

Price Waterhouse Chartered Accountants LLP

Independent auditor's report

To the Members of JK Files (India) Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of JK Files (India) Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 48 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.



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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

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Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. 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.

Report on other legal and regulatory requirements

12. 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 B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. 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.



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- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - 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 statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
14. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Mumbai
June 25, 2020

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGM4471

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of JK Files (India) Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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.



Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 13(f) of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020

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Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls 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 controls 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 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 financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. 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 statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Arunkumar Ramdas
Partner

Membership Number: 112433
UDIN: 20112433AAAAGM4471

Mumbai
June 25, 2020

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

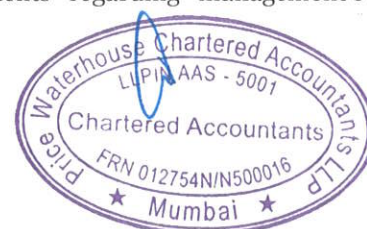
Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 2(b) on Property, Plant and Equipment and Note 12 on Assets classified as held for sale to the financial statements, are held in the name of the Company, except for following leasehold land transferred to Company, pursuant to a demerger from Raymond Limited, which is pending registration in the name of the Company:

(Rs. In lakhs)

Location	Type of Immovable Property	Gross Block	Net Block
Chiplun	Leasehold Land	154.79	134.30

- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made. The Company has not provided any guarantees or security to the parties covered under Section 185 and 186 of the Companies Act 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 35 to the financial statements regarding management's assessment on certain matter relating to provident fund.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs, duty of excise, service tax and goods and service tax as at March 31, 2020 which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs) (net of deposit)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax and (VAT and CST)	66.23	2007-08 and 2011-12	Revision Board
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax and (VAT and CST)	124.26	2012-13 to 2014-15	Deputy Commissioner of Sales Tax
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax and (VAT and CST)	11.49	2013-14 and 2014-15	Sales Tax Officer
The Central Sales Tax Act, 1956 and Madhya Pradesh Value Added Tax Act, 2002	Sales Tax and (VAT and CST)	1.77	2015-16	Deputy Commissioner
The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002	Sales Tax and (VAT and CST)	3.76	2010-11	Joint Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Sales Tax (VAT)	0.08	2014-15	Sr. Joint Commissioner
The Central Sales Tax Act, 1956	Sales Tax (VAT)	0.22	1996-97	Appellate Board
The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003	Sales Tax and (VAT and CST)	7.17	2013-14 to 2017-18	Deputy Commissioner of Sales Tax
The Income Tax Act, 1961	Income Tax	88.98	2010-11 to 2015-16	Commissioner of Income Tax (Appeals)

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government. Further, the Company has not issued any debentures and hence the question of default does not arise.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.



Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 12 of the Independent Auditors' Report of even date to the members of JK Files (India) Limited on the financial statements for the year ended March 31, 2020

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- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 14 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him covered within the meaning of section 192 of the Act. Accordingly, the provisions of Clause 3(xv) of the Order 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016



Arunkumar Ramdas
Partner
Membership Number: 112433
UDIN: 20112433AAAAGM4471

Mumbai
June 25, 2020

J K Files (India) Limited
Balance Sheet as at 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)


Particulars	Note	As at 31st March, 2020	As at 31st March, 2019
I ASSETS			
1 Non-current assets			
(a) Property, plant and equipment	2(a)	4,508.79	5,145.68
(b) Right to Use Assets	2(b)	1,466.83	-
(c) Capital work - in - progress		6.70	30.62
(d) Goodwill		79.41	79.41
(e) Other Intangible assets	3	4.76	128.12
(f) Investment in subsidiary	4	724.89	724.89
(g) Financial assets			
(i) Loans	5	142.53	129.69
(ii) Other Financial Asset	6	0.50	0.50
(h) Deferred tax assets (net)	30	304.05	368.52
(i) Non Current tax asset (net)		221.13	20.48
(j) Other non - current assets	7	236.13	228.51
Total Non-Current Assets		7,695.72	6,856.42
2 Current assets			
(a) Inventories	8	5,942.91	4,857.46
(b) Financial assets			
(i) Trade receivables	9	6,030.54	5,517.42
(ii) Cash and cash equivalents	10(a)	6.88	3.93
(iii) Bank balances other than (ii) above	10(b)	8.88	-
(iv) Loans	5	0.25	-
(v) Other financial asset	6	93.47	5.83
(c) Other current assets	11	1,928.63	1,833.71
Total Current Assets		14,011.56	12,218.35
3 Assets classified as held for sale	12	105.75	105.75
TOTAL ASSETS		21,813.03	19,180.52
II EQUITY AND LIABILITIES			
1 Equity			
a) Equity share capital	13	3,074.07	3,074.07
b) Other equity	14	3,170.10	2,152.90
Total Equity		6,244.17	5,226.97
2 Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	-	3,427.82
(ii) Lease liabilities	2(b)	1,410.43	-
Total Non Current Liabilities		1,410.43	3,427.82
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	3,843.92	2,147.72
(ii) Lease liabilities	2(b)	88.91	-
(iii) Trade payables	17		
(a) total outstanding of micro and small enterprises		94.89	58.52
(b) total outstanding other than (iii) (a) above		5,999.98	4,738.60
(iv) Other financial liabilities	18	1,803.09	1,872.19
(b) Provisions	19	365.70	317.86
(c) Other current liabilities	20	1,961.94	1,390.84
Total Current Liabilities		14,158.43	10,525.73
Total Liabilities		15,568.86	13,953.55
TOTAL EQUITY AND LIABILITIES		21,813.03	19,180.52
SIGNIFICANT ACCOUNTING POLICIES	1		
The accompanying notes (1 to 49) are an integral part of these financial statements			
As per our attached report of even date		For and on behalf of Board of Directors	
For Price Waterhouse Chartered Accountants LLP Firm Registration No. 012754N/N500016		Ganesh Kumar Subramanian Director DIN: 00088163	K. A. Narayan Director DIN: 00950589
Arunkumar Ramdas Partner Membership No.: 112433 Mumbai 25th June, 2020		Srinivasan Ganapathy Chief Financial Officer Mumbai 25th June, 2020	Archana Panchal Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

	Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
I	Revenue from operations	21	37,907.44	40,438.64
II	Other income	22	136.80	131.85
III	Total income (I+II)		38,044.24	40,570.49
IV	Expenses			
	Cost of raw materials consumed	23	10,655.73	11,383.63
	Purchases of Stock-in-Trade	24	4,112.30	4,498.19
	Changes in inventories of work-in progress, finished goods and Stock-in-Trade	25	(216.42)	(32.19)
	Employee benefits expense	26	6,472.04	6,304.95
	Finance costs	27	719.51	871.11
	Depreciation and amortization expense	28	976.82	903.99
	Other expenses	29		
	(a) Manufacturing and operating expenses		9,211.43	9,151.00
	(b) Other expenses		4,257.09	5,204.09
	Total expenses (IV)		36,188.50	38,284.77
V	Profit before exceptional items and tax (III-IV)		1,855.74	2,285.72
VI	Exceptional Items	43	-	29.06
VII	Profit before tax (V-VI)		1,855.74	2,256.66
VIII	Tax expense	30		
	Current tax		473.43	697.87
	Deferred tax		148.67	45.47
	Total Tax expenses (VIII)		622.10	743.34
IX	Profit for the year (VII- VIII)		1,233.64	1,513.32
X	Other Comprehensive Income			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans	31	45.51	84.21
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Remeasurements of net defined benefit plans	30	(11.62)	(29.43)
	Other Comprehensive Income for the year		33.89	54.78
XI	Total Comprehensive Income for the year (IX+X)		1,267.53	1,568.10
XII	Earnings per equity share of Rs. 10 each	33		
	Basic earnings per share (in Rs.)		14.11	17.31
	Diluted earnings per share (in Rs.)		11.67	14.31
	SIGNIFICANT ACCOUNTING POLICIES	1		


The accompanying notes (1 to 49) are an integral part of these financial statements

As per our attached report of even date


For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016


Arunkumar Ramdas
Partner
Membership No.: 112433
Mumbai
25th June, 2020

For and on behalf of Board of Directors




Ganesh Kumar Subramanian
Director
DIN: 00088163



K. A. Narayan
Director
DIN: 00950589



Srinivasan Ganapathy
Chief Financial Officer



Archana Panchal
Company Secretary

Mumbai
25th June, 2020

J K Files (India) Limited
Statement of Changes in Equity for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

A. Equity Share Capital

Particulars	Amount
As at 1st April, 2018	3,074.07
Change in equity share capital during the year	-
As at 31 March, 2019	3,074.07
Change in equity share capital during the year	-
As at 31 March, 2020	3,074.07

B. Other Equity

Particulars	Reserves & Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April, 2018	314.50	403.56	718.06
Change in accounting policy (Refer Note 46)	-	(133.26)	(133.26)
Profit for the year	-	1,513.32	1,513.32
Other Comprehensive Income for the year (Net of Tax)	-	54.78	54.78
Total Comprehensive Income for the year	-	1,434.84	1,434.84
Balance as at 31st March, 2019	314.50	1,838.40	2,152.90
Change in accounting policy (Net of deferred tax) (Refer Note 47)	-	(250.33)	(250.33)
Restated balance as at 1st April, 2019	314.50	1,588.07	1,902.57
Profit for the year	-	1,233.64	1,233.64
Other Comprehensive Income for the year (Net of Tax)	-	33.89	33.89
Total Comprehensive Income for the year	-	1,267.53	1,267.53
Balance as at 31st March, 2020	314.50	2,855.60	3,170.10

The accompanying notes (1 to 49) are an integral part of these financial statements

