

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, 2021, 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, 2021, 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 46 to the financial statements, which explains the uncertainties and the management's assessment of the financial impact due to restrictions and other conditions related to the COVID-19 pandemic situation (including its second wave), for which a definitive assessment of the impact in the subsequent period is dependent upon circumstances as they evolve. Our opinion is not modified in respect of the matter.

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.

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Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with VLB 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/500016 (ICAI registration number before conversion was 012754N)



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of JK Files (India) Limited
Report on audit of the Financial Statements
Page 2 of 4

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:
 - 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



Price Waterhouse Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of JK Files (India) Limited
Report on audit of the Financial Statements
Page 3 of 4

- 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.

Report on other legal and regulatory requirements

11. 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.
12. As required by Section 143(3) of the Act, we report that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including 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.



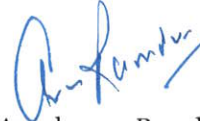
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INDEPENDENT AUDITOR'S REPORT

To the Members of JK Files (India) Limited
Report on audit of the Financial Statements
Page 4 of 4

- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 as at March 31, 2021 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, 2021 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, 2021.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
13. 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.

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



Arunkumar Ramdas
Partner

Membership Number: 112433
UDIN: 21112433AAAACF6860

Mumbai
May 3, 2021

Price Waterhouse Chartered Accountants LLP

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(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, 2021

Page 1 of 2

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, 2021 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.

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Referred to in paragraph 12(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, 2021

Page 2 of 2

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 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, 2021, 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: 21112433AAAACF6860

Mumbai
May 3, 2021

Price Waterhouse Chartered Accountants LLP

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 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, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (b) The property, plant and equipment 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 property, plant and equipment 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 fixed assets 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 | 132.28 |

- 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 11 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, 2021
Page 2 of 3

- (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, 2021 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, 2021 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 Maharashtra Value Added Tax Act, 2002 | Sales Tax (VAT and CST) | 250.75 | 2012-13 to 2016-17 | Deputy Commissioner of Sales Tax |
| The Central Sales Tax Act, 1956 and West Bengal Value Added Tax Act, 2003 | Sales Tax (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 (VAT and CST) | 1.77 | 2015-16 | Deputy Commissioner |
| The Central Sales Tax Act, 1956 and Maharashtra Value Added Tax Act, 2002 | Sales Tax (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 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.
- 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.



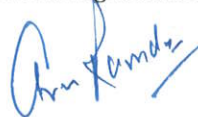
Price Waterhouse Chartered Accountants LLP

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Referred to in paragraph 11 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, 2021
Page 3 of 3

- 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 13 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 Section 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. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- 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: 21112433AAAACF6860

Mumbai
May 3, 2021

J K Files (India) Limited
Balance Sheet as at 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

| | Particulars | Note | As at 31st March, 2021 | As at 31st March, 2020 |
|-----------|--|-------|---------------------------|---------------------------|
| I | ASSETS | | | |
| 1 | Non-current assets | | | |
| | (a) Property, plant and equipment | 2(a) | 3,878.73 | 4,508.79 |
| | (b) Right to Use Assets | 2(b) | 1,324.79 | 1,466.83 |
| | (c) Capital work - in - progress | | 46.33 | 6.70 |
| | (d) Goodwill | | 79.41 | 79.41 |
| | (e) Other Intangible assets | 3 | 4.50 | 4.76 |
| | (f) Investment in subsidiary | 4 | 724.89 | 724.89 |
| | (g) Financial assets | | | |
| | (i) Loans | 5 | 146.82 | 142.53 |
| | (ii) Other Financial Asset | 6 | 0.50 | 0.50 |
| | (h) Deferred tax assets (net) | 30 | 215.51 | 304.05 |
| | (i) Non Current tax asset (net) | | 208.49 | 221.13 |
| | (j) Other non - current assets | 7 | 170.16 | 236.13 |
| | Total Non-Current Assets | | 6,800.12 | 7,695.72 |
| 2 | Current assets | | | |
| | (a) Inventories | 8 | 8,414.33 | 5,942.91 |
| | (b) Financial assets | | | |
| | (i) Trade receivables | 9 | 1,385.62 | 6,030.54 |
| | (ii) Cash and cash equivalents | 10(a) | 382.12 | 6.88 |
| | (iii) Bank balances other than (ii) above | 10(b) | - | 8.88 |
| | (iv) Loans | 5 | 2,900.25 | 0.25 |
| | (v) Other financial asset | 6 | 41.26 | 93.47 |
| | (c) Other current assets | 11 | 2,283.63 | 1,928.63 |
| | Total Current Assets | | 15,407.21 | 14,011.56 |
| 3 | Assets classified as held for sale | 12 | 105.75 | 105.75 |
| | TOTAL ASSETS | | 22,313.08 | 21,813.03 |
| II | EQUITY AND LIABILITIES | | | |
| 1 | Equity | | | |
| | a) Equity share capital | 13 | 3,074.07 | 3,074.07 |
| | b) Other equity | 14 | 5,486.69 | 3,170.10 |
| | Total Equity | | 8,560.76 | 6,244.17 |
| 2 | Liabilities | | | |
| | Non-current liabilities | | | |
| | (a) Financial liabilities | | | |
| | (i) Lease liabilities | 2(b) | 1,297.93 | 1,410.43 |
| | Total Non Current Liabilities | | 1,297.93 | 1,410.43 |
| | Current liabilities | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 16 | 1,481.29 | 3,843.92 |
| | (ii) Lease liabilities | 2(b) | 112.50 | 88.91 |
| | (iii) Trade payables | 17 | | |
| | (a) total outstanding of micro and small enterprises | | 324.82 | 94.89 |
| | (b) total outstanding other than (iii) (a) above | | 5,348.46 | 5,999.98 |
| | (iv) Other financial liabilities | 18 | 1,904.68 | 1,803.09 |
| | (b) Provisions | 19 | 629.18 | 365.70 |
| | (c) Other current liabilities | 20 | 2,653.46 | 1,961.94 |
| | Total Current Liabilities | | 12,454.39 | 14,158.43 |
| | Total Liabilities | | 13,752.32 | 15,568.86 |
| | TOTAL EQUITY AND LIABILITIES | | 22,313.08 | 21,813.03 |
| | SIGNIFICANT ACCOUNTING POLICIES | 1 | | |

