)**
Cash Generated from Operations		**13,462.32**		**3,340.14**
Less: (a) Direct Taxes paid		(4,424.97)		(6,055.34)
Net Cash from Operating Activities		**9,037.35**		**(2,715.20)**
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES				
(a) Purchase of Plant, Property & Equipment (including Capital Advances & CWIP)		(1,813.04)		(2,448.16)
(b) Disposal of Plant, Property & Equipment		379.30		25.65
(c) Redemption/ (Investment) of Fixed Deposits (Net)		(4.06)		136.55
(d) Loan Received/ (Given)		(200.00)		200.00
(e) Interest received		119.03		105.97
Net Cash used in Investing Activities		**(1,518.77)**		**(1,979.99)**

Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	2019-2020	2018-2019
C. CASH FLOW ARISING FROM FINANCING ACTIVITIES		
(a) Repayment of Non-Current Borrowings	(250.15)	(140.15)
(b) Proceeds from Non-Current Borrowings	587.23	1,125.21
(c) Proceeds/ (Repayment) of Current Borrowings (Net)	(3,473.31)	8,503.25
(d) Payment of Lease Liabilities	(342.24)	-
(e) Dividend and Tax paid thereon	(2,876.13)	(2,876.13)
(f) Interest Paid (including interest on Lease Liabilities)	(1,755.76)	(1,848.77)
Net Cash used in Financing Activities	**(8,110.36)**	**4,763.41**
Net increase/ (decrease) in Cash & Cash Equivalent (A+B+C)	**(591.78)**	**68.22**
Cash & Cash Equivalents at the beginning of the period	720.09	651.87
Cash & Cash Equivalents at the end of the period	**128.31**	**720.09**

Note:

(1) The above statement of cash flows has been prepared under the "Indirect Method" as set out in IND AS - 7 "Statement of Cash Flows."

(2) Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 14 to the financial statements

(3) Statement of Reconciliation of Financing Activities:

	Term Loan from Banks	Short Term Borrowings
Balance as at April 1, 2019 (including interest accrued thereon)	1,070.80	19,985.90
Cash Flow (Net)	337.09	(3,473.31)
Non Cash Changes	-	-
Fair Value Changes	-	-
Others	-	-
Interest Expense	100.12	1,619.34
Interest Paid	(97.73)	(1,600.80)
Closing as at March 31, 2020 (including interest accrued thereon)	**1,410.28**	**16,531.13**

(4) Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

(5) Previous years figures have been regrouped/ reclassified wherever necessary

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178

Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Consolidated Statement of Change in Equity

for the year ended March 31, 2020

(₹ in Lakhs)

a) Equity Share Capital	
Balance as at April 1, 2018	**796.29**
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2019	**796.29**
Add/(Less): Changes in Equity Share Capital during the year	-
Balance as at March 31, 2020	**796.29**

	Reserves & Surplus			OCI	Total
	Securities Premium Account	General Reserve	Retained Earnings	Foreign Currency Translation Reserve	
b) Other Equity					
Balance as at April 1, 2018	**6,880.31**	**4,231.17**	**38,013.55**	**-**	**49,125.03**
Profit for the Year	-	-	7,417.78	-	7,417.78
Remeasurement Gain on Defined Benefit Plans (Net of Taxes)	-	-	4.29	-	4.29
Total Comprehensive Income	**-**	**-**	**7,422.07**	**-**	**7,422.07**
Final Dividend Paid	-	-	(2,385.74)	-	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.39)	-	(490.39)
Balance as at March 31, 2019	**6,880.31**	**4,231.17**	**42,559.49**	**-**	**53,670.97**
Profit for the Year	-	-	6,190.34	-	6,190.34
Remeasurement Gain on Defined Benefit Plans (Net of Taxes)	-	-	13.32	0.67	13.99
Total Comprehensive Income	**-**	**-**	**6,203.66**	**0.67**	**6,204.33**
Final Dividends Paid	-	-	(2,385.74)	-	(2,385.74)
Dividend Distribution Tax on Final Dividend	-	-	(490.39)	-	(490.39)
Balance as at March 31, 2020	**6,880.31**	**4,231.17**	**45,887.02**	**0.67**	**56,999.17**

The notes are the integral part of the Consolidated Financial Statements

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178

Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

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Managing Director
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Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

1. CORPORATE AND GENERAL INFORMATION

Rupa & Company Limited (the Parent Company) was incorporated in India in the year 1985 and has its registered office at Metro Towers, 8th Floor, 1 , Ho Chi Minh Sarani, Kolkata - 700071.

The Parent Company is a Public Limited Group domiciled in India & is incorporated under provision of Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. The Parent Company and its Subsidiaries (together referred to as "the Group") are primarily engaged in manufacture of hosiery products in knitted undergarments, casual wears and thermal wears. The Parent Company also has a Power Generation Unit operated on Windmill process.

2. BASIS OF ACCOUNTING

2.1 Statement of Compliance

These Financial Statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The Financial Statements of the Group for the year ended March 31, 2020 have been approved by the Board of Directors in their meeting held on June 26, 2020.

2.2 Basis of Measurement

The Financial Statements have been prepared on historical cost basis, except for following:

- Financial assets and liabilities (including derivative instruments) that is measured at Fair value/ Amortised cost;
- Non-current assets held for sale – measured at the lower of the carrying amounts and fair value less cost to sell;
- Defined benefit plans – plan assets measured at fair value

2.3 Functional and Presentation Currency

The Financial Statements have been presented in Indian Rupees (`INR), which is also the Company's functional currency. All financial information presented in ''INR'' has been rounded off to the nearest Lakhs as per the requirements of Schedule III, unless otherwise stated.

2.4 Use of Estimates and Judgements

The preparation of Financial Statements requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

2.5 Current Vs Non-current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is classified as current when it is:

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

All the other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;

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

The Group classifies all other liabilities as non-current. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities respectively.

2.6 Adoption of new Accounting Standards

The Group has applied the following accounting standards and its amendments for the first time for annual reporting period commencing April 1, 2019:

- Ind AS 116 - Leases
- Amendment to Ind AS 12 – Income Taxes and Ind AS 12 Appendix ‘C’ – Uncertainty over Income Tax Treatments
- Amendment to Ind AS 19 – Plan amendment, curtailment or settlement
- Amendment to Ind AS 23 – Borrowing Cost
- Amendment to Ind AS 103 – Business Combination and Ind AS 111 – Joint Arrangements
- Amendment to Ind AS 109 – Prepayment Features with Negative Compensation

The Group had to change its accounting policies following the adoption of Ind AS – 116. Company’s new accounting policy is described in “paragraph 4.5” of Significant Accounting Policies to the financial statements and the impact of transition to IND AS 116 is given vide Note No. 42 to the financial statements. Most of the above amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current and future periods.

3. Basis of Consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Profit/(loss) and Other Comprehensive Income (‘OCI’) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of March 31, 2020. The Group consolidates the Financial Statements of the parent Company and its subsidiaries on line by line basis adding together the items of assets, liabilities, equity, income and expenses. Intra Group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary’s statement of profit and loss and net assets that is not held by the Group. Profit/(loss) and each component of OCI are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. The Group attributes total comprehensive income or loss of the subsidiaries between the owners of the parent company and the non-controlling interests based on their respective ownership interests.

The Group treats transactions with non-controlling interests that do not result in a loss of control, as transactions with equity owners of the group. Such a change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred

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by the Group to obtain control of a subsidiary is calculated as the sum of the fair values of assets transferred on acquisition-date, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on acquisition-date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the excess is recognised as capital reserve.

Contingent consideration is classified either as equity or financial liability. Amount classified as financial liability are subsequently re-measured to fair value with changes in fair value recognised in statement of profit and loss.

Business combinations involving entities or businesses under common control have been accounted for using the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts. No adjustments have been made to reflect fair values, or to recognise any new assets or liabilities except changes made to harmonise the accounting policies.

4. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the Financial Statements are as given below. These accounting policies have been applied consistently to all the periods presented in the Financial Statements except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

4.1 Inventories

Raw materials and packing materials are valued at lower of cost and net realizable value. 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. Cost of raw materials is determined on weighted average basis including packing materials, accessories and dyes and chemicals.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of Work-in-progress (measured in kgs) is determined on weighted average basis and cost of work-in-progress (measured in pieces) and cost of finished goods is determined on Retail sales price method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of traded goods is determined on weighted average basis.

4.2 Cash and Cash Equivalents

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

4.3 Income Tax

Income Tax comprises current and deferred tax. It is recognized in The Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current Tax

Current tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities using the tax rates (and tax laws) that have been enacted or substantively enacted, at the end of the reporting period.

Deferred Tax

➢ Deferred Tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period

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when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes (i.e., tax base). Deferred Tax is also recognized for carry forward of unused tax losses and unused tax credits.
- Deferred Tax Assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.
- The carrying amount of deferred tax assets is reviewed at the end of each reporting period. The Group reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or that entire deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.
- Deferred Tax relating to items recognized outside the Statement of Profit and Loss is recognized either in other comprehensive income or in equity. Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.
- Deferred Tax Assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

4.4 Property, Plant and Equipment

4.4.1. Recognition and Measurement:

- Property, plant and equipment held for use in the production or/and supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost, less any accumulated depreciation and accumulated impairment losses (if any).
- Cost of an item of property, plant and equipment acquired comprises its purchase price including import duties and non-refundable purchase taxes, after deducting any trade discounts and rebates, borrowing cost, if capitalization criteria is met, any directly attributable costs of bringing the assets to its working condition and location for its intended use and present value of any estimated cost of dismantling and removing the item and restoring the site on which it is located.
- In case of self-constructed assets, cost includes the costs of all materials used in construction, direct labour, allocation of directly attributable overheads, directly attributable borrowing costs incurred in bringing the item to working condition for its intended use, and estimated cost of dismantling and removing the item and restoring the site on which it is located. The costs of testing whether the asset is functioning properly, after deducting the net proceeds from selling items produced while bringing the asset to that location and condition are also added to the cost of self-constructed assets.
- If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- Profit or loss arising on the disposal of property, plant and equipment are recognized in the Statement of Profit and Loss.

4.4.2. Subsequent Expenditure

- Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.
- Major Inspection/ Repairs/ Overhauling expenses are recognized in the carrying amount of the item of property, plant and equipment as a replacement if the recognition criteria are satisfied. Any Unamortized part of the previously recognized expenses of similar nature is derecognized.

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4.4.3. Depreciation and Amortization

- Depreciation on Property Plant & Equipment is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has used the following rates to provide depreciation on its Property Plant & Equipment.

Class of Property Plant & Equipment	Useful Lives estimated by the management (Years)
Factory Buildings	30
Non-factory Buildings	60
Plant and Equipments	10 to 15
Computer and Data Processing Equipments	3 to 6
Furnitures and Fixtures	10
Vehicles	8
Office Equipments	5

- Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.
- The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and machinery as 10 years. These lives are lower than those indicated in Schedule II of the Companies Act, 2013.
- Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e., from (up to) the date on which asset is ready for use (disposed of).
- Depreciation on assets built on leasehold land, which is transferrable to the lessor on expiry of lease period, is amortized over the period of lease.
- Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

4.4.4. Disposal of Assets

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

4.4.5. Reclassification to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

4.4.6. Capital Work in Progress

Capital work-in-progress is stated at cost which includes expenses incurred during construction period, interest on amount borrowed for acquisition of qualifying assets and other expenses incurred in connection with project implementation in so far as such expenses relate to the period prior to the commencement of commercial production. Advances given towards acquisition or construction of PPE outstanding at each reporting date are disclosed as Capital Advances under "Other Non-Current Assets''.