As per our attached report of even date


For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016




Arunkumar Ramdas
Partner
Membership No.: 112433
Mumbai
25th June, 2020

For and on behalf of Board of Directors


Ganesh Kumar Subramanian
Director
DIN: 00088163


K. A. Narayan
Director
DIN: 00950589


Srinivasan Ganapathy
Chief Financial Officer


Archana Panchal
Company Secretary

Mumbai
25th June, 2020

Statement of Cash Flow for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
A. Cash Flow from Operating Activities				
Profit/(loss) before exceptional items and tax as per statement of profit and loss		1,855.74		2,285.72
Adjustment for :				
Depreciation and Amortisation expenses	976.82		903.99	
Net gain/(loss) on disposal/discard of property, plant and equipment	(3.07)		10.17	
Liabilities no longer required written back	(10.38)		(10.88)	
Interest income	(75.67)		(69.30)	
Finance Cost	719.51		871.11	
Unrealised (gain)/loss on foreign exchange fluctuations	(344.18)		61.63	
Allowances for doubtful debts and advances	(17.23)		368.09	
Changes in Accounting Policy (Refer note 46)	-		(179.46)	
Remeasurement of net defined benefit plan	45.51		84.21	
		1,291.31		2,039.56
Changes in Operating Assets & Liabilities		3,147.05		4,325.28
(Increase) in Inventory	(1,085.45)		(1,136.94)	
(Increase)/Decrease in Trade & Other receivables	(328.30)		1,099.10	
Increase/(Decrease) in Trade & other Payables	1,718.42		(1,043.81)	
Increase/(Decrease) in Provisions	47.84		(88.70)	
		352.51		(1,170.35)
		3,499.56		3,154.93
(Less): Direct Taxes Paid (Net)		(685.70)		(536.84)
Less : Exceptional Item		2,813.86		2,618.09
		-		29.06
Net cash flows generated from operating activities after exceptional items		2,813.86		2,589.03
B. Cash Flow from Investing Activities				
Inflows				
Sale Proceeds of property, plant & equipment (including Advances)		328.91		1,116.53
Interest received		75.83		70.03
		404.74		1,186.56
Outflows				
Purchase of property, plant & equipment (including capital work-in-progress)		(455.81)		(268.01)
		(455.81)		(268.01)
Net cash flows (used in)/generated from investing activities		(51.07)		918.55
C. Cash Flow from Financing Activities				
Inflows				
Proceeds of short term borrowings (net)		1,696.20		-
		1,696.20		-
Outflows				
Repayment of long term borrowings		(3,679.52)		(878.60)
Repayment of Short term borrowings (net)		-		(1,772.05)
Interest Paid		(549.24)		(874.83)
Principal elements of lease payments		(227.28)		-
		(4,456.04)		(3,525.48)
Net cash flows (used in) from financing activities		(2,759.84)		(3,525.48)
Net Increase in Cash and Cash Equivalents (A+B+C)		2.95		(17.90)
Add :Cash and Cash Equivalents at the beginning of the financial Year		3.93		21.83
Cash and Cash Equivalents as at the end of the Year		6.88		3.93



Statement of Cash Flow for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Reconciliation of Cash and Cash Equivalents as per Cash Flow Statement	Year ended 31st March, 2020	Year ended 31st March, 2019
Cash and Cash Equivalent as per above comprise of the following		
Cash and Cash Equivalent	6.88	3.93
Balance as per Statement of Cash Flows	6.88	3.93

The accompanying notes (1 to 49) are an integral part of these financial statements

Note
1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cashflows.

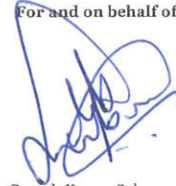

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016


Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
25th June, 2020

For and on behalf of the Board of Directors


Ganesh Kumar Subramanian
Director
DIN: 00088163

Srinivasan Ganapathy
Chief Financial Officer
Mumbai
25th June, 2020


K. A. Narayan
Director
DIN: 00950589

Archana Panchal
Company Secretary

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES :

A. Background and Operations

JK Files(India) Limited incorporated in India having registered office at Mumbai and Manufacturing facilities at Ratnagiri, Chiplun, Pithampur and Vapi. The Company is a leading Engineering tools Company.

B. Significant accounting policies

(a) Basis of preparation of Financial Statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The accounting policies are applied consistently to all the periods presented in the financial statement.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- 2) assets held for sale – measured at lower of book value and fair value less cost to sell.
- 3) defined benefit plans – plan assets measured at fair value; and

(iii) New and amended standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2019:

-Ind AS 116, Leases

-Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, Employee Benefits

-Amendment to Ind AS 12, Income Taxes

The company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in note 47. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iv) Current non-current classification

All assets and liabilities have been classified as current or non-current as per the (company's normal operating cycle (twelve months) and other criteria set out in the Schedule III (Division II) to the Act.

(v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III (Division II), unless otherwise stated.

(b) Use of estimates and judgments

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

(c) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation on Factory Buildings and Plant and Equipment is provided on a Straight Line Method and in case of other assets on Written Down Value Method, net of their residual values, over the estimated useful lives of assets. Leasehold land is amortised over the period of lease. Leasehold improvements are depreciated on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II of the Act, and management believe that useful lives of assets are same as those prescribed in schedule II of the Act, except for plant and machinery, useful life for which is based on an independent technical evaluation has been estimated as 24 years from the date of acquisition (on a single shift basis), which is different from that prescribed in Schedule II of the Act.

The residual values are not more than 5% of the original cost of the asset. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.



(d) Intangible assets

Goodwill generated as part of business combination are not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Computer software

Computer software are stated at cost, less accumulated amortisation and impairments, if any.

Trademarks

Trademarks acquired separately are shown at historical cost. Trademarks acquired in business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

Amortisation method

The Company amortizes intangible assets with a future useful life using the straight-line method over following period:

- Computer Software : 3 years
- Trademark : 10 years

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

(e) Lease

Till 31st March, 2019

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from 1st April, 2019

As a lessee

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been presented separately on the face of the Balance Sheet and lease payments have been classified as financing cash flows.

(f) Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Inventories

Inventories of Raw Materials, Goods in transit, Work-in-Progress, Stock-in-trade, Stores and spares and Finished Goods are stated 'at cost or net realisable value, whichever is lower'. Cost comprise all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost formula used is 'Weighted Average cost'. Due allowance is estimated and made for defective and obsolete items, wherever necessary.

(h) Investment in subsidiary

Investment in subsidiary is recognised at cost as per Ind AS -27.



JK Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020

(i) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- * those measured at amortised cost.

The classification depends on the company's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss are expensed in the Statement of Profit and Loss.

Debt instruments:

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment losses, interest revenue which are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the Statement of Profit and Loss and recognised in other income/expense. Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit and loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through Statement of Profit and Loss. Interest income from these financial assets is included in other income.

(iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(iv) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method.

Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established.

(j) Equity

Preference shares, which are Compulsory Convertible are classified as Equity.

(k) Derivative financial instruments

Derivative financial instruments such as forward currency contracts and option contract, to hedge its foreign currency risks are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value with changes in fair value recognised in the Statement of Profit and Loss in the period when they arise.

(l) Borrowings

Borrowings are initially recognised at net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

(m) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets are capitalised. Other interest and borrowing costs are charged to Statement of Profit and Loss.

(n) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense in Statement of Profit and loss.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events.

A contingent asset is disclosed in respect of possible asset that may arise from past event and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events.



(o) Revenue recognition

(i) Revenue from Contracts with Customers

Sales are recognised when the control of the goods has been transferred to customer which is generally on delivery of goods and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, risk of obsolescence and loss have been transfer to customer and the Company has objective evidence that all criteria for the acceptance have been satisfied.

The goods are sold with retrospective volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that is highly probable that a significant reversal will not occur.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Other operating revenue - Export incentives -

Export Incentives under the, "Duty Draw back Scheme", "Merchandise Export from India Scheme" etc. is accounted in the year of export.

(p) Employee benefits

(i) Post-employment obligations

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined gratuity 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 defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments as calculated by actuary are recognised immediately in the Statement of Profit and Loss as past service cost.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. An actuarial valuation is obtained at the end of reporting period. The present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Defined Contribution Plans

Defined Contribution Plans such as Provident Fund etc., are charged to the Statement of Profit and Loss as incurred.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the company recognises costs for are structuring that is within the scope of Ind AS37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(q) Foreign currency transactions

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognised in the Statement of Profit and Loss.

(r) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related defer income tax assets is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are off set where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively



(s) Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(t) Segment Reporting:

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

(u) Manufacturing and operating Expenses :

The Company classifies separately manufacturing and operating expenses which are directly linked to manufacturing and service activities of the company.

(v) Impairment of non-financial assets:

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. 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). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(w) Non-current assets held for sale :

Non-current assets 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 their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Non-current assets are not depreciated or amortised while they are classified as held for sale.

1(C) Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Estimation of Defined benefit obligation (Refer Note 31).
- Inventory write down (Refer Note 8).
- Loss allowance (Refer Note 9).