The accompanying notes (1 to 47) 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
3rd May, 2021

Sunivasan Ganapathy
Chief Financial Officer
Mumbai
3rd May, 2021

Waqar Siddiqui
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

| | Particulars | Note | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|------|---|------|--------------------------------|--------------------------------|
| I | Revenue from operations | 21 | 34,807.94 | 37,907.44 |
| II | Other income | 22 | 713.53 | 518.46 |
| III | Total income (I+II) | | 35,521.47 | 38,425.90 |
| IV | Expenses | | | |
| | Cost of raw materials consumed | 23 | 10,734.01 | 10,655.73 |
| | Purchases of Stock-in-Trade | 24 | 4,253.89 | 4,112.30 |
| | Changes in inventories of work-in progress, finished goods and Stock-in-Trade | 25 | (2,250.75) | (216.42) |
| | Employee benefits expense | 26 | 5,467.67 | 6,472.04 |
| | Finance costs | 27 | 369.18 | 719.51 |
| | Depreciation and amortization expense | 28 | 902.99 | 976.82 |
| | Other expenses | 29 | | |
| | (a) Manufacturing and operating expenses | | 9,287.21 | 9,211.43 |
| | (b) Other expenses | | 3,466.99 | 4,638.75 |
| | Total expenses (IV) | | 32,231.19 | 36,570.16 |
| V | Profit before tax (III-IV) | | 3,290.28 | 1,855.74 |
| VI | Tax expense | 30 | | |
| | Current tax | | 753.14 | 473.43 |
| | Deferred tax | | 88.53 | 148.67 |
| | Total Tax expenses (VI) | | 841.67 | 622.10 |
| VII | Profit for the year (V- VI) | | 2,448.61 | 1,233.64 |
| VIII | Other Comprehensive Income | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | Remeasurements of net defined benefit plans | 31 | (171.21) | 45.51 |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | | |
| | Remeasurements of net defined benefit plans | 30 | 39.19 | (11.62) |
| | Other Comprehensive Income for the year | | (132.02) | 33.89 |
| IX | Total Comprehensive Income for the year (VII+VIII) | | 2,316.59 | 1,267.53 |
| X | Earnings per equity share of Rs. 10 each | 33 | | |
| | Basic earnings per share (in Rs.) | | 28.01 | 14.11 |
| | Diluted earnings per share (in Rs.) | | 23.16 | 11.67 |
| | SIGNIFICANT ACCOUNTING POLICIES | 1 | | |

The accompanying notes (1 to 47) 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
3rd May, 2021

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
3rd May, 2021


Waqar Siddiqui
Company Secretary

J K Files (India) Limited
Statement of Changes in Equity for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

A. Equity Share Capital

| Particulars | Amount |
|--|----------|
| As at 1st April, 2019 | 3,074.07 |
| Change in equity share capital during the year | - |
| As at 31 March, 2020 | 3,074.07 |
| Change in equity share capital during the year | - |
| As at 31 March, 2021 | 3,074.07 |

B. Other Equity

| Particulars | Reserves & Surplus | | Total |
|--|--------------------|-------------------|----------|
| | Securities Premium | Retained Earnings | |
| Balance as at 1st April, 2019 | | | |
| Change in accounting policy (Refer Note 45) | 314.50 | 1,838.40 | 2,152.90 |
| Restated balance as at 1st April, 2019 | | (250.33) | (250.33) |
| Profit for the year | 314.50 | 1,588.07 | 1,902.57 |
| Other Comprehensive Income for the year | - | 1,233.64 | 1,233.64 |
| Total Comprehensive Income for the year | - | 33.89 | 33.89 |
| Balance as at 31st March, 2020 | - | 1,267.53 | 1,267.53 |
| Profit for the year | 314.50 | 2,855.60 | 3,170.10 |
| Other Comprehensive Income for the year | - | 2,448.61 | 2,448.61 |
| Total Comprehensive Income for the year | - | (132.02) | (132.02) |
| Balance as at 31st March, 2021 | 314.50 | 2,316.59 | 2,316.59 |
| | | 5,172.19 | 5,486.69 |

The accompanying notes (1 to 47) 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
3rd May, 2021