4.5 Leases

4.5.1. Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as finance lease. All other leases are classified as operating leases.

Notes to the Consolidated Financial Statement
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Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

4.5.2. Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

(i) Right-of-use Assets (ROU Assets)

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 4.12 Impairment of non-financial assets.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

(ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

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(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of Property, Plant & Equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.6 Revenue Recognition

Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is measured at the fair value of the consideration received/ receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

The specific recognition criteria for revenue recognition are as follows:

4.6.1. Sale of Goods

Sale of goods is recognised at the point in time when control of the goods is transferred to the customer. The revenue is measured on the basis of the consideration defined in the contract with a customer, including variable consideration, such as discounts, volume rebates, or other contractual reductions. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are taken into account.

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

4.6.2. Sale of Services

In contracts involving the rendering of services, revenue is measured using the completed service method.

4.6.3. Sale of Power

Revenue from sale of Energy (Power) is recognised on the basis of Electrical Units generated net of transmission loss as applicable when no significant uncertainty as to measurability & collectability exists.

4.6.4. Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

4.6.5. Dividend Income

Dividend Income from investments is recognized when the Group's right to receive payment has been established

4.6.6. Other Operating Revenue

Export incentive and subsidies are recognized when there is reasonable assurance that the Group will comply with the conditions and the incentive will be received. Insurance & other claims, where quantum of accruals cannot be ascertained with reasonable certainty are recognized as income only when revenue is virtually certain which generally coincides with receipt / acceptance.

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4.7 Employee Benefits

4.7.1. Short Term Benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related services are provided. Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period.

4.7.2. Post-Employment Benefits

The Group operates the following post-employment schemes:

➢ **Defined Benefit Plans**

The liability or asset recognized in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The liability recognized for defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, together with adjustments for unrecognized actuarial gains or losses and past service costs. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The benefits are discounted using the government securities (G-Sec) at the end of the reporting period that have terms approximating to the terms of related obligation.

Remeasurements of the net defined benefit obligation, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling, are recognized in other comprehensive income. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to the statement of profit and loss.

➢ **Defined Contribution Plan**

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due. The Group has no obligation other than contributions to the respective funds. The Group recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the selected service.

4.8 Government Grants

Government grants are recognized at their fair values when there is reasonable assurance that the grants will be received and the Group will comply with all the attached conditions. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Grants related to purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement of profit or loss on a straight line basis over the expected useful life of the related asset and presented within other operating revenue or netted off against the related expenses.

4.9 Foreign Currency Transactions

➢ Foreign currency transactions are translated into the functional currency using the spot rates of exchanges at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchanges at the reporting date.

➢ Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are generally recognized in profit or loss in the year in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those qualifying assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings, the balance is presented in the

Notes to the Consolidated Financial Statement
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Statement of Profit and Loss within finance costs

- Non-monetary items are not retranslated at period end and are measured at historical cost (translated using the exchange rate at the transaction date).

4.10 Borrowing Cost

- Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.
- Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. The Group considers a period of twelve months or more as a substantial period of time.
- Transaction costs in respect of long term borrowing are amortized over the tenure of respective loans using Effective Interest Rate (EIR) method. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred.

4.11 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.

4.11.1. Financial Assets

- **Recognition and Initial Measurement:**

  All financial assets are initially recognized when the Group becomes a party to the contractual provisions of the instruments. A financial asset is initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

- **Classification and Subsequent Measurement:**

  For purposes of subsequent measurement, financial assets are classified in four categories:

  - Measured at Amortized Cost;
  - Measured at Fair Value Through Other Comprehensive Income (FVTOCI);
  - Measured at Fair Value Through Profit or Loss (FVTPL); and
  - Equity Instruments measured at Fair Value Through Other Comprehensive Income (FVTOCI).

  Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

  - **Measured at Amortized Cost**: A debt instrument is measured at the amortized cost if both the following conditions are met:
    - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows; and
    - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

    After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method.

  - **Measured at FVTOCI:** A debt instrument is measured at the FVTOCI if both the following conditions are met:
    - The objective of the business model is achieved by both collecting contractual cash flows and selling the financial assets; and
    - The asset's contractual cash flows represent SPPI.

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Debt instruments meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at fair value with any gains or losses arising on remeasurement recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains or losses. Interest calculated using the effective interest method is recognized in the statement of profit and loss in investment income.

- **Measured at FVTPL:** FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
- **Equity Instruments measured at FVTOCI**: All equity investments in scope of Ind AS – 109 are measured at fair value. Equity instruments which are, held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. In case the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment.

➢ **Derecognition**

The Group derecognizes a financial asset on trade date only 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 entity.

➢ **Impairment of Financial Assets**

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS – 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and/ or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

4.11.2. Financial Liabilities

➢ **Recognition and Initial Measurement:**

Financial liabilities are classified, at initial recognition, as at fair value through profit or loss, loans and borrowings, payables or as derivatives, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

➢ **Subsequent Measurement:**

Financial liabilities are measured subsequently at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

➢ **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

➢ **Offsetting financial instruments**

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

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basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the counterparty.

4.12 Impairment of Non-Financial Assets

- The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value being higher of value in use and net selling price. Value in use is computed at net present value of cash flow expected over the balance useful lives of the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (Cash Generating Units – CGU).
- An impairment loss is recognized as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been an improvement in recoverable amount.

4.13 Provisions, Contingent Liabilities and Contingent Assets

4.13.1. Provisions

Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

- **Onerous Contracts:**

  Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when a contract under which the unavoidable costs of meeting the obligations exceed the economic benefits expected to be received from it.

4.13.2. Contingent Liabilities

Contingent liability is a possible obligation arising from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events but is not recognized because it is not possible that an outflow of resources embodying economic benefit will be required to settle the obligations or reliable estimate of the amount of the obligations cannot be made. The Group discloses the existence of contingent liabilities in Other Notes to Financial Statements.

4.13.3. Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent Assets are not recognized though are disclosed, where an inflow of economic benefits is probable.

4.14 Intangible Assets

Recognition and Measurement

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful economic lives

Subsequent Expenditure

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the cost incurred will flow to the Group and the cost of the item can be measured reliably. All other expenditure is recognized in the Statement of Profit & Loss.

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

Amortization

The useful lives over which intangible assets are amortized are as under:

Assets	Useful Life (In Years)
Copyrights & Trade marks	10
Computer software	5
Business Rights	10

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit & Loss.

Intangible Assets under Development

Intangible Assets under development is stated at cost which includes expenses incurred in connection with development of Intangible Assets in so far as such expenses relate to the period prior to the getting the assets ready for use.

4.15 Non-current assets (or disposal groups) held for sale and discontinued operations

- Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of the carrying amount and the fair value less cost to sell.
- An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.
- Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets (or disposal group) classified as held for sale are presented separately in the balance sheet. Any profit or loss arising from the sale or remeasurement of discontinued operations is presented as part of a single line item in statement of profit and loss.

4.16 Operating Segment

The identification of operating segment is consistent with performance assessment and resource allocation by the chief operating decision maker (CODM). An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the other components of the Group and for which discrete financial information is available. Based on assessment of CODM in terms of Indian Accounting Standard – 108, the Group is predominantly engaged in a single segment of Garments & Hosiery goods and related services. The analysis of geographical segments is based on the areas in which customers of the Group are located.

4.17 Earning Per Share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.18 Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

- 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 or the most advantageous market must be accessible by the Group. 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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 — Inputs which are unobservable inputs for the asset or liability.

External valuers are involved for valuation of significant assets & liabilities. Involvement of external valuers is decided by the management of the Group considering the requirements of Ind AS and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

4.19 Significant accounting judgements and key sources of estimation:

Information about Significant judgements and Key sources of estimation made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- **Recognition of Deferred Tax Assets**: The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits.
- **Useful lives of depreciable/ amortisable assets (tangible and intangible):** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to actual normal wear and tear that may change the utility of plant and equipment.
- **Extension and termination option in leases :** Extension and termination options are included in many of the leases. In determining the lease term the Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

This assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Company.

- **Defined Benefit Obligation (DBO):** Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, medical cost trends, anticipation of future salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate. However, any changes in these assumptions may have a material impact on the resulting calculations.
- **Provisions and Contingencies:** The assessments undertaken in recognising provisions and contingencies have been made in accordance with Indian Accounting Standards (Ind AS) 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events is applied best

Notes to the Consolidated Financial Statement
for the year ended March 31, 2020

judgement by management regarding the probability of exposure to potential loss.

- **Impairment of Financial Assets:** The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication of impairment. If recoverable amount is less than its carrying amount, the impairment loss is accounted for.
- **Allowances for Doubtful Debts:** The Group makes allowances for doubtful debts through appropriate estimations of irrecoverable amount. The identification of doubtful debts requires use of judgment and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debts expenses in the period in which such estimate has been changed.
- **Fair value measurement of financial Instruments:** When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow model. The input to these models are taken from observable markets where possible, but where this not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.
- **Estimation uncertainty relating to the global health pandemic on Covid-19:** The Group has considered internal and certain external sources of information up to the date of approval of the financial statements in determining the impact of Covid-19 pandemic on various elements of its financial statements. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables, investments and other assets. However, the eventual outcome of the impact of the Covid-19 pandemic may be different from those estimated as on the date of approval of these financial statements.

4.20 New Standards / Amendments to Existing Standard issued but not yet effective upto the date of issuance of the Group's Financial Statement are disclosed below.

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

Notes to the Consolidated Financial Statement

for the year ended March 31, 2020

(₹ in Lakhs)

	Land		Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Total
	Freehold	Leasehold						
5(a) Property, Plant and Equipment								
Cost								
As at April 1, 2018	**2,594.10**	**271.66**	**8,275.55**	**6,032.97**	**528.03**	**492.67**	**297.01**	**18,491.99**
Additions	-	-	1,008.15	1,545.50	168.56	184.03	80.07	2,986.31
Disposals/ Withdrawals	-	-	-	32.55	-	60.43	-	92.98
As at March 31, 2019	**2,594.10**	**271.66**	**9,283.70**	**7,545.92**	**696.59**	**616.27**	**377.08**	**21,385.32**
Additions	-	-	493.77	234.40	73.26	100.99	100.95	1,003.37
Disposals/ Withdrawals	-	271.66	-	-	-	25.72	0.09	297.47
As at March 31, 2020	**2,594.10**	**-**	**9,777.47**	**7,780.32**	**769.85**	**691.54**	**477.94**	**22,091.22**
Depreciation								
As at April 1, 2018	**-**	**6.44**	**394.99**	**2,058.03**	**144.04**	**143.72**	**126.31**	**2,873.53**
Charge for the year	-	3.22	216.85	845.72	107.43	81.45	67.10	1,321.77
On Disposals/ Withdrawals/ Adjustments	-	-	-	22.43	-	39.88	-	62.31
As at March 31, 2019	**-**	**9.66**	**611.84**	**2,881.32**	**251.47**	**185.29**	**193.41**	**4,132.99**
Charge for the year	-	-	227.20	839.20	127.45	91.61	76.54	1,362.00
On Disposals/ Withdrawals/ Adjustments	-	9.66	-	-	-	10.86	0.08	20.60
As at March 31, 2020	**-**	**-**	**839.04**	**3,720.52**	**378.92**	**266.04**	**269.87**	**5,474.39**
Net Block								
As at March 31, 2019	**2,594.10**	**262.00**	**8,671.86**	**4,664.60**	**445.12**	**430.98**	**183.67**	**17,252.33**
As at March 31, 2020	**2,594.10**	**-**	**8,938.43**	**4,059.80**	**390.93**	**425.50**	**208.07**	**16,616.83**

Note:

i) Term Loan from Banks of parent amounting ₹1,399.78 Lakhs is secured by first charge by way of hypothecation of movable property, plant and equipment specifically funded by the Bank, installed at Domjur, West Bengal and Tirupur Unit, Tamilnadu and Cash Credit including Working Capital Demand Loan amounting ₹ 12,482.82 Lakhs are secured by hypothecation of inventories, book debts and other current assets of the Company and further secured by second charge of movable and immovable property, plant and equipment of Domjur Unit, West Bengal.

ii) Pursuant to adoption of Ind AS 116 " Leases", Group has reclassified Leasehold Land to Right of Use Asset which was earlier classified under Property, Plant & Equipment as per Ind AS 17 "Leases"

iii) Refer Note No. 37 for disclosure on Contractual commitment for acquisition of property, plant and equipment.