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 2(a)- Property, Plant and Equipment

	Land		Buildings	Plant & machinery	Furniture & fixtures	Vehicles	Office equipment	Computers	Total
	Freehold	Leasehold							
Gross Carrying amount									
Balance as at 1st April, 2018	35.47	413.23	1,612.05	5,454.39	113.37	27.17	29.03	145.13	7,829.84
Additions	-	-	48.36	167.45	6.02	-	12.81	9.29	243.93
Disposals	-	-	-	207.56	-	0.11	-	2.41	210.08
Reclassification as held for sale (Refer note 12)	35.47	-	119.87	-	-	-	-	-	155.34
Balance as at 31st March, 2019	-	413.23	1,540.54	5,414.28	119.39	27.06	41.84	152.01	7,708.35
Adjustment for change in accounting policy (Refer note 47)	-	(413.23)	-	-	-	-	-	-	(413.23)
Additions	-	-	16.22	417.60	5.84	-	9.67	10.81	460.14
Disposals	-	-	-	24.80	-	1.24	2.49	4.20	32.73
Balance as at 31st March, 2020	-	-	1,556.76	5,807.08	125.23	25.82	49.02	158.62	7,722.53
Accumulated Depreciation									
Balance as at 1st April, 2018	-	18.48	223.67	1,601.78	65.94	17.11	21.24	106.76	2,054.98
Additions	-	6.22	61.83	551.81	12.42	2.00	2.63	16.31	653.22
Disposals	-	-	-	93.89	-	0.08	-	1.97	95.94
Reclassification as held for sale (Refer note 12)	-	-	49.59	-	-	-	-	-	49.59
Balance as at 31st March, 2019	-	24.70	235.91	2,059.70	78.36	19.03	23.87	121.10	2,562.67
Adjustment for change in accounting policy (Refer note 47)	-	(24.70)	-	-	-	-	-	-	(24.70)
Additions	-	-	88.57	575.00	12.44	2.20	8.80	11.64	698.65
Disposals	-	-	-	17.28	-	1.02	0.82	3.76	22.88
Balance as at 31st March, 2020	-	-	324.48	2,617.42	90.80	20.21	31.85	128.98	3,213.74
Net Block									
Balance as at 31st March, 2019	-	388.53	1,304.63	3,354.58	41.03	8.03	17.97	30.91	5,145.68
Balance as at 31st March, 2020	-	-	1,232.28	3,189.66	34.43	5.61	17.17	29.64	4,508.79

NOTE:

- Refer note 34 for information on Property, Plant and Equipment pledged as security by the company.
- Refer note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.
- Leased assets

As at 31st March 2019, Leasehold Land included the following amounts :

	31st March, 2019
Leasehold Land	413.23
Cost	(24.70)
Accumulated depreciation	388.53
Net carrying amount	388.53

Pursuant to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at 31st March 2020, see note 2(b). Refer to note 47 for details about the changes in accounting policy.



Note 2(b)- Leases

This note provides information for leases where the company is a lessee. The company leases factory premises, offices, warehouses etc. Rental contracts are typically made for fixed periods of 11 months to 5 years, but may have extension options as described in (iii) below.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

Particulars	As at 31st March, 2020	1st April 2019*
Right-of-use assets		
Lease hold Land **	382.29	388.53
Buildings	1,084.54	1,218.23
Total	1,466.83	1,606.76

Particulars	As at 31st March, 2020	1st April 2019*
Lease Liabilities		
Current	88.91	71.83
Non-current	1,410.43	1,480.93
Total	1,499.34	1,552.76

* On adoption of Ind AS 116, the Company has reclassified leasehold land classified under Property, Plant and Equipment to Right-of-use asset. For adjustments recognised on adoption of Ind AS 116 on 1st April 2019 (Refer to note 47).

Additions to the right-of-use assets during the current financial year were Rs Nil.

(ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation charge of right-of-use assets			
Lease hold Land		6.24	-
Buildings		144.93	-
Total	28	151.17	-

Particulars	Note	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense (included in finance costs)	27	173.86	-
Expense relating to short-term leases (included in other expenses)	29(b)	162.80	-

The total cash outflow for leases for the year ended 31 March 2020 was Rs 390.08 Lakhs (including short term lease payments).

(iii) Extension and termination options

Extension and termination options are included in a number of property leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

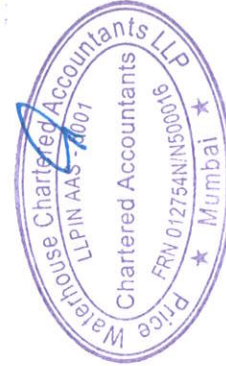
** Leasehold Land of Chiplun Plant is under process of execution in the name of the Company having carrying amount Rs 134.30 lakhs (31st March, 2019 : Rs 135.21 lakhs)



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 3- Intangible assets

	Computer Software	Brands /trademarks	Total
Gross carrying amount			
Balance as at 1st April , 2018	34.04	1,125.00	1,159.04
Additions	3.80	-	3.80
Disposals	-	-	-
Balance as at 31st March, 2019	37.84	1,125.00	1,162.84
Additions	3.64	-	3.64
Disposals	-	-	-
Balance as at 31st March, 2020	41.48	1,125.00	1,166.48
Accumulated Amortisation			
Balance as at 1st April , 2018	33.95	750.00	783.95
Additions	0.77	250.00	250.77
Disposals	-	-	-
Accumulated Amortisation as at 31st March ,2019	34.72	1,000.00	1,034.72
Additions	2.00	125.00	127.00
Disposals	-	-	-
Accumulated Amortisation as at 31st March ,2020	36.72	1,125.00	1,161.72
Net carrying amount			
Balance as at 31st March, 2019	3.12	125.00	128.12
Balance as at 31st March, 2020	4.76	-	4.76



Note-4 Investment in subsidiary

Unquoted

Equity instruments at cost
JK Talabot Limited
72,48,936 (31st March, 2019: 72,48,936) Equity Shares of Rs.10 each
Total

As at 31st March, 2020	As at 31st March, 2019
724.89	724.89
724.89	724.89

Aggregate value of unquoted investment

724.89 724.89

Note-5 Loans

Non-current

Security Deposits

Total

As at 31st March, 2020	As at 31st March, 2019
142.53	129.69
142.53	129.69

Current

Security Deposits

Break-up of security details

Loans considered good - Secured
Loans considered good - Unsecured
Loans which have significant increase in credit risk
Loans credit impaired

Total

Loss allowance

Total Loans

As at 31st March, 2020	As at 31st March, 2019
0.25	-
0.25	-
As at 31st March, 2020	As at 31st March, 2019
-	-
142.78	129.69
-	-
-	-
142.78	129.69
-	-
142.78	129.69

Note-6 Other financial assets

Non-current

Margin money deposit with Banks*

Total

*Held as lien with Government Department

Current

Mark to Market of derivative financial instruments (Refer Note 38)
Receivable from Related party (Refer Note 41)
Less: Allowance for doubtful receivable
Interest accrued

Total

Break-up of security details

Other financial assets considered good - Secured
Other financial assets considered good - Unsecured
Other financial assets Doubtful
Other financial assets which have significant increase in credit risk
Other financial assets credit impaired

Total

Loss allowance

Total Other financial assets

As at 31st March, 2020	As at 31st March, 2019
0.50	0.50
0.50	0.50
As at 31st March, 2020	As at 31st March, 2019
-	2.68
174.20	83.51
(83.72)	(83.51)
2.99	3.15
93.47	5.83
As at 31st March, 2020	As at 31st March, 2019
-	-
93.97	6.33
83.72	83.51
-	-
-	-
177.69	89.84
(83.72)	(83.51)
93.97	6.33

Note-7 Other non-current assets

Capital advances
Less: Allowance for doubtful advances
VAT refundable
Deposits with government authorities

Total

As at 31st March, 2020	As at 31st March, 2019
20.55	11.69
(3.77)	(3.77)
151.52	151.52
67.83	69.07
236.13	228.51



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Note-8 Inventories
(Cost or Net Realisable value, whichever is lower)

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Raw materials	1,080.57	464.07
Raw material in transit	178.06	-
Work-in-progress	1,446.41	1,213.16
Finished goods	1,809.13	1,560.95
Stock-in-trade	908.71	1,056.38
Stock-in-trade in transit	108.56	225.90
Stores and spares	411.47	337.00
Total	5,942.91	4,857.46

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to Rs. 211.45 lakhs for the year ended 31st March, 2020 (write back Rs. 355.03 lakhs for the year ended 31st March, 2019). These write-downs/write back were recognised as expenses/income and included in 'Raw material consumed', 'changes in value of inventories of finished goods, stock-in-trade and work-in-progress' and 'consumption of stores and spares' in the statement of Profit and Loss.

Note-9 Trade receivables

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Receivables from related parties (Refer note 41)	384.44	450.93
Others	6,250.16	5,699.62
Less: Loss Allowance	(604.06)	(633.13)
Total receivables	6,030.54	5,517.42

Break-up of security details

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Secured, considered good	245.29	204.35
Unsecured, considered good	5,785.25	5,313.07
Doubtful	604.06	633.13
Receivables which have significant increase in credit risk	-	-
Receivables credit impaired	-	-
Total	6,634.60	6,150.55
Loss Allowance	(604.06)	(633.13)
Total trade receivables	6,030.54	5,517.42

Refer Note-38 for information about credit risk and market risk of trade receivable.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-10 (a) Cash and cash equivalents

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Balances with Banks		
- In current accounts	4.56	2.03
Cash on hand	2.32	1.90
Total	6.88	3.93

Note-10 (b) Bank balances other than 10(a) above

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Deposits with maturity of more than three months	8.88	-
Total	8.88	-

Note-11 Other current assets

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Export benefit receivables	567.50	518.68
GST receivable/refundable	916.33	967.29
Advances to suppliers	359.75	283.82
Prepaid expenses	62.03	34.39
Advance recoverable in kind or for value to be received	23.02	29.53
Total	1,928.63	1,833.71

Note-12 Assets classified as held for sale

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Land - Freehold	35.47	35.47
Building	70.28	70.28
Total	105.75	105.75

In FY 17-18, the company had closed its plant at Kolkata, on account of which, during the previous year, the Company has decided to sell its remaining assets (land and building) having book value of Rs 105.75 lakhs located at Kolkata. The Company has partially received advance of Rs 1,322 Lakhs (Previous year Rs. 1,006 lakhs) against proposed sale of these assets. The said amount is shown under Note 20 'Other current liabilities'. The land and building are carried at book value in accordance with 'Ind AS 105 - Non current asset held for sale and discontinued operations' being lower than the fair value less cost to sell.