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
3rd May, 2021



Waqar Siddiqui
Company Secretary

Statement of Cash Flow for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

| | Particulars | Year ended | | Year ended | |
|--|--|-------------------|------------|-------------------|------------|
| | | 31st March, 2021 | | 31st March, 2020 | |
| A. | Cash Flow from Operating Activities | | | | |
| | Profit before exceptional items and tax as per statement of profit and loss | | 3,290.28 | | 1,855.74 |
| | Adjustment for : | | | | |
| | Depreciation and Amortisation expenses | 902.99 | | 976.82 | |
| | Net (gain) on disposal/discard of property, plant and equipment | (2.31) | | (3.07) | |
| | Liabilities no longer required written back | (275.24) | | (10.38) | |
| | Interest income | (181.97) | | (75.67) | |
| | Finance Cost | 369.18 | | 719.51 | |
| | Unrealised (gain) on foreign exchange fluctuations | (42.51) | | (344.18) | |
| | Allowances for doubtful debts and advances | (163.04) | | (17.23) | |
| | Remeasurement of net defined benefit plan | (171.21) | | 45.51 | |
| | | | 435.89 | | 1,291.31 |
| | Changes in Operating Assets & Liabilities | | 3,726.17 | | 3,147.05 |
| | (Increase) in Inventory | (2,471.42) | | (1,085.45) | |
| | Decrease/(Increase) in Trade & Other receivables | 4,649.44 | | (328.30) | |
| Increase in Trade & other Payables | 663.86 | | 1,718.42 | | |
| Increase in Provisions | 263.48 | | 47.84 | | |
| | | 3,105.36 | | 352.51 | |
| | | 6,831.53 | | 3,499.56 | |
| (Less): Direct Taxes Paid (Net) | | (713.04) | | (685.70) | |
| | | 6,118.49 | | 2,813.86 | |
| Net cash flows generated from operating activities | | 6,118.49 | | 2,813.86 | |
| B. | Cash Flow from Investing Activities | | | | |
| | Inflows | | | | |
| | Sale Proceeds of property, plant & equipment (including Advances) | | 11.87 | | 328.91 |
| | Interest received | | 143.98 | | 75.83 |
| | | | 155.85 | | 404.74 |
| | Outflows | | | | |
| | Purchase of property, plant & equipment (including capital work-in-progress) | | (188.79) | | (455.81) |
| Inter Corporate Deposit placed with group companies | | (2,900.00) | | - | |
| | | (3,088.79) | | (455.81) | |
| Net cash flows used in investing activities | | (2,932.94) | | (51.07) | |
| C. | Cash Flow from Financing Activities | | | | |
| | Inflows | | | | |
| | Proceeds of short term borrowings (net) | | 500.00 | | 1,696.20 |
| | | | 500.00 | | 1,696.20 |
| | Outflows | | | | |
| | Repayment of long term borrowings | | - | | (3,679.52) |
| | Repayment of Short term borrowings (net) | | (2,862.63) | | - |
| | Interest Paid | | (198.59) | | (549.24) |
| | Principal elements of lease payments | | (249.09) | | (227.28) |
| | | | (3,310.31) | | (4,456.04) |
| Net cash flows used in financing activities | | (2,810.31) | | (2,759.84) | |
| Net Increase in Cash and Cash Equivalents (A+B+C) | | 375.24 | | 2.95 | |
| Add :Cash and Cash Equivalents at the beginning of the financial Year | | 6.88 | | 3.93 | |
| Cash and Cash Equivalents as at the end of the Year | | 382.12 | | 6.88 | |



J K Files (India) Limited

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, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Cash and Cash Equivalent as per above comprise of the following | | |
| Cash and Cash Equivalent | 382.12 | 6.88 |
| Balance as per Statement of Cash Flows | 382.12 | 6.88 |

The accompanying notes (1 to 47) 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.


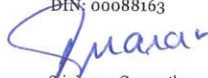
As per our attached report of even date



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


Arunkumar Ramdas
Partner
Membership No.: 112433

Mumbai
3rd May, 2021

For and on behalf of the Board of Directors


Ganesh Kumar Subramanian
Director
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Chief Financial Officer
Mumbai
3rd May, 2021


K. A. Narayan
Director
DIN: 00950589

Waqar Siddiqui
Company Secretary

JK Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2021

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 amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- COVID-19 related concessions – amendments to Ind AS 116

The 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

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.



(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.

(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 an restructuring that is within the scope of Ind AS 37 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.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

(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).



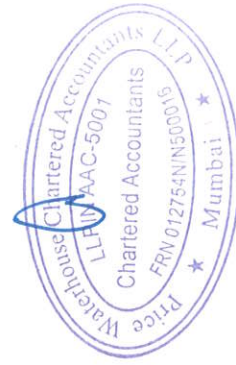
J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 2(a)- Property, Plant and Equipment

| | Land Leasehold | Buildings | Plant & machinery | Furniture & fixtures | Vehicles | Office equipment | Computers | Total |
|--|-------------------|-----------|----------------------|-------------------------|----------|---------------------|-----------|----------|
| Gross Carrying amount | | | | | | | | |
| Balance as at 1st April, 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 45) | (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 |
| Additions | - | 1.60 | 115.06 | - | - | 0.60 | 16.46 | 133.72 |
| Disposals | - | - | 12.57 | - | 1.29 | - | - | 13.87 |
| Balance as at 31st March, 2021 | - | 1,558.36 | 5,909.56 | 125.23 | 24.53 | 49.62 | 175.08 | 7,812.38 |
| Accumulated Depreciation | | | | | | | | |
| Balance as at 1st April, 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 45) | (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 |
| Additions | - | 70.43 | 660.34 | 9.04 | 1.43 | 6.62 | 9.34 | 757.21 |
| Disposals | - | - | 6.31 | - | 0.98 | - | - | 7.29 |
| Balance as at 31st March, 2021 | - | 394.91 | 3,271.45 | 99.84 | 20.66 | 38.47 | 138.32 | 3,963.66 |
| Net Block | | | | | | | | |
| Balance as at 31st March, 2020 | - | 1,232.28 | 3,189.66 | 34.43 | 5.61 | 17.17 | 29.64 | 4,508.79 |
| Balance as at 31st March, 2021 | - | 1,163.45 | 2,638.11 | 25.40 | 3.87 | 11.15 | 36.76 | 3,878.73 |

NOTE:

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



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

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 (ii) below.