	Leasehold Land	Buildings	Total
5(b) Right of Use Assets			
As at April 1, 2019	271.66	1,239.31	1,510.97
Additions	-	-	-
Disposals/ Withdrawals	-	-	-
As at March 31, 2020	**271.66**	**1,239.31**	**1,510.97**
Depreciation			
As at April 1, 2019	9.66	-	9.66
Depreciation for the year	3.22	307.36	310.58
On Disposals/ Withdrawals/ Adjustments/ Transfer	-	-	-
As at March 31, 2020	**12.88**	**307.36**	**320.24**
Net Right of Use Assets			
As at March 31, 2020	**258.78**	**931.95**	**1,190.73**

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Computer Software	Copyrights and Trademarks	Business Rights	Total
6. Intangible Assets:				
Cost				
As at April 1, 2018	**402.41**	**0.50**	**1,000.00**	**1,402.91**
Additions	0.25	-	-	0.25
As at March 31, 2019	**402.66**	**0.50**	**1,000.00**	**1,403.16**
Additions	0.99	-	-	-
As at March 31, 2020	**403.65**	**0.50**	**1,000.00**	**1,403.16**
Amortisation				
As at April 1, 2018	**121.99**	**0.50**	**200.00**	**322.49**
Charge for the year	79.40	-	100.00	179.40
As at March 31, 2019	**201.39**	**0.50**	**300.00**	**501.89**
Charge for the year	78.87	-	100.00	178.87
As at March 31, 2020	**280.26**	**0.50**	**400.00**	**680.76**
Net Block				
As at March 31, 2019	201.27	-	700.00	901.27
As at March 31, 2020	**123.39**	**-**	**600.00**	**723.39**

6(a). Intangible Asset Under Development	
As at March 31, 2019	2.74
As at March 31, 2020	2.74

	Number of Shares/Units	
	March 31, 2020	March 31, 2019
7. Investments		
In Equity Instruments (at cost unless otherwise stated)		
(Unquoted)		
West Bengal Hosiery Park Infrastructure Limited (Equity Shares of ₹ 10 each)	1,800	1,800

	March 31, 2020	March 31, 2019
In Equity Instruments (at cost unless otherwise stated)		
(Unquoted)		
West Bengal Hosiery Park Infrastructure Limited	0.18	0.18
	0.18	**0.18**
Aggregate Carrying value of Unquoted Investments	0.18	0.18

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
8. Loans				
(Unsecured, considered good unless otherwise stated)				
Security Deposits*	198.81	132.85	144.31	146.62
Loan to Bodies Corporate**	-	-	200.00	-
	198.81	**132.85**	**344.31**	**146.62**

* Dues from private companies in which any director is a director is ₹ 67.40 Lakhs (March 31, 2019 ₹ 67.40 Lakhs)

** To be utilised for Business Purpose

Note:

There are no outstanding debts from director or other officer of the company.

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
9. Other Financial Asset				
Interest Accrued on Deposits	0.25	-	-	1.55
Interest Accrued on Loan to Bodies Corporate	-	-	2.53	-
Bank deposits With maturity of more than 12 months*	18.70	18.70	-	-
	18.95	**18.70**	**2.53**	**1.55**

*Held as lien by bank against bank guarantees.

	Non-Current	
	March 31, 2020	March 31, 2019
10. Tax Assets (Net)		
Advance Tax (Net of Provision)	1,017.61	-
	1,017.61	**-**

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
11. Other Assets (Unsecured Considered)				
Capital Advances*	1,054.55	933.69	-	-
Prepaid Expenses	-	-	171.80	109.17
Advance against supply of goods & services^	-	-	893.84	775.91
Advance to Employees	-	-	93.86	81.94
Balances with Government Authorities	-	-	3,803.64	2,127.76
Claims and Refund Receivable	-	-	412.17	141.37
Sales Tax paid under protest	-	-	20.54	13.77
Other advances	-	-	4.22	61.03
	1,054.55	**933.69**	**5,400.07**	**3,310.95**

*Includes advance amounting to ₹ 400.92 Lakhs (March 31, 2019: ₹ 400.92 Lakhs) given to West Bengal Housing Infrastructure Development Corporation (WB HIDCO) towards offer for allotment of land on a freehold basis. WB HIDCO later decided to allot land on a leasehold basis, which the Company has challenged the matter in the Hon'ble Calcutta High Court. In light of the fact that the Hon'ble High Court at Calcutta has *vide* its Order dated February 10, 2020 has decided the Writ Petition in favour of the Company, in its appellate jurisdiction and so far no appeal has been preferred by the West Bengal Government in the Hon'ble Supreme Court of India.

^ Includes advance amounting to ₹ 23.11 Lakhs (March 31, 2019: ₹ 2.83 Lakhs) given to related party.

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
12. Inventories		
(Valued at lower of cost and net realisable value)		
Raw Material including packing materials	4,115.76	3,357.78
Finished Goods	27,885.07	20,187.22
Work in Progress	12,735.85	11,985.56
Traded Goods	1,994.44	2,698.69
	46,731.12	**38,229.25**

Mode of Valuation - Ref Note No. 4.1 of Accounting policy.

Note: The above includes Stock in transit

Work-in-Progress	-	38.19
Finished Goods	849.62	20.79

Note: Inventories are hypothecated/ pledged against borrowings (Refer Note No. 24)

	Current	
	March 31, 2020	March 31, 2019
13. Trade Receivable		
Secured	2,731.20	3,385.70
Unsecured	22,398.24	36,267.91
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	111.21	38.17
	25,240.65	**39,691.78**
Impairment Allowance (Allowance for Bad and Doubtful Debt)		
Unsecured	-	-
Trade Receivables which has significant increase in Credit Risk	-	-
Trade Receivable -Credit Impaired	111.21	38.17
	111.21	**38.17**
Total Trade Receivable	**25,129.44**	**39,653.61**

a) No Trade Receivables due by directors and its officers of the Company.

b) Allowances for credit losses of trade receivables, has been computed based on the ageing of the receivables. In computing expected credit losses the Company has taken into account historical credit loss experience and forward looking information.

c) Trade Receivables are hypothecated/ pledged against borrowings (Refer Note No. 24)

	March 31, 2020	March 31, 2019
14. Cash and Cash Equivalents		
Cash in hand	15.92	19.03
Balances with banks		
Current accounts	43.71	221.05
Cash Credit account	68.68	358.04
Bank deposits having original maturity for Less than 3 months	-	121.97
	128.31	**720.09**

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
15. Other Bank Balances (other than Note - 14)		
Unpaid dividend accounts	11.39	12.58
Bank deposits maturity for more than 3 months but less than 12 months*	30.81	26.75
	42.20	**39.33**

* Held as lien by bank against bank guarantees.

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
16. Equity Share Capital				
Authorised Share Capital				
Equity Shares of ₹ 1/- each	20,00,00,000	2,000.00	20,00,00,000	2,000.00
	20,00,00,000	**2,000.00**	**20,00,00,000**	**2,000.00**
Issued Share Capital				
Equity Shares of ₹ 1/- each	7,97,33,560	797.34	7,97,33,560	797.34
	7,97,33,560	**797.34**	**7,97,33,560**	**797.34**
Subscribed & Paid-up Share Capital				
Equity Shares of ₹ 1/- each	7,95,24,560	795.24	7,95,24,560	795.24
Equity Shares forfeited of ₹ 1/- each, Paid up ₹ 0.50 per Share	2,09,000	1.05	2,09,000	1.05
	7,97,33,560	**796.29**	**7,97,33,560**	**796.29**

a) Reconciliation of the number of shares at the beginning and at the end of the year

There has been no change/ movements in number of shares outstanding at the beginning and at the end of the year.

b) Terms/ Rights attached to Equity Shares

The Parent Company has only one class of equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividend in Indian Rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the parent company. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended March 31, 2020 the Parent Company has proposed final dividend of ₹ 3/- per share (March 31, 2019: ₹ 3/- per Share) subject to approval of members in the ensuing Annual General Meeting.

c) Shareholding Pattern with respect of Holding or Ultimate Holding Company

The Company does not have any Holding Company or Ultimate Holding Company.

d) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 1/- each, fully paid up				
Ullas Sales Promotion LLP (Formerly known as Ullas Sales Promotion Limited)	2,16,30,860	27.20%	-	-
Prahlad Rai Agarwala*	1,67,63,656	21.08%	1,67,63,656	21.08%
Rajnish Enterprises Ltd.	-	-	1,58,23,190	19.90%
Ziyan Developers LLP	86,50,000	10.88%	86,50,000	10.88%
Purvanchal Leasing Ltd.	-	-	58,07,670	7.30%

*holding shares jointly with Ghanshyam Prasad Agarwala and Kunj Bihari Agarwal, on behalf of a partnership firm.

As per records of the Company, including its register of shareholders/ members as on March 31, 2020, the above

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

shareholding represents legal ownership of shares.

e) The Company has neither issued bonus shares not has bought back any shares during last 5 years.

f) No ordinary shares have been reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment as at the Balance Sheet date.

g) No securities convertible into Equity/ Preference shares have been issued by the Company during the year.

h) No calls are unpaid by any Director or Officer of the Company during the year.

	Note	March 31, 2020	March 31, 2019
17. Other Equity			
Securities Premium	17.1	6,880.31	6,880.31
General Reserve	17.2	4,231.17	4,231.17
Retained Earnings	17.3	45,887.02	42,559.49
Foreign Currency Translation Reserve	17.4	0.67	-
		56,999.17	**53,670.97**

Changes in Other Equity

	March 31, 2020	March 31, 2019
17.1 Securities Premium Reserve		
Opening balance	6,880.31	6,880.31
Changes during the year	-	-
	6,880.31	**6,880.31**

	March 31, 2020	March 31, 2019
17.2 General Reserve		
Opening balance	4,231.17	4,231.17
Changes during the year	-	-
	4,231.17	**4,231.17**

	March 31, 2020	March 31, 2019
17.3 Retained Earnings		
Opening balance	42,559.49	38,013.55
Add: Profit for the period	6,190.34	7,417.78
Less: Remeasurement of Defined Benefit Plans (Net of tax)	13.32	4.29
Equity Dividend	(2,385.74)	(2,385.74)
Tax on Equity Dividend	(490.39)	(490.39)
	45,887.02	**42,559.49**

	March 31, 2020	March 31, 2019
17.4 Foreign Currency Translation Reserve		
Opening balance	-	-
Changes during the year	0.67	-
	0.67	**-**

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Nature and purpose of other reserves

Securities Premium Reserve

Securities premium reserve represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

General Reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

Retained Earnings

This reserves represents the cumulative profit of the Company and effects of remeasurement of defined benefit obligation. This reserves can be utilised in accordance with the provisions of the Companies Act, 2013.