The Company is in process of obtaining necessary government clearances to execute sale.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. Lakhs, unless stated otherwise)

Note-13 Equity Share capital

	As at 31st March, 2020	As at 31st March, 2019
Authorised		
1,70,00,000 [31st March, 2019 : 1,70,00,000] Equity Shares of Rs. 10 each	1,700.00	1,700.00
22,00,000 [31st March, 2019 : 22,00,000] 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs.100 each	2,200.00	2,200.00
Total	3,900.00	3,900.00
Issued, subscribed and fully paid up		
87,40,658 [31st March, 2019 : 87,40,658] Equity Shares of Rs. 10 each	874.07	874.07
22,00,000 [31st March, 2019 : 22,00,000] 9% Non-Cumulative Compulsory Convertible Preference Shares of Rs.100 each	2,200.00	2,200.00
Total	3,074.07	3,074.07

a) Reconciliation of number of preference shares

	As at 31st March, 2020	As at 31st March, 2019
Equity Shares :		
Balance as at the beginning of the year	874.07	874.07
Balance as at the end of the year	874.07	874.07
Instruments entirely equity in nature		
Preference share:		
Balance as at the beginning of the year	2,200.00	2,200.00
Balance as at the end of the year	2,200.00	2,200.00

b) Right, Preference and Restrictions attached to shares:

Equity shares: The Company has only one class of equity shares having par value of Rs.10 per share. Each Shareholder is entitled to one vote per share. In the event of liquidation of the Company the holder of equity shares will be entitled to receive any of the remaining assets of the Company after distribution of all preferential payments. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares: 9% Non-cumulative compulsory convertible preference shares (NCCCPs) will be converted into 18,33,300 number of equity shares of Rs. 10 each on October 27, 2029. Each shareholder of is entitled to one vote per share only on resolutions placed before the Company which directly affects their rights attached to NCCCPs. The dividend proposed by the Board of Directors is subject to approval of shareholders. In the event of liquidation of the Company, the holders of NCCCPs will have priority over equity shares in payment of dividend and repayment of capital.

c) Shares of the company held by holding company

	As at 31st March, 2020	As at 31st March, 2019
Equity Shares:		
Raymond Limited, India and its nominees	8,740.658	8,740.658
Preference Shares:		
Raymond Limited, India	2,200.000	2,200.000

d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company

NAME OF SHAREHOLDERS	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	% of Holding	Number of shares	% of Holding
Equity Shares :				
Raymond Limited, India and its nominees	8,740,658	100%	8,740,658	100%
Preference Shares :				
Raymond Limited, India	2,200,000	100%	2,200,000	100%



Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 14 Other Equity

	Reserves & Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at 1st April, 2018	314.50	403.56	718.06
Change in accounting policy (Refer Note 46)		(133.26)	(133.26)
Profit for the year	-	1,513.32	1,513.32
Other Comprehensive Income for the year	-	54.78	54.78
Total Comprehensive Income for the year	-	1,434.84	1,434.84
Balance as at 31st March, 2019	314.50	1,838.40	2,152.90
Change in accounting policy (Net of deferred tax) (Refer Note 47)	-	(250.33)	(250.33)
Restated balance as at 1st April, 2019	314.50	1,588.07	1,902.57
Profit for the year	-	1,233.64	1,233.64
Other Comprehensive Income for the year	-	33.89	33.89
Total Comprehensive Income for the year	-	1,267.53	1,267.53
Balance as at 31st March, 2020	314.50	2,855.60	3,170.10

Securities Premium

Securities Premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Act.



Note-15 - Non current borrowings

	As at 31st March, 2020	As at 31st March, 2019
Secured		
Term loans		
Term loan from a bank		
-Repaid in March 2020. Rate of interest as at year end 10.90% p.a. (31st March 2019 : 10.90% p.a) . Amount outstanding as on 31st March, 2020 - Rs. Nil (Previous year: Rs. 251.70).	-	-
Total (A)	-	-
Unsecured		
(a) Term loan from Raymond Limited (the holding company)		
-Repaid in December,2019 , Rate of interest as at year end 10.50% p.a. (31st March 2019 : 10.50% p.a.)	-	3,427.82
Total (B)	-	3,427.82
Total (A+B)	-	3,427.82

Installments falling due within a year in respect of all the above loans aggregating Rs Nil (31st March 2019 : Rs 251.70 lakhs) have been grouped under "current maturities of long-term debt". (Refer note 18)

The carrying amounts of financial and non-financial assets as security for secured borrowings are disclosed in Note 34 - Assets pledged as security

Note 16 - Current borrowings

	As at 31st March, 2020	As at 31st March, 2019
Secured		
- Cash Credit	2,945.57	1,247.72
- Indian Rupee Packing credit	800.00	900.00
(The above borrowings are secured by way of first pari passu charge on all current assets of the Company)		
Unsecured		
-Commercial Credit Cards	98.35	-
Total	3,843.92	2,147.72

The carrying amounts of financial and non-financial assets as security for secured borrowings are disclosed in Note 34 - Assets pledged as security

	As at 31st March, 2020	As at 31st March, 2019
Net debt reconciliation		
Cash and cash equivalents	(6.88)	(3.93)
Current Borrowings	3,843.92	2,147.72
Non Current Borrowings	-	3,427.82
Current maturities of long-term debt	-	251.70
Interest accrued but not due on borrowings	3.14	6.73
Lease liabilities	1,499.34	-
Net debt	5,339.52	5,830.04

	Other assets		Liabilities from financing activities		Total
	Cash and Cash equivalents	Lease Obligations	Non current borrowings (Including current maturities of long term debt and interest accrued)	Current borrowings	
Net Debt as at April 1, 2018	21.83	-	4,568.56	3,919.77	8466.51
Cash flows	(18.23)	-	(878.59)	(1,772.05)	(2,632.42)
Interest expense	-	-	513.87	357.24	871.11
Interest paid	-	-	(517.59)	(357.24)	(874.83)
Interest received on deposits	0.33	-	-	-	(0.33)
Net Debt as at March 31, 2019	3.93	-	3686.25	2147.72	5830.04
Net Debt as at March 31, 2019	3.93	-	3686.25	2147.72	5830.04
Recognised on adoption of Ind AS 116 (see note 49)		1,552.76			1552.76
Net debt as at 1 April 2019 (restated)	3.93	1552.76	3686.25	2147.72	7382.80
Cash flows	2.85	(227.28)	(3,679.52)	1,696.20	(2,213.45)
Interest expense	-	173.86	236.39	309.26	719.51
Interest paid	-	-	(242.62)	(306.62)	(549.24)
Interest received on deposits	0.10	-	-	-	(0.10)
Net Debt as at March 31, 2020	6.88	1499.34	0.50	3846.56	5,339.52



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-17 - Trade payables

	<u>As at</u> <u>31st March, 2020</u>	<u>As at</u> <u>31st March, 2019</u>
Trade payables (Refer Note below)		
- Payable to related parties (Refer note 41)	384.48	433.44
- Micro and small enterprises	94.89	58.52
- Others	5,615.50	4,305.16
Total	<u>6,094.87</u>	<u>4,797.12</u>

Refer Note-38 for information about liquidity risk and market Risk of trade payables.

Refer Note-32 for information about dues to Micro and small enterprises.



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020

(All amounts are in Rs. lakhs, unless stated otherwise)

Note-18 - Other current financial liabilities

	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term debt (Refer Note 15)	-	251.70
Interest accrued but not due on borrowings	3.14	6.73
Capital creditors	15.41	22.52
Deposits from dealers, agents etc.	638.83	560.82
Employee Benefits payable	1,103.53	857.77
Other payables	40.58	172.65
Mark to Market of derivative financial instruments (Refer Note 38)	1.60	-
Total	1,803.09	1,872.19

Refer Note-38 for information about Liquidity risk of Financial Liabilities

Note-19 - Provisions

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer note 31)		
-Gratuity	50.69	14.19
-Compensated absences	315.01	303.67
Total	365.70	317.86

Note 20-Other Current liabilities

	As at 31st March, 2020	As at 31st March, 2019
Contract Liabilities	188.90	166.76
Advance against Sale of Land and Building (Refer note 12)	1322.00	1,006.00
Statutory dues payable	155.80	218.08
Refund Liabilities	63.50	-
Stamp Duty Payable	177.80	-
Other Payables	53.94	-
Total	1,961.94	1,390.84



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-21 Revenue from Operations

	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Contract with Customers (Sale of Products)		
(i) Manufactured goods - Domestic	14,095.49	16,633.66
(ii) Manufactured goods - Export	16,614.44	17,149.87
(iii) Stock-in trade- Domestic	5,047.82	4,490.23
(iv) Stock-in trade- Export	587.64	476.77
Total (A)	36,345.39	38,750.53
Revenue from Contract with Customers (Sale of Services)	102.63	-
Total (B)	102.63	-
Other operating revenue		
(i) Export Incentives	1,061.29	1,160.76
(ii) Process waste sale	398.13	527.35
Total (C)	1,459.42	1,688.11
Total (A+B+C)	37,907.44	40,438.64

Note:

There are no unsatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2020.