(i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

| Particulars | As at | As at |
|----------------------------|------------------|--------------------|
| | 31st March, 2021 | 31st March, 2020 * |
| Right-of-use assets | | |
| Lease hold Land ** | 376.05 | 382.29 |
| Buildings | 948.74 | 1,084.54 |
| Total | 1,324.79 | 1,466.83 |

| Particulars | As at | As at |
|--------------------------|------------------|------------------|
| | 31st March, 2021 | 31st March, 2020 |
| Lease Liabilities | | |
| Current | 112.50 | 88.91 |
| Non-current | 1,297.93 | 1,410.43 |
| Total | 1,410.43 | 1,499.34 |

Additions to the right-of-use assets during the current financial year were Rs Nil (31st March, 2020 Rs 1218.23 Lakhs).

(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 | Year ended |
|---|-----------|------------------|------------------|
| | | 31st March, 2021 | 31st March, 2020 |
| Depreciation charge of right-of-use assets | | | |
| Lease hold Land | | 6.24 | 6.24 |
| Buildings | | 135.80 | 144.93 |
| Total | 28 | 142.04 | 151.17 |

| Particulars | Note | Year ended | Year ended |
|--|-------|------------------|------------------|
| | | 31st March, 2021 | 31st March, 2020 |
| Interest expense (included in finance costs) | 27 | 160.18 | 173.86 |
| Expense relating to short-term leases (included in other expenses) | 29(b) | 181.72 | 162.80 |

The total cash outflow for leases for the year ended 31 March 2021 was Rs 430.81 Lakhs (31st March, 2020 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 and equipment 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 132.28 lakhs (31st March, 2020 : Rs 134.30 lakhs)



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(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, 2019 | | 1,125.00 | 1,162.84 |
| Additions | 37.84 | - | 3.64 |
| Disposals | 3.64 | - | - |
| Balance as at 31st March, 2020 | 41.48 | 1,125.00 | 1,166.48 |
| Additions | 3.48 | - | 3.48 |
| Disposals | - | - | - |
| Balance as at 31st March, 2021 | 44.96 | 1,125.00 | 1,169.96 |
| Accumulated Amortisation | | | |
| Balance as at 1st April, 2019 | | 1,000.00 | 1,034.72 |
| Additions | 34.72 | 125.00 | 127.00 |
| Disposals | 2.00 | - | - |
| Accumulated Amortisation as at 31st March, 2020 | 36.72 | 1,125.00 | 1,161.72 |
| Additions | 3.74 | - | 3.74 |
| Disposals | - | - | - |
| Accumulated Amortisation as at 31st March, 2021 | 40.46 | 1,125.00 | 1,165.46 |
| Net carrying amount | | | |
| Balance as at 31st March, 2020 | 4.76 | - | 4.76 |
| Balance as at 31st March, 2021 | 4.50 | - | 4.50 |



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-4 Investment in subsidiary

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Unquoted | | |
| Equity instruments at cost | | |
| JK Talabot Limited | | |
| 72,48,936 (31st March, 2020); | 724.89 | 724.89 |
| 72,48,936) Equity Shares of Rs.10 each | | |
| Total | 724.89 | 724.89 |
| Aggregate value of unquoted investment | 724.89 | 724.89 |

Note-5 Loans

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Non-current | | |
| Security Deposits | 146.82 | 142.53 |
| Total | 146.82 | 142.53 |
| Current | | |
| Loans to related parties (Refer Note 41 & Note (i) below) | 2,900.00 | - |
| Security Deposits | 0.25 | 0.25 |
| | 2,900.25 | 0.25 |

Note:-

(i) Disclosure as per section 186(4) of the Act

| Particulars | Rate of Interest | Due date | As at 31st March, 2020 | Loan Given | Loan Repaid | As at 31st March, 2021 |
|---------------------------------------|------------------|-----------------|---------------------------|-----------------|-------------|---------------------------|
| Raymond Luxury Cotton Limited | 9.00% | 5th April 2021 | - | 1,500.00 | - | 1,500.00 |
| Raymond Luxury Cotton Limited | 9.00% | 13th April 2021 | - | 500.00 | - | 500.00 |
| Raymond Apparel Limited | 8.50% | 30th June 2021 | - | 900.00 | - | 900.00 |
| Total Loans to related parties | | | - | 2,900.00 | - | 2,900.00 |

The Loan has been utilised for meeting their working capital requirement.

Break-up of security details

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Loans considered good - Secured | - | - |
| Loans considered good - Unsecured | 3,047.06 | 142.78 |
| Loans which have significant increase in credit risk | - | - |
| Loans credit impaired | - | - |
| Total | 3,047.06 | 142.78 |
| Loss allowance | - | - |
| Total Loans | 3,047.06 | 142.78 |

Note-6 Other financial assets

| | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------------------|---------------------------|---------------------------|
| Non-current | | |
| Margin money deposit with Banks* | 0.50 | 0.50 |
| Total | 0.50 | 0.50 |

*Held as lien with Government Department

Current

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Receivable from Related party (Refer Note 41) | 84.01 | 171.20 |
| Less: Allowance for doubtful receivable | (83.72) | (83.72) |
| Interest accrued | 40.97 | 2.99 |
| | 41.26 | 93.47 |

Break-up of security details

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Other financial assets considered good - Secured | - | - |
| Other financial assets considered good - Unsecured | 41.76 | 93.97 |
| Other financial assets Doubtful | 83.72 | 83.72 |
| Other financial assets which have significant increase in credit risk | - | - |
| Other financial assets credit impaired | - | - |
| Total | 125.48 | 177.69 |
| Loss allowance | (83.72) | (83.72) |
| Total Other financial assets | 41.76 | 93.97 |