Other Comprehensive Income

Remeasurement of Defined Benefit Obligation

Remeasurement of defined benefit plans comprises actuarial gains and losses and return on plan assets (excluding interest income) recognised in other comprehensive income and then immediately transferred to retained earnings.

Foreign Currency Translation Reserve: Reserve is created on translation of Financial Statements of Foreign Subsidiary into Presentation Currency.

	Non-Current	
	March 31, 2020	**March 31, 2019**
18. Non Current Borrowings		
Secured Term Loan		
Rupee loan from Banks	1,399.78	1,062.70
Less: Current portion of long term borrowings (Disclosed under other financial liabilities, Refer Note No. 18)	309.87	250.05
Others	-	
	1,089.91	**812.65**

Note:

1. There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

2. Terms & conditions

a) Term Loan with a balance of ₹ 812.65 Lakhs (March 31, 2019: ₹ 1,062.70 Lakhs) is repayable in 13 equal quartely installments of ₹ 62.51 Lakhs and carries interest @ 8.90% to 9.15% per annum (March 31, 2019: @ 8.90% to 9.15% per annum). The said Term Loan is secured by first charge by way of hypothecation on specific plant and machinery funded by bank.

b) Term Loan with a balance of ₹ 548.90 Lakhs (March 31, 2019: Nil) is repayable in 72 equal monthly installments of ₹ 7.62 Lakhs starting w.e.f. September 3, 2020 and carries interest @ 9% per annum (March 31, 2019: Nil). The said Term Loan having sanction limit of ₹ 800.00 lakhs is secured by first charge by way of hypothecation of specific plant and machinery funded by bank.

c) Term Loan with a balance of ₹ 38.23 Lakhs (March 31, 2019: Nil) is repayable in one installment of ₹ 0.10 Lakhs and 18 equal quaterly installments of ₹ 2.12 Lakhs and carries interest @ 8.85% per annum (March 31, 2019: Nil). The said Term Loan having sanction limit of ₹ 1,445.00 lakhs is secured by exclusive charge by way of hypothecation of specific plant & machinery funded by bank.

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

e) No loans have been guaranteed by the directors and others.

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
19. Lease Liabilities				
Maturities of Lease Obligations (Refer Note No. 42)	686.39	-	296.06	-
	686.39	**-**	**296.06**	**-**

	Current	
	March 31, 2020	March 31, 2019
20. Other Financial Liabilities		
Current Maturities of Long Term Borrowings (Refer Note No- 18)	309.87	250.05
Interest Accrued but not due on Borrowings	32.85	11.93
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	12.58
Security Deposits from Customers	4,276.18	4,201.37
Capital Creditors	57.51	91.90
Dealers Incentive Payable	1,879.16	3,666.73
Payable to Employees	1,123.09	851.44
Others	395.09	304.96
	8,085.14	**9,390.96**

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
21. Provisions				
Provision for Gratuity (Refer Note No. 43)	24.10	18.45	255.51	219.68
Provision for Leave Encashment	43.89	39.08	3.12	3.01
Provision for Litigation, Claims & Contingencies (Refer Note No. 21.1)	-	-	70.55	70.55
	67.99	**57.53**	**329.18**	**293.24**

The Company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands being crystallising against the Company in due course.

21.1. Movement of Provision (Pursuant to Ind AS 34)	
Balance as at April 1, 2018	70.55
Provision utilized during the year	-
Balance as at March 31, 2019	70.55
Provision utilized during the year	-
Balance as at March 31, 2020	**70.55**

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
22. Deferred Tax Liabilities/ (Assets) (Net)		
Deferred Tax Liabilities		
Arising on account of:		
Difference between Tax Depreciation and Depreciation/ Amortisation charged for the financial reporting	1,136.27	1,594.47
Others	-	-
	1,136.27	**1,594.47**
Less: Deferred Tax Assets		
Arising on account of:		
Provision for Doubtful Debt & Advances	9.70	12.41
Provision for Employee Benefit Expenses	80.91	93.23
Provision for Litigation, Claims & Contingencies (Refer Note No. 21.1)	17.76	24.66
Unabsorbed Depreciation & Business Losses	1,209.61	1,209.61
Mat Credit Entitlement	0.86	0.63
Others	11.61	0.74
	1,330.45	**1,341.28**
Deferred Tax Liabilities/ (Assets) (Net)	**(194.18)**	**253.19**

Note: The Consolidated Financial Statements for the year ended March 31, 2020 includes Deferred Tax Asset on business loss and unabsorbed depreciation amounting to ₹ 1,155.12 Lakhs in earlier years by one of the subsidiary company. The management is of the view that the business/ brands are in a nascent stage and therefore the subsidiary company has been incurring losses. However, the said subsidiary company has not recognised Deferred Tax Assets on business loss and unabsorbed depreciation for the year ended March 31, 2020 on grounds of prudence. Based on business plans and future profitability projections, the management is hopeful of realizing the carry over Deferred Tax Asset lying in the books as at March 31, 2020.

22.1 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2019

	As at April 1, 2018	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2019
Deferred Income Tax Liabilities				
Depreciation	1,521.05	73.42	-	1,594.47
Others	0.05	(0.05)	-	-
A	**1,521.10**	**73.37**	**-**	**1,594.47**
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	8.28	4.13	-	12.41
Provision for Employee Benefit Expenses	68.11	26.87	(1.75)	93.23
Provision for Litigation, Claims & Contingencies	24.66	-	-	24.66
Unabsorbed Depreciation & Business Losses	527.96	681.65	-	1,209.61
Mat Credit Entitlement	-	0.63	-	0.63
Others	0.99	(0.25)	-	0.74
B	**630.00**	**713.03**	**(1.75)**	**1,341.28**
Deferred Tax Liabilities/ (Assets) (Net) (A-B)	**891.10**	**(639.66)**	**1.75**	**253.19**

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

22.2 Movement in Deferred Tax Assets and Liabilities during the year ended March 31, 2020

	As at April 1, 2019	Recognized in Statement of Profit and Loss	Recognized in Other Comprehensive Income	As at March 31, 2020
Deferred Income Tax Liabilities				
Depreciation	1,594.47	(458.20)	-	1,136.27
Others	-	-	-	-
A	**1,594.47**	**(458.20)**	**-**	**1,136.27**
Deferred Income Tax Assets				
Provision for Doubtful Debt & Advances	12.41	(2.71)	-	9.70
Provision for Employee Benefit Expenses	93.23	(9.88)	(2.44)	80.91
Provision for Litigation, Claims & Contingencies	24.66	(6.90)	-	17.76
Unabsorbed Depreciation & Business Losses	1,209.61	-	-	1,209.61
Mat Credit Entitlement	0.63	0.23	-	0.86
Others	0.74	10.87	-	11.61
B	**1,341.28**	**(8.39)**	**(2.44)**	**1,330.45**
Deferred Tax Liabilities/ (Assets) (Net) (A-B)	**253.19**	**(449.81)**	**2.44**	**(194.18)**

	Non-Current		Current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
23. Other Liabilities				
Deferred Revenue (Refer Note No. 49)	202.67	83.13	30.67	17.48
Statutory dues payable	-	-	468.84	558.12
Advances from customers	-	-	68.69	84.04
Others payables	-	-	3.09	0.64
	202.67	**83.13**	**571.29**	**660.28**

	Current	
	March 31, 2020	March 31, 2019
24. Current Borrowing		
Loan Repayable on demand		
Cash Credit	6,277.40	8,282.09
Commercial Paper	-	-
Working Capital Demand Loans		
Indian Rupee Loan	10,231.38	10,900.00
Packing Credit	-	800.00
	16,508.78	**19,982.09**
The above amount includes		
Secured Loan	**16,508.78**	**19,982.09**

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Terms & conditions

a) i. Cash Credit including Working Capital Demand Loan are secured by hypothecation of inventories, book debts and other current assets of the Holding Company and further secured by second charge of movable and immovable property, plant and equipment of Domjur Unit, West Bengal.

ii . Cash Credit facility of a subsidiary are secured by hypothecation of inventories, book debts and other current assets of the subsidiary company. Further, the same has been secured by the corporate Guarantee of an amount of ₹ 3,550.00 Lakhs given by the parent company.

b) Working Capital Demand Loans carries interest @7.05% to 10.00% p.a. (March 31, 2019: @5.50% to 9.65% p.a.)

c) Cash Credit are repayable on demand and carries interest @8.50% to 11.50% p.a. (March 31, 2019: @8.50% to 11.50% p.a.)

d) No loans have been guaranteed by the directors and others.

e) There is no default as on the Balance Sheet date in the repayment of borrowings and interest thereon.

	Current	
	March 31, 2020	March 31, 2019
25. Trade Payables		
Due to micro, small and medium enterprises (Refer Note No. 39)	25.69	27.41
Due to Creditors other than micro, small and medium enterprises	13,772.03	14,864.10
	13,797.72	**14,891.51**

	Current	
	March 31, 2020	March 31, 2019
26. Current Tax Liabilities (Net)		
Provisions for Taxation (Net of Payments)	2.13	751.78
	2.13	**751.78**

	March 31, 2020	March 31, 2019
27. Revenue from Operations		
Sale of Products:		
Finished Goods#	91,280.46	1,07,891.47
Semi-Finished Goods	435.85	361.37
Traded Goods	3,245.61	3,963.87
	94,961.92	**1,12,216.71**
Sale of services		
Service Income	2,105.91	2,170.71
	2,105.91	**2,170.71**
Other Operating Revenues		
Sale of Power	54.58	88.50
Scrap sale	138.40	161.10
Export Incentive	169.84	210.28
Deferred Revenue on Government Grant	33.63	17.48
	396.45	477.36
	97,464.28	**1,14,864.78**

#Net of discount and dealers incentives

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

A. Nature of goods and services

The following is a description of principal activities separated by reportable segments from which the Group generates its revenue

a) The Group is engaged in the manufacturing of hosiery products and generates revenue from the sale of hosiery products and the same is only the reportable segment of the Group.

B) Disaggregation of Revenue

In the following table, revenue is disaggregated by primary geographical market, major products lines and timing of revenue recognition.