Reconciliation of revenue recognised with contract price:

	Year ended 31st March, 2020	Year ended 31st March, 2019
Contract price	38,295.29	40,791.15
Adjustments for :		
Discounts, Rebates, Sales related Schemes, etc.	(1,847.27)	(2,040.62)
Revenue from contract with customers	36,448.02	38,750.53

Note-22 Other income

	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest income	75.67	69.30
Liabilities no longer required written back	10.38	10.88
Net gain/(loss) on disposal/discard of property, plant and equipment	3.07	(10.17)
Miscellaneous Income	47.68	61.84
Total	136.80	131.85

Note-23 Cost of raw materials consumed

	Year ended 31st March, 2020	Year ended 31st March, 2019
Raw material at the beginning of the year	464.07	402.21
Purchases	11,450.29	11,445.49
Less : Raw material at the end of the year	1,258.63	464.07
Total	10,655.73	11,383.63

Note-24 Purchases of Stock-in-Trade

	Year ended 31st March, 2020	Year ended 31st March, 2019
Purchases of Stock-in-Trade	4,112.30	4,498.19
Total	4,112.30	4,498.19

Note-25 Changes in inventories of work-in-progress , finished goods and stock-in-trade

	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening inventories		
Work-in-progress	1,213.16	1,566.27
Finished goods	1,560.95	850.88
Stock-in-trade	1,282.28	600.90
	4,056.39	3,018.05
Changes in accounting policy (Refer Note 46)	-	1,006.15
	4,056.39	4,024.20
Closing inventories		
Work-in-progress	1,446.41	1,213.16
Finished goods	1,809.13	1,560.95
Stock-in-trade	1,017.27	1,282.28
	4,272.81	4,056.39
Total	(216.42)	(32.19)



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020

Note-26 Employee benefits expense

Salaries, wages, bonus, etc.
Contribution to Gratuity Fund (Refer note 31)
Contribution to provident and other funds (Refer note 31)
Workmen and Staff welfare expenses

Year ended 31st March, 2020	Year ended 31st March, 2019
5,682.45	5,408.13
97.01	108.76
344.88	305.78
347.70	482.28
6,472.04	6,304.95

Note-27 Finance costs

Interest expense on term loan
Interest on lease obligation (Refer note 47)
Interest on shortfall of advance tax
Interest expense - Others
Other borrowing costs

Year ended 31st March, 2020	Year ended 31st March, 2019
236.39	513.87
173.86	-
5.95	-
295.97	297.86
7.34	59.38
719.51	871.11

Note-28 Depreciation and amortization expense

Depreciation on property, plant and equipment
Depreciation on Right to Use Asset (Refer note 47)
Amortization on Intangible assets

Year ended 31st March, 2020	Year ended 31st March, 2019
698.65	653.22
151.17	-
127.00	250.77
976.82	903.99

Note-29 (a) Manufacturing and Operating expenses

Consumption of stores and spare parts
Power and fuel
Job work charges
Payment to labour contractor
Repairs to buildings
Repairs to machinery
Other Manufacturing and Operating expenses

Year ended 31st March, 2020	Year ended 31st March, 2019
2,990.92	3,178.17
1,704.67	1,810.68
2,343.85	1,965.42
1,544.67	1,504.17
62.05	72.02
380.90	386.45
184.37	234.09
9,211.43	9,151.00

Note-29 (b) Other expenses

Rent
Lease Rentals
Insurance
Repairs & Maintenance Others
Rates and Taxes
Commission to selling agents
Freight, Octroi, etc
Legal and Professional Expenses
IT outsourced Support Services
Travelling & Conveyance
Advertisement Expenses
Sales Promotion expenses
Director Fees
Facility Charges (Refer note 41)
Net(gain)/loss on foreign exchange fluctuations
Corporate Social Responsibility (Refer note 45)
(Write back of Loss Allowances)/Loss Allowances (Net)
Bad Debts written off
Less: Loss Allowances there against
Software expenses
Security charges
Communication expenses
Printing and stationery expenses
Motor car expenses
Miscellaneous expenses

Year ended 31st March, 2020	Year ended 31st March, 2019
162.80	410.86
-	2.11
112.04	107.20
69.85	63.38
175.60	30.03
891.76	945.86
826.91	838.94
359.53	510.35
208.63	199.61
387.47	380.68
95.51	74.36
158.96	135.63
16.00	7.50
480.00	480.00
(364.43)	6.28
14.00	-
(17.23)	368.09
11.84	45.99
(11.84)	(45.99)
47.92	39.58
128.07	129.50
31.79	35.73
46.88	51.86
70.85	77.05
354.18	309.49
4,257.09	5,204.09



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020

Note-29 (c) Details of Auditor's remuneration included in Legal and Professional expenses (net of credit of taxes)

- a) Audit Fees
- b) Limited Review Fees
- c) Certification Fees
- d) Reimbursement of out-of-pocket expenses

Total

<u>Year ended</u> <u>31st March, 2020</u>	<u>Year ended</u> <u>31st March, 2019</u>
12.00	12.00
3.00	3.00
0.50	0.50
0.60	1.08
16.10	16.58



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 30: Income Taxes

Tax expense recognised in the Statement of Profit and Loss

	As at 31st March, 2020	As at 31st March, 2019
Current tax		
Current year	473.43	697.87
Total current tax	473.43	697.87
Deferred tax		
Deferred tax charge	148.67	45.47
Total deferred tax	148.67	45.47
Total income tax expense	622.10	743.34

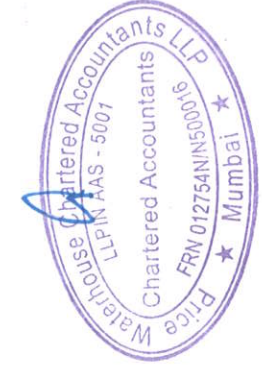
A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	As at 31st March, 2020	As at 31st March, 2019
Reconciliation of effective tax rate		
Profit / (loss) before tax	1,855.74	2,256.66
Enacted income tax rate in India	25.17%	34.94%
Tax Expense at enacted income tax rate	467.05	788.48
Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income	56.80	(8.47)
Permanent disallowances	90.35	(7.78)
Change In Tax Rate	7.90	(28.89)
Others		
Total income tax expense	622.10	743.34

Consequent to reconciliation items shown above, the effective tax rate is 33.52% (2018-19: 32.94%)

The movement in deferred tax assets and liabilities during the year ended 31st March, 2019 and 31st March, 2020

Particulars	As at 1st April, 2018	Credit/(charge) in Statement of Profit and Loss	Retained Earnings (Refer note 46)	As at 31st March, 2019	Adjustment on adoption of Ind AS 116 (see note 47)	As at 1 April 2019 (Restated)	Credit/(charge) in Statement of Profit and Loss	As at 31st March, 2020
Deferred tax assets on account of:								
Provision for employee benefits	89.44	16.46	-	105.90	-	105.90	(36.61)	79.29
Allowances for doubtful debts and advances	131.72	118.76	-	250.48	-	250.48	(76.16)	174.32
VRS paid	790.48	(167.99)	-	622.49	-	622.49	(359.18)	293.31
Unabsorbed depreciation	155.94	(155.94)	-	-	-	-	-	-
Right-of-use Assets and Lease Liabilities (Refer Note 47)	-	-	-	-	84.20	84.20	20.21	104.41
Others	19.54	14.24	46.20	79.98	-	79.98	(22.53)	57.45
Deferred tax (liabilities) on account of:								
Depreciation on Property Plant and Equipment	(447.54)	35.69	-	(411.85)	-	(411.85)	159.39	(252.46)
Depreciation on Revaluation Asset under Business Combination	(371.78)	93.31	-	(278.47)	-	(278.47)	126.21	(152.26)
Total	367.80	(45.47)	46.20	368.52	84.20	452.72	(148.67)	304.05



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 31: Post retirement benefit plans
i) Defined benefit plans - Gratuity

The company provides for gratuity for employees in India as per the payment of gratuity act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of years of services, subject to ceiling of Rs. 20 lakhs. The gratuity plan is funded plan and the company makes contributions to recognised fund in India.

As per Actuarial Valuation as on 31st March, 2020 and 31st March, 2019, amount recognised in the financial statements in respect of Employee Benefit Schemes:

A. Balance Sheet

	Gratuity	
	As at	As at
	31st March, 2020	31st March, 2019
Present value of plan liabilities	(1,966.18)	(1,935.80)
Fair value of plan assets	1,915.49	1,921.61
Plan liability net of plan assets	(50.69)	(14.19)

B. Movements in plan liabilities and plan assets

	As at March, 20		As at March, 19	
	Plan liabilities	Plan Assets	Plan liabilities	Plan Assets
As at 1st April	(1,935.80)	1921.61	(14.19)	
Current service cost (including past service cost)	(95.94)	-	(95.94)	
Return on plan assets excluding actual return on plan asset	-	(9.80)	(9.80)	
Interest cost	(145.95)	-	(145.95)	
Interest income	161.44	144.88	144.88	
Actuarial gain/(loss) arising from changes in financial assumptions	(106.13)	-	(106.13)	
Actuarial gain/(loss) arising from experience adjustments	156.20	15.00	15.00	
Employer contributions	-	(156.20)	-	
Benefit payments	(1,966.18)	1,915.49	(1,935.80)	
As at 31st March				
			(50.69)	1,735.05
			(1,873.69)	(97.92)
			(97.92)	3.91
			(146.52)	135.68
			(32.60)	112.90
			102.03	149.00
			(1,935.80)	(102.03)
				1,921.61
				(138.64)
				(97.92)
				3.91
				(146.52)
				135.68
				(32.60)
				112.90
				149.00
				(102.03)
				1,921.61
				(14.19)

The liabilities are split between different categories of plan participants as follows:

- Active members - 1180 Nos. (2018-19: 1204 Nos.)
- Deferred members - Nil (2018-19: Nil)
- Retired members - Nil (2018-19: Nil)

C. The Company expects to contribute Rs. 153.27 lakhs to the funded plans in financial year 2020-21 (2019-20: Rs. 110.13 lakhs) for gratuity



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
D. Statement of Profit and Loss

	Year ended 31st March, 2020	Year ended 31st March, 2019
Employee Benefit Expenses:		
Current service cost (including past service cost)	95.94	97.92
Interest Cost	1.07	10.84
Net impact on the Profit / (Loss) before tax	97.01	108.76
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding actual return on plan asset	(9.80)	3.91
Actuarial gains/(losses) arising from changes in financial assumptions	101.44	(32.60)
Actuarial gain/(loss) arising from experience adjustments	(106.13)	112.90
Net impact on the Other Comprehensive Income before tax	45.51	84.21