Note-7 Other non-current assets

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------------|---------------------------|---------------------------|
| Capital advances | 28.80 | 20.53 |
| Less: Allowance for doubtful advances | (3.77) | (3.77) |
| VAT refundable | 82.30 | 151.52 |
| Deposits with government authorities | 62.83 | 67.83 |
| Total | 170.16 | 236.13 |



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

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

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------|---------------------------|---------------------------|
| Raw materials | 1,256.60 | 1,080.57 |
| Raw material in transit | 167.93 | 178.06 |
| Work-in-progress | 2,070.90 | 1,446.41 |
| Finished goods | 3,402.04 | 1,809.13 |
| Stock-in-trade | 900.78 | 908.71 |
| Stock-in-trade in transit | 149.84 | 108.56 |
| Stores and spares | 466.24 | 411.47 |
| Total | 8,414.33 | 5,942.91 |

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Write-down of inventories amounted to Rs. (272.88) lakhs for the year ended 31st March, 2021 (write-down Rs. (211.45) lakhs for the year ended 31st March, 2020). These write-downs were recognised as expenses 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

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Receivables from related parties (Refer note 41) | 304.79 | 384.44 |
| Others | 1,521.86 | 6,250.16 |
| Less: Allowance for doubtful receivables | (441.03) | (604.06) |
| Total receivables | 1,385.62 | 6,030.54 |

Break-up of security details

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Secured, considered good | 131.86 | 245.29 |
| Unsecured, considered good | 1,253.76 | 5,785.25 |
| Doubtful | 441.03 | 604.06 |
| Receivables which have significant increase in credit risk | - | - |
| Receivables credit impaired | - | - |
| Total | 1,826.65 | 6,634.60 |
| Allowance for doubtful receivables | (441.03) | (604.06) |
| Total trade receivables | 1,385.62 | 6,030.54 |

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, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-10 (a) Cash and cash equivalents

| | <u>As at</u> <u>31st March, 2021</u> | <u>As at</u> <u>31st March, 2020</u> |
|-----------------------|---|---|
| Balances with Banks | | |
| - In current accounts | 339.42 | 3.40 |
| - In Cash Credit | 40.63 | 1.16 |
| Cash on hand | 2.07 | 2.32 |
| Total | 382.12 | 6.88 |

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

| | <u>As at</u> <u>31st March, 2021</u> | <u>As at</u> <u>31st March, 2020</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, 2021</u> | <u>As at</u> <u>31st March, 2020</u> |
|---|---|---|
| Export benefit receivables | 509.49 | 567.50 |
| GST receivable/refundable | 1,138.22 | 916.33 |
| Advances to suppliers | 529.59 | 359.75 |
| Prepaid expenses | 71.95 | 62.03 |
| Advance recoverable in kind or for value to be received | 34.40 | 23.02 |
| Total | 2,283.63 | 1,928.63 |

Note-12 Assets classified as held for sale

| | <u>As at</u> <u>31st March, 2021</u> | <u>As at</u> <u>31st March, 2020</u> |
|-----------------|---|---|
| Land - Freehold | 35.47 | 35.47 |
| Building | 70.28 | 70.28 |
| Total | 105.75 | 105.75 |

In FY 17-18, the company has 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 1324.98 Lakhs (Previous year Rs. 1322 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.

Subsequent to the balance sheet date, the Company has partially completed the government clearances process to execute the sale.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-13 Equity Share capital

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Authorised | | |
| 1,70,00,000 [31st March, 2020 : 1,70,00,000] Equity Shares of Rs. 10 each | 1,700.00 | 1,700.00 |
| 22,00,000 [31st March, 2020 : 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, 2020 : 87,40,658] Equity Shares of Rs. 10 each | 874.07 | 874.07 |
| 22,00,000 [31st March, 2020 : 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, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Equity Shares : | | |
| Balance as at the beginning of the year | 8,740,658 | 8,740,658 |
| Balance as at the end of the year | 8,740,658 | 8,740,658 |
| Instruments entirely equity in nature | | |
| Preference share: | 874.07 | 874.07 |
| 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.

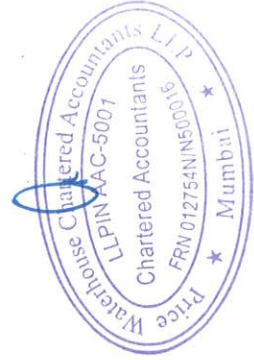
Preference shares: 9% Non-cumulative compulsory convertible preference shares (NCCCPs) will be converted into 18,33,300 number of equity shares of Rs. 10 each on October 27, 2029. Each shareholder of is entitled to one vote per share only on resolutions placed before the Company which directly affects their rights attached to NCCCPs. The dividend proposed by the Board of Directors is subject to approval of Shareholders. The Company has an option to redeem the shares at par. 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, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| 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, 2021 | | As at 31st March, 2020 | |
|---|---------------------------|--------------|---------------------------|--------------|
| | 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% |



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2021
(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, 2019 | 314.50 | 1,838.40 | 2,152.90 |
| Change in accounting policy (Refer Note 45) | - | (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 |
| Profit for the year | - | 2,448.61 | 2,448.61 |
| Other Comprehensive Income for the year | - | (132.02) | (132.02) |
| Total Comprehensive Income for the year | - | 2,316.59 | 2,316.59 |
| Balance as at 31st March, 2021 | 314.50 | 5,172.19 | 5,486.69 |