	March 31, 2020	March 31, 2019
i) Primary Geographical Markets		
Within India	94,573.64	1,11,635.70
Outside India	2,494.19	2,751.72
Total	**97,067.83**	**1,14,387.42**
ii) (a) Major Products		
Hosiery Products	94,961.92	1,12,216.71
Others	-	-
Total	**94,961.92**	**1,12,216.71**
ii) (b) Major Services		
Service Income	2,105.91	2,170.71
Others	-	-
Total	**2,105.91**	**2,170.71**
iii) Timing of Revenue		
At a point in time	97,067.83	1,14,387.42
Over time	-	-
Total	**97,067.83**	**1,14,387.42**
iv) Contract Duration		
Long Term	-	-
Short Term	97,067.83	1,14,387.42
Total	**97,067.83**	**1,14,387.42**

C. Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	March 31, 2020	March 31, 2019
Receivables, which are included in 'Trade receivables'	25,129.44	39,653.61
Contract assets	-	-
Contract liabilities (Refer Note No. 23)	68.69	84.04
Total	**25,060.75**	**39,569.57**

D. Other Information

	March 31, 2020	March 31, 2019
Transaction price allocated to the remaining performance obligations	Nil	Nil
The amount of revenue recognised in the current year that was included in the opening contract liability balance	84.04	Nil
The amount of revenue recognised in the current year from performance obligations satisfied fully or partially in previous years	Nil	Nil
Performance obligations- The Company satisfy the performance obligation on shipment/delivery.	Nil	Nil

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

E. Reconciliation of amount of revenue recognised in the Statement of Profit & Loss with Contracted Price

	March 31, 2020	March 31, 2019
Revenue as per Contracted Price	1,07,486.14	1,26,618.66
Adjustments		
Significant Financing Component	-	-
Dealer incentive & Discount	10,418.31	12,231.24
Revenue from Contract with Customers	**97,067.83**	**1,14,387.42**

	March 31, 2020	March 31, 2019
28. Other Income		
Interest Income		
On Bank deposits	18.81	13.29
On Receivable	98.64	75.18
On Loan to Bodies Corporate	2.81	15.73
	120.26	**104.20**
Other Non-Operating Income		
Profit on disposal of Property, Plant and Equipment (Net)	47.34	-
Unspent Liabilities written back	442.53	30.17
Net Foreign Exchange gain	116.14	21.54
Insurance Claim Received	3.81	25.19
Miscellaneous Income	7.01	16.60
	616.83	**93.50**
	737.09	**197.70**

	March 31, 2020	March 31, 2019
29. Cost of Material Consumed		
Opening inventory	3,357.78	4,868.57
Add: Purchases	46,976.19	50,378.70
Less: Inventory at the end of the year	4,115.76	3,357.78
	46,218.21	**51,889.49**

	March 31, 2020	March 31, 2019
Details of Raw Material Consumed		
Yarn/ Than	32,948.87	36,799.08
Packing Material, Accessories and Other Material	13,269.34	15,090.41
	46,218.21	**51,889.49**

	March 31, 2020	March 31, 2019
30. Purchase of Traded Goods		
Hosiery Goods	1,522.70	4,242.02
	1,522.70	**4,242.02**

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
31. Changes in Inventories of Finished Goods and Work-in-progress		
Opening Stock		
Traded Goods	2,698.69	1,698.33
Finished Goods	20,187.22	15,481.08
Work-in-Progress	11,985.56	11,132.63
	34,871.47	**28,312.04**
Closing Stock		
Traded Goods	1,994.44	2,698.69
Finished Goods	27,885.07	20,187.22
Work-in-Progress	12,735.85	11,985.56
	42,615.36	**34,871.47**
	(7,743.89)	**(6,559.43)**

	March 31, 2020	March 31, 2019
32. Employee Benefit Expense		
Salaries, Wages and Bonus	6,291.79	5,413.71
Contribution to Provident and Other Funds	152.77	144.73
Gratuity*	93.62	71.93
Staff Welfare Expenses	29.39	35.52
	6,567.57	**5,665.89**

*For descriptive notes on disclosure of Defined Benefit Obligation, Refer Note No. 41

	March 31, 2020	March 31, 2019
33. Finance Costs		
Interest Expenses [Net of Interest rate subsidy from Technology Upgradation Fund Scheme Nil (March 31, 2019: ₹ 1.42 Lakhs)]	1,719.46	1,782.83
Interest expense on Leasing arrangements	85.38	-
Other Financial Charges	-	-
Bank Charges	57.26	72.42
	1,862.10	**1,855.25**

	March 31, 2020	March 31, 2019
34. Depreciation & Amortisation Expense		
Depreciation of Plant, Property & Equipment	1,362.00	1,321.77
Amortisation of Intangible assets	178.87	179.40
Depreciation on Right of Use Assets	310.58	-
	1,851.45	**1,501.17**

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

	March 31, 2020	March 31, 2019
35. Other Expenses		
Consumption of Stores and Spares	72.22	57.49
Sub-contracting / Job Worker Expenses	23,141.99	25,997.03
Power and Fuel	1,374.50	1,469.54
Freight Outwards and Forwarding Expenses	2,004.36	2,049.76
Rent	209.18	551.77
Rates and Taxes	102.10	118.06
Insurance	189.54	111.43
Repairs and Maintenance:		
- Plant and Machinery	251.63	214.47
- Building and Others	236.26	363.96
Advertising and Sales Promotion	7,080.21	8,191.46
Business Convention	458.20	894.26
Brokerage	1,110.15	1,275.16
Travelling and Conveyance	1,263.87	1,257.17
Communication Costs	130.98	139.14
Legal and Professional fees	267.57	285.29
Directors' Sitting Fees and Commission	58.90	81.35
Payment to Auditor (Refer Note Below)	34.81	27.46
Bad Debts/ Advance written off	37.52	2.42
Provision for Doubtful Trade Receivables	73.04	14.47
Investment Written off	-	10.56
Loss on sale of fixed assets (Net)	-	5.02
Royalty on Sales	60.00	129.23
Contribution for CSR Activities (Refer Note No. 46)	224.93	257.36
Miscellaneous Expenses	1,143.02	1,016.43
	39,524.98	**44,520.29**
a) Remuneration to Auditors		
For Audit Fees	19.40	15.40
For Limited Review Fees	13.50	9.00
For Certification	1.50	0.50
For Tax Audit	-	0.60
Out of Pocket Expenses	0.41	1.96
Taxes	-	
	34.81	**27.46**

	March 31, 2020	March 31, 2019
36. Tax Expense		
Current Tax	2,657.72	5,170.72
Deferred Tax	(449.81)	(639.66)
Tax Expense	**2,207.91**	**4,531.06**
Income Tax for earlier years	-	(1.04)
Tax Expense in Statement of Profit & Loss	**2,207.91**	**4,530.02**

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

Reconciliation of estimated Income tax expense at Indian statutory Income tax rate to income tax expense reported in statement of comprehensive Income

	March 31, 2020	March 31, 2019
Income before Income taxes	8,398.25	11,947.80
Indian Statutory Income tax Rate*	25.17%	34.94%
Estimated Income tax expenses	2,113.67	4,175.04

Tax effect of adjustments to reconcile expected Income Tax expense to reported Income tax expense:

	March 31, 2020	March 31, 2019
Expenses Disallowed for tax purpose	56.21	95.38
Deductions allowable under Income Tax Act	-	(49.00)
Provision for Interest for delayed payment under Income Tax Act	-	74.36
Income Taxable at lower rate	(11.51)	231.89
Change in Effective Tax Rate	(384.02)	-
Deferred tax not recognised on Business Loss and Unabsorbed Depreciation	450.59	-
Others	(17.03)	3.39
	94.24	**356.02**
Income Tax expense in the Statement of Profit and Loss	**2,207.91**	**4,531.06**

*The Parent and One of its Subsidiary has opted to apply concessional rate of taxation as per the provisions of Section 115BAA of the Income Tax Act, 1961 made effective for financial year 2019-20 pursuant to Taxation Laws (Amendment) Act, 2019. Accordingly, the provision for Income tax and Deferred Tax balances have been recorded/ re-measured using the new tax rate and the resultant impact is recognized in the Statement of Profit & Loss for the current year.

	March 31, 2020	March 31, 2019
37. Capital and Other Commitments		
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	1,299.06	-

38. a) Contingent Liabilities

	March 31, 2020	March 31, 2019
Demands/ claims by various government authorities and others not acknowledged as debts and contested by the government		
Sales Tax Matters [net of amount deposited under dispute ₹20.53 Lakhs (March 31, 2019 : ₹ 13.77 Lakhs)]	143.33	80.30
Employees State Insurance (Financial Year - 2007-08 under Appeal)	0.40	0.40
Bank Guarantees outstanding	747.34	720.30
Guarantees Given to Bank		
- For Subsidiaries (For Loan Outstanding ₹ 4,025.96 Lakhs (March 31, 2019: ₹ 3477.84 Lakhs)	3,550.00	3,477.84
- For Others	200.00	200.00
Letter of Credit Outstanding	847.32	-
During the year 2013-14, the Company had challenged, before the Hon'ble High Court of Calcutta, the imposition of entry tax by the State Government of West Bengal on receipt of materials from outside the state on the ground that such imposition of entry tax is ultra vires/ unconstitutional. The Company has received a favourable interim order dated June 5, 2013 and the matter is presently sub judice. Accordingly, the liabiity of ₹ 820.71 Lakhs (March 31, 2019: ₹ 599.82 Lakhs) has not been provided in books of accounts.	820.71	599.82

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Note:

a) The amount shown above represents the best possible estimate arrived at on the basis of available information. The uncertainties are dependent on outcome of differenr legal processes. The timing of future cash flows will be determinable only on receipt of judgements/decisions pending with various forums/authorities. The Group does not expect any reimbursements against above.

b) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Management has assessed the applicability of the judgement and is of the view that there is no material impact of the same. Further the group is awaiting the directions from EPFO, if any, to assess any potential impact on the Group and consequently no adjustments have been made in the books of account.

		March 31, 2020	March 31, 2019
39.	**Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade payables**		
	Principal amount remaining unpaid to any supplier at the end of Financial Year	25.69	27.41
	Interest due on above	-	-
	Total	**25.69**	**27.41**
	Amount of interest paid by the Company to the suppliers in terms of Section 16 of the MSMED Act, 2006 alongwith amount paid to the suppliers beyond the respective due date	-	-
	Amount of interest due and payable for the year of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act	-	-
	Amount of interest accrued and remaining unpaid at the end of accounting year	-	-
	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of this Act		

40. Dividend

The Board of Directors of Parent Company at its meeting held on June 26, 2020 have recommended a payment of final dividend of ₹ 3/- per equity share of face value of ₹ 1/- each for the financial year ended March 31, 2020 which amounts to ₹ 2,385.74 Lakhs. The same is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

41. Employee Benefit (Defined Benefit Plan)

The Group has a Defined Benefit Gratuity plan. Every employee who has completed at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The Parent has got an approved gratuity fund which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities. The gratuity liability for Subsidiary Companies is unfunded.