E. Assets

	As at 31st March, 2020	As at 31st March, 2019
Gratuity		
Insurer managed fund	1915.49	1921.61
Total	1915.49	1921.61

F. Actuarial assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans and post retirement benefits at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

Financial Assumptions

	As at 31st March, 2020	As at 31st March, 2019
Discount rate	6.84%	7.54%
Salary Escalation Rate	4%–6%	7.50%
Attrition rate	2.00%	2.00%

Demographic Assumptions

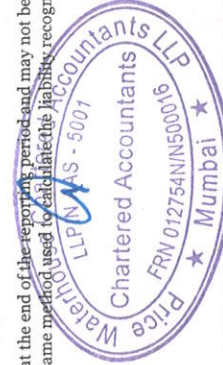
Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table

G. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

	As at 31st March, 2020	As at 31st March, 2019
Change in assumption	Increase in assumption having an impact on present value of plan liability	Increase in assumption having an impact on present value of plan liability
1%	(124.78)	140.01
1%	138.54	(108.57)
1%	(1.41)	1.86
Discount rate	(124.78)	140.01
Salary Escalation Rate	138.54	(108.57)
Attrition rate	(1.41)	1.86
		Increase in assumption having an impact on present value of plan liability
		Decrease in assumption having an impact on present value of plan liability
		125.38
		(111.55)
		0.28

The sensitivity analyses above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous year.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020

H. The defined benefit obligations shall mature after year end 31st March, 2020 as follows:

Gratuity :	Defined benefit obligation	
	As at 31st March, 2020	As at 31st March, 2019
2020	-	208.67
2021	115.11	103.97
2022	74.42	155.81
2023	177.76	204.85
2024	211.23	226.49
2025	205.68	1,210.07
Thereafter	2,641.75	1,349.25

Risk Exposure - Asset Volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan asset underperform this yield, this will create a deficit. Most of the plan asset investments is in fixed income securities. These are subject to interest rate risk and the fund manages interest rate risk derivatives to minimize risk to an acceptable level. A portion of the funds are invested in equity securities and in alternatives investments % which have low correlation with equity securities. The equity securities are expected to earn a return in excess of the discount rate and contribute to the plan deficit.

(ii) Defined contribution plans :

The Company also has certain defined contribution plans. Contributions are made to provident fund, employees state insurance scheme etc in India for employees. The contributions are made to registered fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs. 344.88 lakhs (31st March, 2019 - Rs. 305.78 lakhs).

(iii) Compensated absences:

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs 315.01lakhs (31st March, 2019 - Rs. 303.67 lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-32 The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006 are as follows.

	As at 31st March, 2020	As at 31st March, 2019
Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	94.89	58.52
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at the year end	-	-
Principal Amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
Interest paid, other than under section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed date during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payment already made	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed date during the year)	-	-
Total	94.89	58.52

Note 33 Earnings per share

	Year ended 31st March, 2020	Year ended 31st March, 2019
Basic Earnings Per Share has been computed as under:		
Profit for the year	A 1,233.64	1,513.32
Weighted average number of equity shares outstanding	B 8,740,658	8,740,658
Earnings Per Share (Rs.)	A/B 14.11	17.31
Diluted		
Profit for the year	C 1,233.64	1,513.32
Weighted average number of shares (in numbers)	8,740,658	8,740,658
Add: Dilutive potential equity share (Refer Note 13)	1,833,000	1,833,000
Weighted average number of equity shares for dilutive EPS	D 10,573,658	10,573,658
Dilutive Earnings Per Share (Rs.)	C/D 11.67	14.31
Nominal value per equity share (in Rs.)	10.00	10.00

Note 34 :Assets Pledged as security

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

	As at 31st March,2020	As at 31st March,2019
Current Assets		
Financial Assets		
<i>Floating Charge</i>		
Trade receivables	6,030.54	5,517.42
Inventories	5,942.91	4,857.46
Cash and cash equivalents	6.88	3.93
Others financial asset	93.47	5.83
Other current assets	1,928.63	1,833.71
Total Current assets given as security	14,002.43	12,218.35
Non Current Assets		
<i>First Charge</i>		
Plant and machinery	3,189.64	3,354.58
Furniture & fixtures	34.43	41.03
Vehicles	5.61	8.03
Office equipment	17.17	17.97
Computers	29.64	30.91
Total non-current assets Hypothecated as security	3,276.49	3,452.52
Total assets Hypothecated as security	17,278.92	15,670.87



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)
Note 35: Contingent liabilities (to the extent not provided for)

	As at 31st March, 2020	As at 31st March, 2019
Contingent Liabilities		
(i) Claims against the Company not acknowledged as debts in respect of:		
Income Tax Matters	110.66	128.77
Sales tax Matters	251.01	206.21
Excise and service tax Matters	26.38	28.38
Other Matters	116.01	89.87

(ii) The Supreme Court of India, through a ruling in February 2019, provided guidelines for interpreting the scope of compensation on which the organisation and its employees are to contribute towards Provident Fund. There is significant uncertainty and ambiguity in interpreting and giving effect to the guidelines of Supreme Court. The Company believes that there will be no significant impact on its contributions to Provident Fund due to the Supreme Court Order. The Company will evaluate its position and act as clarity emerges on impact of the ruling.

The amount shown in respect of above items represent the best possible estimates arrived at on basis of available information. The uncertainties are dependent on the outcome of different legal process. The timing of cash flows will be determinable only on receipt of judgement / decisions pending with various forums / authorities.

The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 36: Commitments

Capital Commitments

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

	As at 31st March, 2020	As at 31st March, 2019
Property, plant and equipment	54.37	24.06
Less: Capital advances	20.55	11.69
Net Capital commitments	33.82	12.37



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 37: Fair Value measurement

Financial Instrument by category and hierarchy

The fair values of the financial assets and liabilities are 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 following methods and assumptions were used to estimate the fair values:

1. Fair value of trade receivables, cash and cash equivalent, other current financial asset, short term borrowing, trade payable and other current financial liabilities approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

Financial Assets and Liabilities as at 31st March, 2020

	Routed through P & L			Routed through OCI			Carried at amortised cost	Total Amount	
	Non Current	Current	Total	Level 1	Level 2	Level 3			Total
Financial Assets									
Loans	142.53	0.25	142.78	-	-	-	142.78		
Other Financial Assets	0.50	93.47	93.97	-	-	-	93.97		
Trade receivable	-	6,030.54	6,030.54	-	-	-	6,030.54		
Cash and Cash equivalents	-	6.88	6.88	-	-	-	6.88		
	143.03	6,131.14	6,274.17				6,274.17		
Financial Liabilities									
Borrowings	-	3,843.92	3,843.92	-	-	-	3,843.92		
Other Financial Liabilities	-	1,803.09	1,803.09	-	-	-	1,803.09		
Trade Payables	-	6,094.87	6,094.87	-	-	-	6,094.87		
		11,741.88	11,741.88				11,741.88		

Financial Assets and Liabilities as at 31st March, 2019

	Routed through P & L			Routed through OCI			Carrying at amortised cost	Total Amount	
	Non Current	Current	Total	Level 1	Level 2	Level 3			Total
Financial Assets									
Loans	129.69	-	129.69	-	-	-	129.69		
Other Financial Assets	0.50	5.83	6.33	-	-	-	6.33		
Trade receivable	-	5,517.42	5,517.42	-	-	-	5,517.42		
Cash and Cash equivalents	-	3.93	3.93	-	-	-	3.93		
	130.19	5,527.18	5,657.37				5,657.37		
Financial Liabilities									
Borrowings	3,427.82	2,147.72	5,575.54	-	-	-	5,575.54		
Other Financial Liabilities	-	1,872.19	1,872.19	-	-	-	1,872.19		
Trade Payables	-	4,797.12	4,797.12	-	-	-	4,797.12		
	3,427.82	8,817.03	12,244.85				12,244.85		

Notes:-

Financial asset and liabilities, considering the nature of rights and obligations with relevant terms including receivable/payable within 12 months from the reporting date, fair value is reasonable considered to be carrying amount as at reporting date and it includes

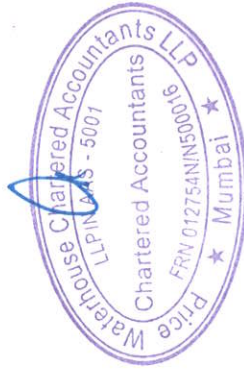
- Trade Receivable
- Cash and Cash equivalents
- Other financial asset
- Trade Payable
- Other financial liabilities
- Current borrowings
- Advances

Further in respect of long term security deposits being market driven rate of interest and other deposits with no fixed maturity date, fair value are considered to be carrying value



J.K. Files (India) Limited
 Notes to the financial statements for the year ended 31st March, 2020
 (All amounts are in Rs. lakhs, unless stated otherwise)
 Fair value liabilities measures at amortised cost

	As at 31st March, 2020		As at 31st March, 2019	
	Carrying amount	Fair Value	Carrying amount	Fair Value
Non current borrowings	-	-	3,427.82	3,414.11
	-	-	3,427.82	3,414.11



Note 38 : Financial risk management objectives.

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

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury departments, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies and ensuring compliance with market risk limits and policies.

Market Risk- Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

a) Exposure to interest rate risk

Particulars	As at 31st March, 2020	As at 31st March, 2019	2018-2019	
			1% Increase	1% Decrease
Total borrowings	3,843.92	24.18	39.38	28.12
% of Borrowings bearing variable rate of interest	100%	(24.18)	14.77	(8.10)
			0.05	(0.10)
			54.20	36.32

b) Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax

	2019-2020		2018-2019	
	1% Increase	1% Decrease	1% Increase	1% Decrease
50 bp increase would decrease the profit before tax by		14.73		(8.10)
50 bp decrease would increase the profit before tax by		(14.73)		(0.10)

b) Market risk - Foreign Currency risk

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by Forward Contracts, purchasing of goods, commodities and services in the respective currencies.