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.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 16 - Current borrowings

| | Maturity date | Terms of repayments | Interest Rate | As at 31st March, 2021 | As at 31st March, 2020 |
|---|-------------------|------------------------------------|---------------|------------------------|------------------------|
| Loans repayable on demand | | | | | |
| Secured | | | | | |
| From banks | | | | | |
| - Cash Credit | Payable on demand | Payable on demand | 8.20% - 8.55% | 331.29 | 2,945.57 |
| - Indian Rupee Packing credit | 28th April, 21 | Single repayment at end of term | 5.20% | 400.00 | 400.00 |
| - Indian Rupee Packing credit | 20th April, 21 | Single repayment at end of term | 7.62% | 250.00 | 400.00 |
| - Working Capital Demand Loan (WC DL) | 19th November, 21 | Single repayment at end of term | 7.30% | 500.00 | - |
| (The above borrowings are secured by way of first pari passu charge on all current assets of the Company) | | | | | |
| Unsecured | | | | | |
| From banks | | | | | |
| - Commercial Credit Cards | Payable on demand | Single repayment at end of 45 days | 10.54% | - | 98.35 |
| Total | | | | 1,481.29 | 3,843.92 |

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

| Net debt reconciliation | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Cash and cash equivalents | (382.12) | (6.88) |
| Current Borrowings | 1,481.29 | 3,843.92 |
| Interest accrued but not due on borrowings | 1.82 | 3.14 |
| Lease liabilities | 1,410.43 | 1,499.34 |
| Net debt | 2,511.41 | 5,339.52 |

| | 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, 2019 | 3.93 | - | 3,686.25 | 2,147.72 | 5,830.04 |
| Recognised on adoption of Ind AS 116 (see note 15) | - | 1,552.76 | - | - | 1,552.76 |
| Net debt as at 1 April 2019 (restated) | 3.93 | 1,552.76 | 3,686.25 | 2,147.72 | 7,382.80 |
| Cash flows | 2.95 | (227.28) | (3,676.88) | 1,593.36 | (2,213.55) |
| Interest expense | - | 173.86 | 236.39 | 309.26 | 719.51 |
| Interest paid | - | - | (242.62) | (306.62) | (549.24) |
| Net Debt as at March 31, 2020 | 6.88 | 1,499.34 | 3.14 | 3,843.92 | 5,339.52 |
| Net Debt as at March 31, 2020 | 6.88 | 1,499.34 | 3.14 | 3,843.92 | 5,339.52 |
| Cash flows | 375.24 | (249.09) | - | (2,374.36) | (2,998.66) |
| Interest expense | - | 160.18 | 9.61 | 199.39 | 369.18 |
| Interest paid | - | - | (10.93) | (187.66) | (198.59) |
| Net Debt as at March 31, 2021 | 382.12 | 1,410.43 | 1.82 | 1,481.29 | 2,511.41 |



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-17 - Trade payables

| | <u>As at</u> <u>31st March, 2021</u> | <u>As at</u> <u>31st March, 2020</u> |
|---|---|---|
| Trade payables (Refer Note below) | | |
| - Payable to related parties (Refer note 41) | 644.66 | 384.48 |
| - Micro and small enterprises (Refer note 32) | 324.82 | 94.89 |
| - Others | 4,703.80 | 5,615.50 |
| Total | <u>5,673.28</u> | <u>6,094.87</u> |

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



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-18 - Other current financial liabilities

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|-----------------------------------|-----------------------------------|
| Interest accrued but not due on borrowings | 1.82 | 3.14 |
| Capital creditors | 11.70 | 15.41 |
| Deposits from dealers, agents etc. | 588.58 | 638.83 |
| Employee Benefits payable | 1,264.22 | 1,103.53 |
| Other payables | 32.87 | 40.58 |
| Mark to Market of derivative financial instruments (Refer Note 38) | 5.50 | 1.60 |
| Total | 1,904.68 | 1,803.09 |

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

Note-19 - Provisions

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|-----------------------------------|-----------------------------------|
| Provision for employee benefits (Refer note 31) | | |
| -Gratuity | 262.71 | 50.69 |
| -Compensated absences | 366.47 | 315.01 |
| Total | 629.18 | 365.70 |

Note 20-Other Current liabilities

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|-----------------------------------|-----------------------------------|
| Contract Liabilities | 858.89 | 188.90 |
| Advance against Sale of Land and Building (Refer note 12) | 1324.98 | 1,322.00 |
| Statutory dues payable | 176.94 | 155.80 |
| Refund Liabilities | 74.87 | 63.50 |
| Stamp Duty Payable | 177.80 | 177.80 |
| Other Payables | 39.98 | 53.94 |
| Total | 2,653.46 | 1,961.94 |



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-21 Revenue from Operations

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Revenue from Contract with Customers (Sale of Products) | | |
| (i) Manufactured goods - Domestic | 13,597.44 | 14,095.49 |
| (ii) Manufactured goods - Export | 14,839.52 | 16,614.44 |
| (iii) Stock-in trade- Domestic | 4,930.64 | 5,047.82 |
| (iv) Stock-in trade- Export | 700.72 | 587.64 |
| Total (A) | 33,768.32 | 36,345.39 |
| Revenue from Contract with Customers (Sale of Services) | | |
| | 78.60 | 102.63 |
| Total (B) | 78.60 | 102.63 |
| Other operating revenue | | |
| (i) Export Incentives | 489.55 | 1,061.29 |
| (ii) Process waste sale | 471.47 | 398.13 |
| Total (C) | 961.02 | 1,459.42 |
| Total | 34,807.94 | 37,907.44 |

Note:

There are no unatisfied performance obligations resulting from Revenue from Contracts with Customers as at March 31, 2021.