The following tables summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet for the plan.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

		Non-Funded		Funded	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(a)	**Change in Projected Benefit Obligations**				
	Obligations at beginning of the year	19.87	12.37	413.58	371.71
	Current Service Cost	11.00	10.89	64.87	48.03
	Past Service Cost	-	-	-	-
	Interest Cost	1.53	0.94	31.85	12.07
	Benefits Settled	-	(0.26)	(21.12)	(16.27)
	Actuarial (gain)/ loss (through OCI)	(6.19)	(4.07)	(7.72)	(1.97)
	Obligations at end of the year	**26.21**	**19.87**	**481.46**	**413.58**

		Non-Funded		Funded	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(b)	**Change in Plan Assets**				
	Plan assets at beginning of the year, at fair value	-	-	195.33	206.80
	Interest income	-	-	15.63	15.92
	Actuarial gain/ (loss) (through OCI)	-	-	1.85	(15.92)
	Contributions	-	-	36.36	4.80
	Benefits Settled	-	-	(21.12)	(16.27)
	Plan assets at end of the year	**-**	**-**	**228.05**	**195.33**

		Non-Funded		Funded	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(c)	**Net Defined Benefit Liability/ (Asset)**				
	Present value of defined benefit obligation at the end of the year	26.21	19.87	481.46	413.58
	Fair value of plan assets at the end of the year	-	-	228.05	195.33
	Net Liability/ (Asset) recognised in the Balance Sheet	**26.21**	**19.87**	**253.41**	**218.25**

		Non-Funded		Funded	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(d)	**Expenses recognised in Statement of Profit and Loss**				
	Service cost	11.00	10.89	64.87	48.03
	Interest cost (net)	1.53	0.94	16.22	12.07
	Total expense recognised in Statement of Profit and Loss	**12.53**	**11.83**	**81.09**	**60.10**

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

		Non-Funded		Funded	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(e)	**Re-measurement gains/ (losses) in OCI**				
	Actuarial (gain)/ loss due to financial assumption changes	3.98	1.82	38.09	63.46
	Actuarial (gain)/ loss due to experience adjustments	(10.17)	(5.89)	(45.81)	(81.35)
	Return on plan assets (greater)/ less than discount rate	-	-	(1.85)	15.92
	Total amount routed through OCI	(6.19)	(4.07)	**(9.57)**	**(1.97)**

		Non-Funded		Funded	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
41(f)	**The major categories of plan assets of the fair value of the total plan assets are as follows**				
	Investments with insurer	N.A.	N.A.	100%	100%

		March 31, 2020	March 31, 2019
41(g)	**The principal assumptions used in determining gratuity benefit obligations for the Group are shown below**		
	Discount Rate	7.00%	7.70%
	Salary Escalation Rate	6.00%	4%-6%
	Mortality Rate	IALM (2012-14) table	IALM (2006-08) table
	Withdrawal Rate	1% to 20%	1% to 8%

41(h) A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

Funded

	Sensitivity	March 31, 2020		March 31, 2019	
		Increase	Decrease	Increase	Decrease
Effects on Defined Benefit Obligation due to change in					
Discount Rate	1%	443.98	524.54	378.28	454.54
Further salary increase	1%	516.97	449.66	447.76	383.19
Withdrawal Rates	1%	486.17	476.06	-	-

Non-funded

	Sensitivity	March 31, 2020		March 31, 2019	
		Increase	Decrease	Increase	Decrease
Effects on Defined Benefit Obligation due to change in					
Discount Rate	1%	22.99	30.10	17.46	22.77
Further salary increase	1%	30.24	22.82	22.90	17.32
Withdrawal Rate	1%	25.92	26.45	19.64	20.04

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

41(i) The average duration of the defined benefit plan obligation at the end of the reporting period is 5.68 years (March 31, 2019: 5.83 years). The distribution of the timing of benefits payment i.e., the maturity analysis of the benefit payments is as follows :

Particulars	Non-funded Amount	Funded Amount
Expected benefits payment for the year ending on		
March 31, 2021	0.13	44.02
March 31, 2022	0.69	33.67
March 31, 2023	1.22	33.19
March 31, 2024	1.70	40.02
March 31, 2025	1.95	36.59
April 1, 2025 onwards	76.09	795.92

	March 31, 2020	March 31, 2019
41(j) Defined Contribution Plan		
Contribution to Provident/ Pension Funds (Refer Note No. 32)	152.77	144.73

42. Leases

Effective April 1, 2019, the Group has adopted Ind AS 116 to its leases using modified retrospective transition method. Accordingly, the comparative information for periods relating to earlier years is not restated. The lease liability is measured at the present value of remaining lease payments discounted using incremental borrowing rate at the date of initial application and right of use asset has been recognized at an amount equal to the lease liability plus prepaid rentals recognised in the Balance Sheet before the date of initial application, if any. Further, the Company has exercised the following practical expedient;

i) The Group has not reassessed whether a contract is, or contains, a lease at the date of initial application i.e. the contracts classified as leases as on March 31, 2019 as per Ind-AS17 is treated as leases under Ind-AS 116 and not applying this standard to contracts that were not previously identified as containing a lease applying Ind AS 17.

ii) Leases for which the lease term ends within 12 months of the date of initial application have been accounted as short term leases.

Further, refer Note 4.5 Significant Accounting Policies for detailed measurement and recognition principles on Lease

a) On adoption of Ind AS 116 the Group has reclassified Leasehold Land having net block of ₹ 262.01 lakhs from Property Plant & Equipment to Right of Use Asset. The said land was under finance lease arrangements as per Ind-AS 17 for terms ranging from 86 to 90 years.

b) The adoption of new standard has also resulted in recognition of right of use assets of ₹ 1,239.31 lakhs and a corresponding lease liability of the same amount on the date of transition.

c) In the Statement of Profit and Loss for the current year, rent expenses which was earlier recognised under other expenses is now recognised as depreciation of right of use assets and interest on lease liability under finance cost. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The operating cash flows for the year ended March 31, 2020 has increased by ₹ 342.24 Lakhs and the financing cash flows have decreased by ₹ 342.24 Lakhs as payment of lease liabilities.

d) The weighted average incremental borrowing rate of 8% has been applied to lease liabilities recognised in the Balance Sheet.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

e) Maturity analysis of lease liabilities

As per the requirement of Ind As-107 maturity analysis of lease liability have been shown under maturity analysis of financial liabilities under Liquidity risk (Refer Note No. 48 (b)(i)].

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligation related to lease liabilities as and when they fall due.

f) Rental expenses for short-term leases, low value leases or leases which are cancellable in nature amounts to ₹ 209.18 lakhs for the year ended March 31, 2020. (Refer Note No. 535)

g) Changes in Carrying Value of Right of Use Assets and Lease Liabilities is given below:

(i) Carrying value of Right-of-Use Assets

	Leasehold Land	Buildings	Total
Balance as at April 1, 2019	-	-	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	262.00	1,239.31	1,501.31
Addition during the year	-	-	-
Depreciation for the year	3.22	307.36	310.58
Balance as at March 31, 2020	**258.78**	**931.95**	**1,190.73**

(ii) Movement in Lease Liabilities

	Amount
Balance as at April 1, 2019	-
Recognised on account of adoption of Ind AS 116 as at April 1, 2019	1,239.31
Addition during the year	-
Finance Cost accrued during the year	85.38
Payment of Lease Liabilities for the year	342.24
Balance as at March 31, 2020	**982.45**

43. Related Party Disclosure

Names of related parties and related party relationship

Related parties where control exists

Related Parties which exercises Significant influence over the company (Forming Part of Promoter Group)	Ullas Sales Promotion LLP (Previously known as Ullas Sales Promotion Ltd)(w.e.f. August 21, 2019)

Related parties with whom transactions have taken place during the year

Key Management Personnel	Mr. Prahlad Rai Agarwala	Chairman
	Mr. Ghanshyam Prasad Agarwala	Vice Chairman
	Mr. Kunj Bihari Agarwal	Managing Director
	Mr. Ramesh Agarwal	Whole-time Director-cum-Chief Financial Officer
	Mr. Mukesh Agarwal	Whole-time Director
	Mr. Niraj Kabra	Executive Director
	Mr. Dinesh Kumar Lodha	Chief Executive officer (w.e.f. February 25, 2019)
	Mr. Ashok Bhandari	Independent Director (w.e.f. August 10, 2018)
	Mr. Kundan Kumar Jha	Company Secretary
	Mr. Satya Brata Ganguly	Independent Director (Upto July 3, 2018)
	Mr. Dipak Kumar Banerjee	Independent Director
	Mr. Dharam Chand Jain	Independent Director
	Mr. Vinod Kumar Kothari	Independent Director
	Mr. Sushil Patwari	Independent Director
	Mrs. Alka Devi Bangur	Independent Director

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

Relatives of Key Management Personnel	Mr. Suresh Agarwal	Son of Mr. Prahlad Rai Agarwala
	Mr. Manish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Ravi Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Vikash Agarwal	Son of Mr. Kunj Bihari Agarwal
	Mr. Rajnish Agarwal	Son of Mr. Ghanshyam Prasad Agarwala
	Mr. Siddhant Agarwal	Grand-Son of Mr. Prahlad Rai Agarwala
	Mrs. Rekha Patodia	Daughter of Mr. Prahlad Rai Agarwala
	Mrs. Shanti Devi Agarwal	Wife of Mr. Prahlad Rai Agarwala
	Mrs. Pushpa Devi Agarwal	Wife of Mr. Ghanshyam Prasad Agarwala
	Mrs. Lalita Devi Agarwal	Wife of Mr. Kunj Bihari Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Ramesh Agarwal
	Mrs. Seema Agarwal	Wife of Mr. Mukesh Agarwal
	Mrs. Shalini Agarwal	Wife of Mr. Vikash Agarwal
	Mrs. Sudha Agarwal	Wife of Mr. Suresh Agarwal
	Mrs. Sarita Patwari	Daughter of Mr. Ghanshyam Prasad Agarwala
Enterprises owned or significantly influenced by key management personnel or their relatives	Salasar Projects and Estates Pvt. Ltd.	
	Sidhant Flats & Apartments Pvt Ltd.	
	Salasar Infrastructure Ltd.	
	Sobhasaria Properties Pvt Ltd	
	Lambodar Hosiery Pvt Ltd.	
	Arrow-Link Stitchers Pvt Ltd (w.e.f. April 22, 2019)	
	Rupa Spinners Ltd.	
	Salasar Developers & Garments Pvt Ltd.	
	Bajrangbali Projects Ltd.	
	Bajrangbali Hosiery Pvt. Ltd	
	Sidhant Textiles Pvt Ltd.	
	Ganesh Enclave Ltd.	
	Gajkarna Projects Private Limited	
	Ravi Global Pvt Ltd.	
	Kadambari Impex & Agency Pvt Ltd.	
	Prahlad Rai Suresh Kumar - HUF	
	Suresh Kumar Agarwal - HUF	
	Mukesh Kumar Agarwal - HUF	
	Ghanshyam Prasad Manish Kumar - HUF	
	K B & Sons - HUF	
	Ravi Agarwal - HUF	
	Binod Hosiery	
	Rajnish Enterprises Ltd. [Merged with Ullas Sales Promotion Pvt Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]	
	Purvanchal Leasing Ltd. [Merged with Ullas Sales Promotion Pvt Ltd (now converted to Ullas Sales Promotion LLP) w.e.f. effective date August 21, 2019]	
	Siddhant Credit Capital Ltd.	
	Yashoda Hosiery Pvt. Ltd. (w.e.f. April 22, 2019)	
	Rupa Dyeing & Printing Pvt Ltd	
	Rupa Foundation	
	Tushar Knitting LLP	
Private companies in which directors or relatives are director or members	Salasar Processors Pvt. Ltd.	
	Bajarangbali Textiles Pvt. Ltd.	
	Metro Towers Office Owners Association	