Derivative instrument and unhedged foreign currency exposure (Refer note 39)

Foreign Currency Risk Sensitivity

A change of 1% in foreign currency would have following impact on profit before tax

	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	39.38	(39.38)	28.12	(28.12)
EURO	14.77	(14.77)	8.10	(8.10)
GBP	0.05	(0.05)	0.10	(0.10)
Increase/Decrease in Profit or Loss	54.20	(54.20)	36.32	(36.32)

B) Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assess financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.



The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty,
- Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- Significant increase in credit risk on other financial instruments of the same counterparty,
- Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

i) Ageing of Account receivables

	As at 31st March, 2020	As at 31st March, 2019
Not due	2,807.66	3,495.96
0-3 months	1,251.16	2,090.36
3-6 months	2,004.86	28.53
6-12 months	93.87	34.62
beyond 12 months	477.05	591.08
Total	6,634.60	6,150.55

ii) Movement in provision for doubtful Trade Receivables

	As at 31st March, 2020	As at 31st March, 2019
Opening provision	633.13	394.54
Add:- Additional provision made	-	284.58
Less:- Provision write off/reversed	(17.23)	-
Less:- Provision utilised against bad debts	(11.84)	(45.99)
Closing provision	604.06	633.13

iii) Movement in provision for doubtful Receivables

	As at 31st March, 2020	As at 31st March, 2019
Opening provision	83.51	-
Add:- Additional provision made	0.21	83.51
Less:- Provision write off/reversed	-	-
Less:- Provision utilised against bad debts	-	-
Closing provision	83.72	83.51



C) Liquidity Risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related such risk are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

(i) Financing arrangements
The company had access to following undrawn Borrowing facilities at end of reporting period:

	As at 31st March, 2020	As at 31st March, 2019
Variable Borrowing - Cash Credit expires within 1 year	2,356.08	2,852.28

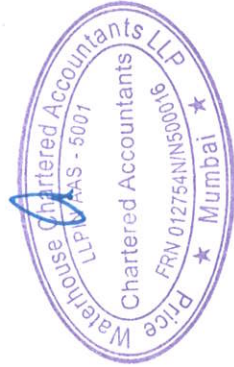
The bank cash credit facilities may be drawn at any time and be terminated by bank without notice. Subject to satisfactory credit ratings, the bank loan facilities may be drawn at any time in INR

Maturity patterns of borrowings

	As at 31st March, 2020			As at 31st March, 2019			
	0-1 years	1-5 years	Total	0-1 years	1-5 years	beyond 5 years	Total
Long term borrowings (Including current maturity of long Term debt)	-	-	-	251.70	3,427.82	-	3,679.52
Short term borrowings	3,843.92	-	3,843.92	2,147.72	-	-	2,147.72
Total	3,843.92	-	3,843.92	2,399.42	3,427.82	-	5,827.24

Maturity patterns of other Financial Liabilities

	As at 31st March 2020			As at 31st March 2019		
	0-3 months	3-6 months	6 months to 12 months	beyond 12 months	Total	
As at 31st March 2020	1,342.40	2,228.52	2,523.94	-	6,094.86	
Trade Payable	15.41	-	-	-	15.41	
Capital creditors	392.79	645.47	-	65.26	1,103.52	
Employee benefits payable	40.58	-	-	638.83	638.83	
Deposits	1.60	-	-	-	40.58	
Other Financial liability (Current and Non Current)	1,792.78	2,873.99	2,523.94	704.09	7,894.80	
Mark to Market of derivative financial Instruments	2,410.74	1,610.11	776.27	-	4,797.12	
As at 31st March 2019	22.52	-	-	-	22.52	
Trade Payable	554.93	237.58	-	65.26	857.77	
Capital creditors	-	-	-	560.82	560.82	
Employee benefits payable	-	-	-	-	-	
Deposits	54.85	-	117.80	-	172.65	
Other Financial liability (Current and Non Current)	3,043.04	1,847.69	894.07	626.08	6,410.88	
Total						



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

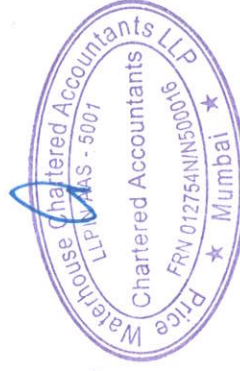
Note -39: Derivative instruments and unhedged foreign currency exposure

(a) Foreign Currency Exposure as at the reporting date

Particulars	As at 31 March, 2020						
	USD (in Mn.)	In Rs	EUR (in Mn.)	In Rs	GBP (in Mn.)	In Rs	Total (In Rs.)
A. Trade Receivable	5.21	3,938.48	1.79	1,476.95	0.01	5.35	5,420.78
B. Cover by Forwards	-	-	(0.20)	(161.58)	-	-	(161.58)
C. Unhedged Exposure	5.21	3,938.48	1.59	1,315.37	0.01	5.35	5,259.20

Particulars	As at 31 March, 2019						
	USD (in Mn.)	In Rs	EUR (in Mn.)	In Rs	GBP (in Mn.)	In Rs	Total (In Rs.)
A. Trade Receivable	4.01	2,811.63	0.98	810.14	0.01	10.20	3,631.97
B. Cover by Forwards	-	-	(0.08)	(66.03)	-	-	(66.03)
C. Unhedged Exposure	4.01	2,811.63	0.90	744.11	0.01	10.20	3,565.94

Derivative financial instruments such as foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-40 Capital risk management

- (a) The company aim to manage its capital efficiency so as to safeguard its ability to continue as going concern and optimise return to our shareholder

The capital structure of the company is based on management judgement of the appropriate balance of key element in order to meet its strategic and day to day needs. We consider the amount of capital in proprtion to risk and manage the capital structure in light of changes in economic conditions and risk charecterstics of the underlying asset. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares

The company's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investor, Creditors and market confidence and to sustain future development and growth of its business. The company will take appropriate steps in order to maintain, or if necessary adjust, Its capital structure

(b) **Dividend**

The Company has not paid any dividend for the current year as well as previous year.



Note-41 : Related parties disclosures as per Ind AS 24

1. **Name of the Related Parties :**

Related parties where control exists, irrespective of whether transaction has occurred or not:

- (a) **Holding Company**
Raymond Limited
- (b) **Subsidiary Company**
JK Talabot Limited

Other related parties with whom transactions have taken place during the period:

- (c) **Fellow Subsidiary Companies**
Raymond (Europe) Limited
Ring Plus Aqua Limited
Raymond Apparel Limited
Silverspark Apparel Ltd.
- (d) **Associate Enterprises**
P. T. Jaykay Files Indonesia
PT. Jaykay International Indonesia (Subsidiary)
J K Helene Curtis Ltd
- (e) **Key Management Personnel :**
Whole time Director : Mr. Ganesh Kumar Subramanian
Independent director : Mr. Narayan Ramalingam
Independent director : Mr. Ramchandra Anant Prabhudesai
Independent Director : Mrs. Rashmi Mundada Brijgopal
Independent director : Mr. Ravikant Uppal (w.e.f 25th April, 2019)
Non executive director : Mr. Krishnan Ashwath Narayan
- (f) **Trust**
JK Files (India) Limited - Employees Gratuity Scheme



Note--2. Transactions carried out with related parties referred in 1 above for the Year ended 31st March, 2020, in ordinary course of business :

Nature of transactions	Referred in 1(a) above	Referred in 1 (b) & (c) above	Referred in 1 (d) above	Referred in 1 (e) above	Referred in 1 (f) above
Purchases :					
Purchase of raw material and stock-in-trade	-	2,003.42 (2113.80)	1.00 (0.57)	-	-
Purchase of DEPB licence	-	72.11 (19.33)	-	-	-
Sales :					
Sale of products	-	637.88 (702.99)	-	-	-
Property, plant and equipment	-	0.91 (96.53)	-	-	-
Expenses :					
Rent expenses	145.42 (145.42)	-	-	-	-
Facility Charges	480.00 (480.00)	-	-	-	-
Managerial remuneration	-	-	-	261.17 (238.78)	-
Directors fees	-	-	-	15.00 (7.50)	-
Electricity charges	48.87 (93.91)	3.54	-	-	-
Legal and Professional Expenses	35.82 (43.40)	-	-	16.00	-
Miscellaneous expenses	52.30 (46.63)	-	-	-	-
Paid to trust - Employees Gratuity fund contribution	-	-	-	-	15.00 (149.00)
Cost of shared manpower	(2.62)	-	-	-	-
Other Receipts :					
Cost of shared manpower	3.25 (7.92)	15.82 (99.70)	-	-	-
Reimbursement of expenses	979.06 (799.14)	3.54 (20.07)	0.17 (3.91)	-	-
Finance :					
Inter Company loan received (Short term)	3,050.00 (3500.00)	-	-	-	-
Inter Company loan repaid (Short term)	3,050.00 (3500.00)	-	-	-	-
Inter Company loan repaid (Long term)	3,427.82	-	-	-	-
Inter Corporate loan Given	-	750.00	-	-	-
Inter Corporate loan repayment received	-	750.00	-	-	-
Interest Income on Inter company loan	-	8.03	-	-	-
Interest expense on Inter Company loan	219.63 (434.91)	-	-	-	-
Outstandings :					
Trade Payable	6.62 (4.18)	377.86 (429.26)	-	-	-
Non current borrowing	(3427.82)	-	-	-	-
Trade Receivable	-	(15.05)	384.44 (435.88)	-	-
Other Receivable	90.40	0.08	83.72 (83.51)	-	-



Note-1-'1.b&c' -Fellow Subsidiary Companies with whom transactions have taken place for the year ended 31st March, 2020