Reconciliation of revenue recognised with contract price:

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Contract price | 35,611.51 | 38,295.28 |
| Adjustments for: | | |
| Discounts, Rebates, Sales related Schemes, etc. | (1,764.59) | (1,847.27) |
| Revenue from contract with customers | 33,846.92 | 36,448.02 |

Note-22 Other income

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Interest income | 181.97 | 75.57 |
| Liabilities no longer required written back | 275.24 | 10.38 |
| Write back of Loss Allowances (Net) | 159.79 | 17.23 |
| Net gain on foreign exchange fluctuations | 4.94 | 364.43 |
| Net gain on disposal/discard of property, plant and equipment | 2.31 | 3.07 |
| Miscellaneous Income | 89.28 | 47.68 |
| Total | 713.53 | 518.46 |

Note-23 Cost of raw materials consumed

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Raw material at the beginning of the year | 1,258.63 | 464.07 |
| Purchases | 10,899.91 | 11,450.29 |
| Less : Raw material at the end of the year | 1,424.53 | 1,258.63 |
| Total | 10,734.01 | 10,655.73 |

Note-24 Purchases of Stock-in-Trade

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|-----------------------------|--------------------------------|--------------------------------|
| Purchases of Stock-in-Trade | 4,253.89 | 4,112.30 |
| Total | 4,253.89 | 4,112.30 |

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

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|----------------------------|--------------------------------|--------------------------------|
| Opening 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 |
| Closing inventories | | |
| Work-in-progress | 2,070.90 | 1,446.41 |
| Finished goods | 3,402.04 | 1,809.13 |
| Stock-in-trade | 1,050.62 | 1,017.27 |
| | 6,523.57 | 4,272.81 |
| Total | (2,250.75) | (216.42) |



J K Files (India) Limited

Notes to the financial statements for the year ended 31st March, 2021

Note-26 Employee benefits expense

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Salaries and wages | 4,828.75 | 5,682.45 |
| Defined benefit plan expense (Refer note 31) | 106.05 | 97.01 |
| Contribution to provident and other funds (Refer note 31) | 313.24 | 344.88 |
| Workmen and Staff welfare expenses | 219.63 | 347.70 |
| Total | 5,467.67 | 6,472.04 |

Note-27 Finance costs

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Interest expense on term loan | 9.61 | 236.39 |
| Interest on lease obligation - Others (Refer note 45) | 160.18 | 173.86 |
| Interest on shortfall of advance tax | 11.73 | 5.95 |
| Interest expense - Others | 185.51 | 295.97 |
| Other borrowing costs | 2.15 | 7.34 |
| Total | 369.18 | 719.51 |

Note-28 Depreciation and amortization expense

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Depreciation on property, plant and equipment | 757.21 | 698.65 |
| Depreciation on Right to Use Asset (Refer note 45) | 142.04 | 151.17 |
| Amortization on Intangible assets | 3.74 | 127.00 |
| Total | 902.99 | 976.82 |

Note-29 (a) Manufacturing and Operating expenses

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Consumption of stores and spare parts | 3,011.19 | 2,990.92 |
| Power and fuel | 1,531.68 | 1,704.67 |
| Job work charges | 2,712.55 | 2,343.85 |
| Payment to labour contractor | 1,494.42 | 1,544.67 |
| Repairs to buildings | 45.35 | 62.05 |
| Repairs to machinery | 315.05 | 380.90 |
| Other Manufacturing and Operating expenses | 176.96 | 184.37 |
| Total | 9,287.21 | 9,211.43 |

Note-29 (b) Other expenses

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Rent | 181.72 | 162.80 |
| Insurance | 109.64 | 112.04 |
| Repairs & Maintenance Others | 70.61 | 69.85 |
| Rates and Taxes | 25.74 | 175.60 |
| Commission to selling agents | 709.96 | 891.76 |
| Freight, Octroi, etc | 829.77 | 826.91 |
| Legal and Professional Expenses | 269.18 | 359.53 |
| IT outsourced Support Services | 148.92 | 208.63 |
| Travelling & Conveyance | 91.47 | 387.47 |
| Advertisement Expenses | 5.59 | 95.51 |
| Sales Promotion expenses | 97.67 | 158.96 |
| Director Fees | 3.00 | 16.00 |
| Facility Charges (Refer note 41) | 346.36 | 480.00 |
| Corporate Social Responsibility (Refer note 44) | 35.02 | 14.00 |
| Bad Debts written off | 3.24 | 11.84 |
| Less: Allowances there against | (3.24) | (11.84) |
| Software expenses | 44.26 | 47.92 |
| Security charges | 138.28 | 128.07 |
| Communication expenses | 34.59 | 31.79 |
| Printing and stationery expenses | 38.43 | 46.88 |
| Motor car expenses | 63.00 | 70.85 |
| Miscellaneous expenses | 223.78 | 354.18 |
| Total | 3,466.99 | 4,638.75 |

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

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| a) Audit Fees | 9.00 | 12.00 |
| b) Limited Review Fees | 3.00 | 3.00 |
| c) Certification Fees | 0.60 | 0.50 |
| d) Reimbursement of out-of-pocket expenses | 0.14 | 0.60 |
| Total | 12.74 | 16.10 |



J R Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 3(a) Income Taxes

Tax expense recognised in the Statement of Profit and Loss

| | As at 31st March, 2021 | As at 31st March, 2020 |
|---------------------------------|---------------------------|---------------------------|
| Current tax | | |
| Current year | 753.14 | 473.43 |
| Adjustments for prior periods | - | - |
| Total current tax | 753.14 | 473.43 |
| Deferred tax | | |
| Deferred tax charge | 88.51 | 148.07 |
| Total deferred tax | 88.51 | 148.07 |
| Total income tax expense | 841.67 | 622.10 |