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

Related party transactions

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Rent	Mr. Prahlad Rai Agarwala	Key Management Personnel	3.38	3.38
	Mr. Ghanshyam Prasad Agarwala		1.37	1.37
	Mr. Kunj Bihari Agarwal		0.58	0.58
	Mr. Mukesh Agarwal		1.30	1.30
	Mrs. Pushpa Devi Agarwal	Relatives of Key Management Personnel	0.22	0.22
	Salasar Infrastructure Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	1.30	1.30
	Rupa Spinners Ltd.		1.30	1.30
	Salasar Developers & Garments Pvt Ltd.		1.30	1.30
	Bajrangbali Projects Ltd.		1.30	1.30
	Sidhant Textiles Pvt Ltd.		1.37	1.37
	Bajrangbali Hosiery Pvt Ltd		1.74	1.74
	Ganesh Enclave Ltd.		1.30	1.30
	Ravi Global Pvt Ltd.		1.37	1.37
	Kadambari Impex & Agency Pvt Ltd.		1.37	1.37
	Sobhasaria Properties Pvt Ltd		1.73	30.53
	Others		1.15	1.15
Payment of Lease Liabilities	Sobhasaria Properties Pvt Ltd		28.80	-
Salary and Perquisites	Mr. Prahlad Rai Agarwala#	Key Management Personnel	208.00	196.00
	Mr. Ghanshyam Prasad Agarwala		102.00	90.00
	Mr. Kunj Bihari Agarwal		102.00	90.00
	Mr. Ramesh Agarwal		102.00	87.00
	Mr. Mukesh Agarwal		102.00	87.00
	Mr. Dinesh Kumar Lodha		255.75	21.34
	Mr. Niraj Kabra		18.43	16.45
	Mr. Kundan Kumar Jha		23.08	20.14
	Mr. Manish Agarwal	Relatives of Key Management Personnel	72.00	60.00
	Mr. Ravi Agarwal		72.00	60.00
	Mr. Vikash Agarwal		72.00	60.00
	Mr. Rajnish Agarwal		72.00	60.00
	Mr. Suresh Agarwal		48.00	36.00
	Mr. Siddhant Agarwal		42.00	36.00
	Mrs. Rekha Patodia		17.34	15.70
Sitting Fees and Commission	Mr. Satya Brata Ganguly	Independent Director	-	6.40
	Mr. Dipak Kumar Banerjee		12.85	17.50
	Mr. Dharam Chand Jain		7.50	10.50
	Mr. Vinod Kumar Kothari		12.60	14.45
	Mr. Sushil Patwari		10.05	13.30
	Mr. Ashok Bhandari		10.20	9.60
	Mrs. Alka Devi Bangur		5.70	9.60

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	For the year ended March 31, 2020	For the Year ended March 31, 2019
Rental Income	Bajarangbali Textiles Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	6.00	6.00
	Tushar Kntting LLP		3.60	4.20
Sub-contracting Expenses	Rupa Dyeing & Printing Pvt Ltd		843.28	735.89
	Tushar Knitting LLP		46.33	48.72
	Arrow Link Stitchers Pvt. Ltd.		5,669.79	-
	Salasar Processors Pvt. Ltd.		775.93	630.97
	Yashoda Hosiery Pvt. Ltd.		211.67	-
	Lambodar Hosiery Pvt Ltd.		128.60	130.05
	Bajarangbali Textiles Pvt. Ltd.		20.17	39.51
Advertisement Expense	Gajkarna Projects Private Limited		3.94	-
Purchase	Rupa Dyeing & Printing Pvt Ltd		43.33	-
CSR Expenditure	Rupa Foundation		46.68	83.00
Miscellaneous Expenses	Metro Towers Office Owners Association	Private companies in which directors or relatives are director or members	49.60	47.96
Dividend Paid	Mr. Prahlad Rai Agarwala	Key Management Personnel	86.74	86.74
	Mr. Ghanshyam Prasad Agarwala		39.58	39.58
	Mr. Kunj Bihari Agarwal		38.39	38.39
	Mr. Mukesh Agarwal		21.89	21.89
	Mr. Ramesh Agarwal		31.78	31.78
	Mr. Vikash Agarwal	Relatives of Key Management Personnel	52.66	52.66
	Mr. Ravi Agarwal		52.28	52.28
	Mr. Rajnish Agarwal		37.30	37.30
	Mr. Manish Agarwal		36.98	36.98
	Mr. Suresh Agarwal		32.00	32.00
	Others		76.96	76.96
	Rajnish Enterprises Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	474.70	474.70
	Purvanchal Leasing Ltd.		174.23	174.23
	Binod Hosiery		502.91	502.91
	Siddhant Credit Capital Ltd.		50.76	50.76
	Others		39.31	39.31

#includes Commission of ₹ 100 Lakhs (March 31, 2019: ₹ 100 Lakhs)

As the liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to Key Managerial Personnel and relatives of Key Managerial Personnel are not included above.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

Balance at end of the year

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
Trade Payables and Other Liabilities (Payable to Employees)	Mr. Prahlad Rai Agarwala	Key Management Personnel	281.35	103.73
	Mr. Ghanshyam Prasad Agarwala		92.27	27.35
	Mr. Kunj Bihari Agarwal		26.47	14.67
	Mr. Ramesh Agarwal		88.51	34.84
	Mr. Mukesh Agarwal		152.63	77.25
	Mr. Dinesh Kumar Lodha		19.34	17.10
	Mr. Niraj Kabra		1.64	1.22
	Mr. Kundan Kumar Jha		1.58	0.37
	Mr. Manish Agarwal	Relatives of Key Management Personnel	60.96	18.90
	Mr. Rajnish Agarwal		61.04	28.19
	Mr. Ravi Agarwal		21.79	24.33
	Mr. Vikash Agarwal		30.47	20.75
	Mr. Suresh Agarwal		42.84	14.31
	Mr. Siddhant Agarwal		50.48	30.13
	Mrs Rekha Patodia		1.90	2.03
	Mrs. Pushpa Devi Agarwal		0.61	0.22
	Mr. Dipak Kumar Banerjee	Independent Director	5.00	5.00
	Mr. Dharam Chand Jain		3.00	3.00
	Mr. Vinod Kumar Kothari		5.00	5.00
	Mr. Sushil Patwari		5.00	5.00
	Mr. Ashok Bhandari		5.00	5.00
	Mrs. Alka Devi Bangur		3.00	3.00
Trade Payables	Rupa Dyeing & Printing Pvt Ltd	Enterprises owned or significantly influenced by key management personnel or their relatives	168.77	67.24
	Salasar Infrastructure Ltd.		0.54	-
	Salasar Projects and Estates Pvt. Ltd.		0.21	-
	Sidhant Flats & Apartments Pvt Ltd.		0.21	-
	Sidhant Textiles Pvt Ltd.		0.57	-
	Ganesh Enclave Ltd.		0.54	-
	Ravi Global Pvt Ltd.		0.57	-
	Rupa Spinners Ltd.		0.54	-
	Bajrangbali Projects Ltd.		0.54	-
	Kadambari Impex & Agency Pvt Ltd.		0.57	-
	Lambodar Hosiery Pvt Ltd.		14.81	14.51
	M/s Binod Hosiery		0.41	0.26
	Arrow Link Stitchers Pvt. Ltd.		97.03	-
	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members.	-	23.88
	Bajarangbali Textiles Pvt. Ltd.		11.95	37.12
	Tushar Knitting LLP		5.73	23.02
	Yashoda Hosiery Pvt. Ltd.		4.90	-
	Metro Towers Office Owners Association		6.72	1.99

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as at and for the year ended March 31, 2020

(₹ in Lakhs)

Particulars	Party	Nature of relationship	March 31, 2020	March 31, 2019
Advance against supply of goods & services	Salasar Processors Pvt. Ltd.	Private companies in which directors or relatives are director or members.	23.11	-
	Sobhasaria Properties Pvt Ltd		-	2.83
Financial Assets - Security Deposit	Salasar Projects and Estates Pvt. Ltd.	Enterprises owned or significantly influenced by key management personnel or their relatives	26.00	26.00
	Sidhant Flats & Apartments Pvt Ltd.		26.40	26.40
	Bajrangbali Projects Ltd.		3.00	3.00
	Ganesh Enclave Ltd.		3.00	3.00
	Rupa Spinners Ltd.		3.00	3.00
	Salasar Infrastructure Ltd.		3.00	3.00
	Salasar Developers & Garments Pvt Ltd.		3.00	3.00
Lease Liability Payable*	Sobhasaria Properties Pvt Ltd		2.21	-

Note:

The remuneration to the Key Management Personnel and relatives of the Key Management Personnel does not include provision made for Gratuity as it is determined on an actuarial basis for the Company as a whole.

*Amount due as on March 31, 2020

		March 31, 2020	March 31, 2019
44.	**Earning per share**		
	Profit as per Statement of Profit & Loss attributable to Equity Shareholders (a)	6,190.34	7,417.78
	Weighted average number of Equity Shares (in number) (b)	7,95,24,560	7,95,24,560
	Basic & Diluted Earnings Per Share (a/b) (Nominal Value - ₹ 1/- per share)	7.78	9.33

45. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting to the chief operating decision maker (CODM). The Chief Executive Officer of the Company being the CODM, assesses the financial performance and position of the Group and makes strategic decisions. The CODM primarily uses earnings before interest, tax, depreciation and amortisation (EBITDA) as performance measure to assess the performance of the operating segments. However, the CODM also receives information about the segment's revenues, segment assets and segment liabilities on regular basis.

A. Description of Segment

The Group is principally engaged in a single business segment viz., Hosiery Products.

B. Geographical Information

	March 31, 2020	March 31, 2019
i) Segment Revenue from External Customer (Sale of Goods)		
Within India	92,467.73	1,09,464.99
Outside India- Export Sales	2,494.19	2,751.72
Total	**94,961.92**	**1,12,216.71**

Notes to the Consolidated Financial Statement

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(₹ in Lakhs)

	March 31, 2020	March 31, 2019
ii) Carrying value of Non-Current Assets (other than financial instruments)		
Within India*	21,242.62	19,390.50
Outside India	-	-
Total	**21,242.62**	**19,390.50**

*Non-Current Assets for this purpose consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets, Righ of Use Assets, Intangible Assets under Development, Non-Current Tax Assets and Other Non-Current Assets.

46. Disclosures of Corporate Social Responsibility expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities".

	March 31, 2020	March 31, 2019
Amount of CSR expenditure to be incurred during the year	287.73	254.96
CSR Expenditure incurred during the year	224.93	257.36
Related party transaction as per Ind AS 24 in relation to CSR expenditure	46.68	83.00

47. Capital Management

The Group's objective to manage its capital is to ensure continuity of business while at the same time provide reasonable returns to its various stakeholders but keep associated costs under control. In order to achieve this, requirement of capital is reviewed periodically with reference to operating and business plans that take into account capital expenditure and strategic investments. Apart from internal accrual, sourcing of capital is done through judicious combination of equity and borrowing, both short term and long term. Net debt (Total Borrowings, Lease liabilities less cash & cash equivalents) to equity ratio is used to monitor capital.

	March 31, 2020	March 31, 2019
Debt Equity Ratio	0.33:1	0.37:1

48. Disclosure on Financial Instrument

This section gives an overview of the significance of financial instruments for the Group and provides additional information on Balance Sheet items that contain financial instruments

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 4.12 to the financial statements

(a) Fair Value of Financial Asset & Liabilities

The Group has measured its Financial Asset and Financial Liabilities at Amortised Cost. Hence no separate disclosure has been given for fair value hierarchy

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

The carrying value of trade receivables, trade payables, cash and cash equivalents, loans, borrowings and other current financial assets and liabilities approximate their fair values largely due to the short-term maturities.