Nature of transactions	J K Talabot Ltd	Raymond Apparel Ltd	Raymond Europe Ltd	Silverspark Apparel Ltd.	Ring Plus Aqua Ltd.	Total 1 (b) & (c)
Purchases :						
Purchase of raw material and stock-in-trade	2,003.42 (2111.59)	- (2.21)	- -	- -	- -	2,003.42 (2113.80)
Purchase of DEPB licence	11.09 (19.33)	- -	- -	61.02 -	- -	72.11 (19.33)
Sales :						
Sale of products	631.93 (700.27)	- -	- -	- -	5.95 (2.72)	637.88 (702.99)
Property, plant and equipment	- (96.53)	- -	- -	- -	0.91 -	0.91 (96.53)
Other Receipts :						
Cost of shared manpower	15.82 (14.27)	- -	- -	- -	- (85.43)	15.82 (99.70)
Reimbursement of expenses	- (6.77)	- -	- -	- -	3.54 (13.30)	3.54 (20.07)
Finance :						
Inter Corporate loan Given	750.00 -	- -	- -	- -	- -	750.00 -
Inter Corporate loan repayment received	750.00 -	- -	- -	- -	- -	750.00 -
Interest Income on Inter company loan	8.03 -	- -	- -	- -	- -	8.03 -
Outstandings :						
Trade Payable	361.71 (413.11)	- -	16.15 (16.15)	- -	- -	377.86 (429.26)
Trade Receivable	- -	- -	- -	- -	- (15.05)	- (15.05)
Other Receivable	- -	- -	- -	- -	0.08 -	0.08 -



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-'1.d'- Other related parties where control exists for the year ended 31st March, 2020

Nature of transactions	P T Jaykay Files Indonesia	PT Jaykay International Indonesia	J K Helene Curtis Ltd	Total 1 (d)
Expenses :				
Sales Promotion expnes	-	-	1.00	1.00
	-	-	(0.57)	(0.57)
Sales :				
Sale of products	-	-	-	-
	(47.57)	-	-	(47.57)
Other Receipts :				
Other reimbursements	0.17	-	-	0.17
	(3.91)	-	-	(3.91)
Outstandings :				
Trade Receivable*	51.26	333.18	-	384.44
	(116.84)	(319.04)	-	(435.88)
Other Receivable*	83.72	-	-	83.72
	(83.51)	-	-	(83.51)

* The total receivable from PT JayKay Files and PT JayKay International, Indonesia has been fully provided. (Refer note 7 and 9)



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-1.e - Key Management Personnel for the Year ended 31st March, 2020

Nature of transactions	Short term employee benefits	Post employment benefits	Director sitting fees	Professional Services	Total
Mr. Ganesh Kumar Subramanian	250.81 (228.86)	10.36 (9.92)	- -	- -	261.17 (238.78)
Mr. Narayan Ramalingam	- -	- -	5.00 (2.50)	- -	5.00 (2.50)
Mr. Ramchandra Anant Prabhudesai	- -	- -	4.00 (2.50)	- -	4.00 (2.50)
Mrs. Rashmi Mundada Brijgopal	- -	- -	3.50 (2.50)	- -	3.50 (2.50)
Mr. Ravikant Uppal	- -	- -	2.50 -	16.00 -	18.50 -
Total 1 (e)	250.81 (228.86)	10.36 (9.92)	15.00 (7.50)	16.00 -	292.17 (246.28)

* The amount in respect of gratuity and compensated absences is not disclosed as the same is not determinable for the key managerial person separately

Note: Amounts in brackets represent previous year figures



Note 42 Segment Information

- (i) The company's business operations fall within a single primary business segment of "Engineering, tools and related component". Accordingly the company is single segment company in terms of its product
(ii) Entity wide disclosure-Information in respect of geographical area is as under

	India		Africa		America		Asia		Rest of the world		Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	
Segment revenue*	19,353.02	21,411.36	7,413.69	7,701.80	5,750.47	5,227.82	3,893.53	4,123.71	1,496.73	1,973.95	37,907.44
Carrying cost of segment non-current asset**	7248.65	6357.70	-	-	-	-	-	-	-	-	40,438.64

* Based on location of customer

** Excluding financial asset and deferred tax asset

Considering the nature of business of Company in which it operates, the Company deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the Company.

Note 43 Exceptional Items

The company had during the Previous financial year offered 'voluntary retirement benefits and other termination benefits (VRS Scheme) to its eligible employees at Ratnagiri unit beginning from 24th July 2018 ending on 31st July 2018. Pursuant to above, 7 employees opted for the scheme. Total sepration cost of Rs. Nil (Previous year Rs. 29.06 lakhs) has been determined and paid, which has been disclosed as "Exceptional Item" in the statement of Profit & Loss. Previous year VRS scheme was in respect of eligible employees of Kolkata unit.

	Year ended	Year ended
	31st March, 2020	31st March, 2019
- Voluntary retirements benefits	-	29.06
- Other retirement benefits	-	-
	-	29.06

Note 44

As per second proviso of rule 6 of Companies (Account) Amendment Rule, 2016, the company being- (i) a wholly owned subsidiary of Raymond Limited, (ii) not listed in India or outside India and (iii) the parent company (Raymond Limited) files its consolidated financial statements, hence the company has availed the exemption from preparation of consolidated financial statement.

Note 45

Corporate Social Responsibility:
The Company formulated a Corporate Social Responsibility (CSR) Committee of its directors.

	Year ended 31st March, 2020	Year ended 31st March, 2019
Corporate Social Responsibility expenditure		
Gross amount required to be spent as per Section 135 of the Act	35.00	11.00
Amount spent during the year	14.00	-



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)
Changes in Accounting Policies

Note 46

Impact on the financial statements

The Company had adopted Ind AS-115 Revenue from Contracts with Customers from April 1, 2018 which resulted to changes in accounting policies and adjustments to the amount recognized in the financial statements. In accordance with the transition provisions in Ind AS -115, the Company had adopted the new rules with modified Retrospective approach. As a result of change in accounting policies, adjustments to the transition provision has been made in respective item as at April 1, 2018 with corresponding Impact to equity net of tax.

The impact on the balance sheet as at April 1, 2018 is as follows :

Item	April 1, 2018 (originally presented)	Adjustment of Ind AS-115	April 1, 2018 (Restated numbers)
Trade receivables	6,284.99	1,223.50	7,508.49
Inventory	3,720.52	(1,006.15)	2,714.37
Other Equity	718.06	(133.26)	584.79
Deferred Tax Asset	367.80	(46.20)	321.60
Other current assets	2,409.32	27.75	2,437.07
Trade Payables	5,660.10	(65.64)	5,594.46



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 47 Changes in accounting policies - Lease Accounting as per IndAS 116

Impact on the financial statements – lessee accounting

As indicated in note 1(B)(a)(iii) Significant accounting policies, the company has adopted Ind AS 116 retrospectively from 1 April 2019, but has not restated comparatives for year ended 31st March 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April 2019. The new accounting policies are disclosed in note 1(B)(a)(e).

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st April 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1st April 2019 was 10.90%

On adoption of Ind AS 116, the Company has reclassified leasehold land presented under Property, Plant and Equipment to Right-of-use asset. The remeasurements to the lease liabilities were recognised as adjustments to the related right-of-use assets immediately after the date of initial application.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review there were no onerous contracts as at 1 April 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2020
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 47

Changes in accounting policies - Lease Accounting as per IndAS 116

(ii) Measurement of lease liabilities

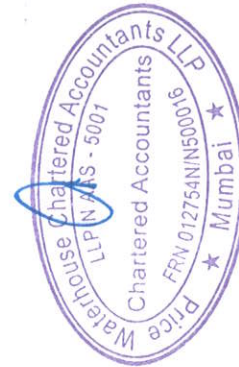
Operating lease commitments disclosed as at 31st March 2019	-
Add: adjustments as a result of a different treatment of extension and termination options	1,552.76
Lease liability recognised as at 1st April 2019	1,552.76
Of which are:	
Current lease liabilities	71.83
Non-current lease liabilities	1,480.93
	1,552.76

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

(iv) Adjustments recognised in the balance sheet on 1 April 2019

Particulars	Increase/ (Decrease)	Amount
Property, plant and equipment	(Decrease)	(388.53)
Right-of-use assets	Increase	1,606.76
Lease liabilities	Increase	1552.76
Deferred tax assets (net)	Increase	84.20
Retained earnings on 1 April 2019	(Decrease)	(250.33)



Note 48 COVID-19 Assessment

The ongoing corona pandemic is profoundly impacting people's health, societies and business operations around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chains, travel restrictions, quarantines, social distancing and other emergency measures.

The Company is in the business of manufactures steel files and cutting tool and markets hands tools and power tools and, a key supplier in tools and hardware supply chain market. Files and cutting tools are going to remain key and a top priority going forward as well. The Company's strong contingency plans are in place to secure operations and supply chain so that files and cutting tool manufacturing production continues, however considering the logistics challenges and low demand at customers' end during early phases of lockdown, the production was impacted in first two months, however with unlock phase being started, demand will improve in tandem with economic and industrial trends. Further, there are significant geographic, new customer and new proposition opportunities that will continue to drive growth in mid and long term.

The Company has performed a detailed assessment of the situation and believes that no adjustments are required in the financial statements as it does not impact the current financial year; however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve.

Note 49 The Financial Statements were authorised for issue by the directors on June 25, 2020.

As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016



Arunkumar Ramdas
Partner
Membership No.: 112433
Mumbai
25th June, 2020

For and on behalf of Board of Directors



Ganesh Kumar Subramanian
Director
DIN: 00088163



K. A. Narayan
Director
DIN: 00950589



Srinivasan Ganapathy
Chief Financial Officer

Mumbai
25th June, 2020



Archana Panchal
Company Secretary