(b) Financial Risk Management

The Group has a Risk Management Policy which covers risk associated with the financial assets and liabilities. The different types of risk impacting the fair value of financial instruments are as below:

(a) Credit Risk

The credit risk is the risk of financial loss arising from counter party failing to discharge an obligation. The credit risk is controlled by analysing credit limits and credit worthiness of customers on continuous basis to

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

whom the credit has been granted, obtaining necessary approvals for credit and taking security deposits from trade channels.

(i) Trade Receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and major customers are generally secured by obtaining security deposits/ bank guarantee or other forms of credit insurance. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in Note No. 13.

Reconciliation of Loss Allowance provision:-

Loss Allowance in March 31, 2019	38.17
Change in loss Allowance	73.04
Loss Allowance in March 31, 2020	**111.21**

(ii) Bank Deposit

Credit risk is limited as the Company generally invest in deposits with banks.

(b) Liquidity Risk

The Group determines its liquidity requirement in the short term and long term. The Group manage its liquidity risk in a manner so as to meet its financial obligations without any significant delay or stress. Such risk is managed through ensuring operational cash flow while at the same time maintaining adequate cash and cash equivalent position. The management has arranged for diversified funding sources and adopted a policy of managing assets with liquidity monitoring future cash flow and liquidity on a regular basis. Besides, it generally has certain undrawn credit facilities which can be assessed as and when required; such credit facilities are reviewed at regular basis

(i) Maturity Analysis for Financial Liabilities

The following are the remaining contractual maturities of financial liabilities as at March 31, 2020

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-Derivative				
Trade payables	-	13,797.72	-	-
Borrowings	6,277.40	10,541.25	762.51	327.40
Other Financial Liabilities				
Interest Accrued but not due on Borrowings	-	32.85	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	11.39	-	-	-
Security Deposits from Customers	4,276.18	-	-	-
Capital Creditors	-	57.51	-	-
Dealers Incentive payable	-	1,879.16	-	-
Payable to Employees	-	1,123.09	-	-
Lease Liability	-	296.06	160.99	525.40
Others	-	395.09	-	-
Total	**10,564.97**	**28,122.73**	**923.50**	**852.80**

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

The following are the remaining contractual maturities of financial liabilities as at March 31, 2019

	On Demand	Upto 1 Yr	1Yr - 3Yr	More than 3 Yr
Non-Derivative				
Trade payables	-	14,891.51	-	-
Borrowings	8,282.09	11,950.05	750.14	62.51
Other Financial Liabilities				
Interest Accrued but not due on Borrowings	-	11.93	-	-
Unpaid dividends (to be credited to Investor Education and Protection Fund as and when due)	12.58	-	-	-
Security Deposits from Customers	4,201.37	-	-	-
Capital Creditors	-	91.90	-	-
Dealers Incentive payable	-	3,666.73	-	-
Payable to Employees	-	851.44	-	-
Others	-	304.96	-	-
Total	**12,496.04**	**31,768.52**	**750.14**	**62.51**

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

(i) **Interest Rate Risk:** Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to risk due to interest rate fluctuation on long term borrowings. Such borrowings are based on fixed as well as floating interest rate. Interest rate risk is determined by current market interest rates, projected debt servicing capability and view on future interest rate. Such interest rate risk is actively evaluated and is managed through portfolio diversification and exercise of prepayment/refinancing options where considered necessary. The Group is also exposed to interest rate risk on surplus funds parked in fixed deposits. To manage such risks, such investments are done mainly for short durations, in line with the expected business requirements for such funds.

a) Exposure to Interest Rate Risk

	March 31, 2020	March 31, 2019
Fixed Rate Instruments		
Financial Assets	249.51	167.41
Financial Liabilities	5,258.63	800.00
Variable Rate Instruments		
Financial Assets	-	-
Financial Liabilities	17,941.41	20,244.79

(b) Interest Rate Sensitivity: A change in 50 basis points in the interest rate would have following impact on profit before tax and other equity.

	Sensitivity Analysis	March 31, 2020 Impact on		March 31, 2019 Impact on	
		Profit before Tax	Other Equity	Profit before Tax	Other Equity
Interest rate increase by	0.50%	(89.71)	(67.13)	(101.22)	(65.85)
Interest rate decrease by	0.50%	89.71	67.13	101.22	65.85

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

(₹ in Lakhs)

(c) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group does not have significant foreign currency exposure and hence, is not exposed to any significant foreign currency risk.

Unhedged Foreign Currency Exposure

The Group's exposure to foreign currency in USD at the end of the reporting period expressed in INR is as follows :

	March 31, 2020	March 31, 2019
Financial Assets		
Trade Receivables	787.93	672.70
EEFC Bank Account	48.62	240.41

(d) Other Risk

The spread of Covid-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular business operations due to lock-downs and other emergency measures. As a result the volumes for the month of March 2020 has been impacted. The Companies in the group has since resumed operations in a phased manner taking into account directives from the Government. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables and other assets. Having regard to the above and the company's liquidity position, there is no material uncertainty in meeting it's liabilities in the foreseeable future. However, the eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements.

49. Movement of Deferred Revenue (Refer Note No. 23)

	March 31, 2020	March 31, 2019
Opening Balance	**100.62**	**118.10**
Government Grant received during the year	166.35	-
Less:		
Deferred Revenue on Government Grant recognised in Profit and Loss Statement	33.63	17.48
Current portion of Deferred Revenue Grant carried forward as at year end	30.67	17.48
Non-Current portion of Deferred Revenue Grant carried forward as at year end	202.67	83.14

50. The net worth of one of the wholly owned subsidiary company, M/s Oban Fashions Pvt.Ltd. as at the Balance Sheet date is negative. As per the requirements of IND AS - 36 "Impairment of Assets", the Group has assessed the carrying value of the subsidiary vis-a-vis the recoverable value and envisaged that no impairment is required as at the Balance Sheet date.

Notes to the Consolidated Financial Statement

as at and for the year ended March 31, 2020

(₹ in Lakhs)

51 Additional information in respect of net assets and profit / loss of each entity within the Group and their respective share

	As at March 31, 2020 Net Assets, i.e., total assets minus total liabilities		FY 2019-2020 Share in profit		FY 2019-2020 Share in profit		FY 2019-2020 Share in profit	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated net assets	Amount
Parent								
- Rupa & Company Ltd	97.45%	56,322.76	129.34%	8,006.53	51.11%	7.15	129.16%	8,013.68
Subsidiaries (Indian)								
- Imoogi Fashions Pvt Ltd	0.51%	293.22	0.45%	27.69	0.71%	0.10	0.45%	27.79
- Euro Fashion Inners International Pvt Ltd	0.77%	442.37	0.09%	5.70	0.00%	-	0.09%	5.70
- Rupa Fashions Pvt Ltd	0.01%	4.66	-0.01%	(0.34)	0.00%	-	-0.01%	(0.34)
- Rupa Bangladesh Pvt Ltd	0.02%	12.65	-0.02%	(1.39)	4.79%	0.67	-0.01%	(0.72)
- Oban Fashions Pvt Ltd	1.25%	719.80	-29.85%	(1,847.85)	43.39%	6.07	-29.69%	(1,841.78)
Total	**100.00%**	**57,795.46**	**100.00%**	**6,190.34**	**100.00%**	**13.99**	**100.00%**	**6,204.33**

	As at March 31, 2019 Net Assets, i.e., total assets minus total liabilities		FY 2018-2019 Share in profit		FY 2018-2019 Share in profit		FY 2018-2019 Share in profit	
	As % of Consolidated net assets	Amount	As % of Consolidated Profit & Loss	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated net assets	Amount
Parent								
- Rupa & Company Ltd	103.10%	56,153.57	125.88%	9,337.38	29.81%	1.28	125.82%	9,338.66
Subsidiaries (Indian)								
- Imoogi Fashions Pvt Ltd	0.49%	265.44	0.48%	35.45	8.09%	0.35	0.48%	35.80
- Euro Fashion Inners International Pvt. Ltd.	0.80%	436.67	0.11%	8.35	0.00%	-	0.11%	8.35
- Oban Fashions Pvt Ltd	-4.39%	(2,388.42)	-26.47%	(1,963.40)	62.10%	2.66	-26.42%	(1,960.74)
Total	**100.00%**	**54,467.26**	**100.00%**	**7,417.78**	**100.00%**	**4.29**	**100.00%**	**7,422.07**

The amount stated above in respect of Subsidiaries are as per the Standalone Financial Statements of each of individual entities, before making any adjustments for intra - group transactions and/or balances.

Notes to the Consolidated Financial Statement
as at and for the year ended March 31, 2020

52. Previous year figures have been reclassified/regrouped wherever considered necessary.

As per our report of even date

For **Singhi & Co.**
Chartered Accountants
Firm's Registration No. 302049E

Sd/-
Ankit Dhelia
Partner
Membership No. 069178

Place: Kolkata
Date: June 26, 2020

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Form AOC - 1

[Pursuant to first proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Statement containing salient features of the Financial Statements of Subsidiaries/ Associate Companies/ Joint Ventures

Part "A": Subsidiaries

(₹ in Lakhs)

	1	2	3	4	5
Name of the Subsidiary Companies	Euro Fashion Inners International Private Limited	Imoogi Fashions Private Limited	Oban Fashions Private Limited	Rupa Fashions Private Limited	Rupa Bangladesh Private Limited
The date since when the subsidiary was acquired	April 26, 2005	September 15, 2010	December 29, 2015	December 11, 2019	September 1, 2019
Financial Year ending on	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
Reporting Currency	Indian Rupee	Indian Rupee	Indian Rupee	Indian Rupee	Bangladesh Taka
Exchange Rate on the last day of the Financial Year in the case of foreign subsidiaries	N.A.	N.A.	N.A.	N.A.	INR 0.88368 per BDT
Share Capital	410.00	1.00	991.00	5.00	13.37
Reserves and Surplus	32.37	292.22	-271.20	-0.34	-0.72
Total Assets	484.37	546.78	7,091.93	5.00	12.86
Total Liabilities	42.00	253.56	6,372.13	0.34	0.20
Investments	-	-	-	-	-
Turnover	8.95	401.50	3,265.41	-	-
Profit/ (Loss) before Tax	7.74	37.25	-1,847.85	0.34	-1.39
Provision for Tax	-2.04	9.56	-	-	-
Profit/ (Loss) after Tax	5.70	27.69	-1,847.85	0.34	-1.39
Proposed dividend	-	-	-	-	-
% of shareholding	100	100	100	100	100

Notes:

1. Names of the subsidiaries which are yet to commence operations : Rupa Fashions Private Limited, Rupa Bangladesh Private Limited
2. Names of the subsidiaries which have been liquidated or sold during the year : Not Applicable

Part "B": Associates and Joint Ventures

The Company does not have an associate or a joint venture, therefore, the requirement under this part is not applicable to the Company.

For and on behalf of the Board of Directors

Sd/-
Prahlad Rai Agarwala
Chairman
DIN: 00847452

Sd/-
Ghanshyam Prasad Agarwala
Vice-Chairman
DIN: 00224805

Sd/-
Kunj Bihari Agarwal
Managing Director
DIN: 00224857

Sd/-
Ramesh Agarwal
Whole-time Director-cum-Chief Financial Officer
DIN: 00230702

Sd/-
Dinesh Kumar Lodha
Chief Executive Officer

Sd/-
Kundan Kumar Jha
Company Secretary
Membership No. ACS17612

Place: Kolkata
Date: June 26, 2020