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

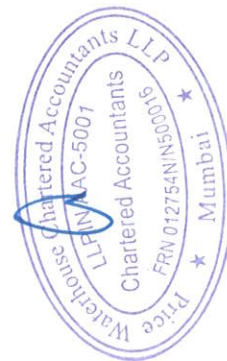
| | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| Reconciliation of effective tax rate | | |
| Profit/(loss) before tax | 3,200.28 | 1,855.73 |
| Enacted income tax rate in India | 25.17% | 25.17% |
| Tax Expense at enacted income tax rate | 828.10 | 497.05 |
| Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income | | |
| Permanent disallowances | 11.63 | 56.80 |
| Change in Tax Rate | - | 90.35 |
| Others | 1.94 | 7.90 |
| Total income tax expense | 841.67 | 622.10 |

Consequent to reconciliation items shown above, the effective tax rate is 25.58% (2019-20: 33.52%)

The movement in deferred tax assets and liabilities during the year ended 31st March, 2020 and 31st March, 2021

| | As at 1st April, 2019 | Adjustment on adoption of Ind AS 110 (see note 45) | As at 1 April 2019 (Revised) | Credit/(charge) in Statement of Profit and Loss | As at 31st March, 2020 | Credit/(charge) in Statement of Profit and Loss | As at 31st March, 2021 |
|---|--------------------------|--|---------------------------------|---|---------------------------|---|---------------------------|
| Movement during the year ended 31st March, 2021 | | | | | | | |
| Deferred tax assets on account of: | | | | | | | |
| Provision for employee benefits | 105.90 | - | 105.90 | (26.61) | 79.29 | 12.95 | 92.24 |
| Allowances for doubtful debts and advances | 250.48 | - | 250.48 | (78.10) | 172.38 | (42.24) | 130.14 |
| VRS paid | 622.49 | - | 622.49 | (619.19) | 203.31 | (555.00) | 138.31 |
| Right-of-use Assets and Lease Liabilities (Refer Note 45) | - | 84.20 | 84.20 | 20.21 | 104.41 | 11.80 | 116.21 |
| Others | 79.98 | - | 79.98 | (22.53) | 57.45 | - | 57.45 |
| Deferred tax (liabilities) on account of: | | | | | | | |
| Depreciation on Property Plant and Equipment | (411.85) | - | (411.85) | 159.39 | (252.46) | 67.13 | (185.33) |
| Depreciation on Revolutation Asset under Business Combination | (278.47) | - | (278.47) | 126.21 | (152.26) | 16.83 | (135.43) |
| Total | 368.22 | 84.20 | 452.72 | (148.67) | 304.05 | (88.53) | 215.52 |

There are no material unrecognised deferred tax assets as at 31st March, 2021.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(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, 2021, amount recognised in the financial statements in respect of Employee Benefit Schemes:

A. Balance Sheet

| | Gratuity | |
|--|------------------------|------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| Present value of plan liabilities | (2,211.13) | (1,966.18) |
| Fair value of plan assets | 1,948.42 | 1,915.49 |
| Plan liability net of plan assets | (262.71) | (50.69) |

B. Movements in plan assets and plan liabilities

| | As at March, 21 | | As at March, 20 | | Net |
|---|-------------------|-----------------|-------------------|-----------------|----------------|
| | Plan Liabilities | Plan Assets | Plan Liabilities | Plan Assets | |
| As at 1st April | (1,966.18) | 1,915.49 | (1,935.80) | 1,921.61 | (14.19) |
| Current service cost (including past service cost) | (102.58) | - | (95.94) | - | (95.94) |
| Return on plan assets excluding actual return on plan asset | - | (2.91) | - | (9.80) | (9.80) |
| Interest cost | (134.49) | - | (145.95) | - | (145.95) |
| Interest income | 131.02 | 131.02 | 161.44 | 144.88 | 144.88 |
| Actuarial gain/(loss) arising from changes in financial assumptions | 2.89 | - | 161.44 | - | 161.44 |
| Actuarial gain/(loss) arising from experience adjustments | (171.19) | - | (106.13) | - | (106.13) |
| Employer contributions | 7.11 | 58.13 | 156.20 | 15.00 | 15.00 |
| Benefit payments | 153.31 | (153.31) | (156.20) | (156.20) | - |
| As at 31st March | (2,211.13) | 1,948.42 | (1,966.18) | 1,915.49 | (50.69) |

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

- Active members - 1126 Nos. (2019-20: 1180 Nos.)
- Deferred members - Nil (2019-20: Nil)
- Retired members - Nil (2019-20: Nil)

C. The Company expects to contribute Rs. 209.78 lakhs to the funded plans in financial year 2021-22 (2020-21: Rs. 153.27 lakhs) for gratuity



J.K. Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
D. Statement of Profit and Loss

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|--|--------------------------------|--------------------------------|
| Employee Benefit Expenses: | | |
| Current service cost (including past service cost) | 102.58 | 95.94 |
| Interest Cost | 102.58 | 95.94 |
| Net impact on the Profit before tax | 3.47 | 1.07 |
| | 106.05 | 97.01 |
| Re measurement of the net defined benefit liability: | | |
| Return on plan assets excluding actual return on plan asset | (2.91) | (9.80) |
| Actuarial gains/(losses) arising from changes in financial assumptions | 2.89 | 161.44 |
| Actuarial gain/(loss) arising from experience adjustments | (171.10) | (106.13) |
| Net impact on the Other Comprehensive Income before tax | (171.21) | 45.51 |

E. Assets

| | As at 31st March, 2021 | As at 31st March, 2020 |
|----------------------|---------------------------|---------------------------|
| Gratuity | | |
| Insurer managed fund | 1948.42 | 1915.49 |
| Total | 1948.42 | 1915.49 |

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:

| | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------------------|---------------------------|---------------------------|
| Financial Assumptions | | |
| Discount rate | 6.84% | 6.84% |
| Salary Escalation Rate | 3%-7.5% | 4%-6% |
| Attrition rate | 2.00% | 2.00% |

Demographic Assumptions

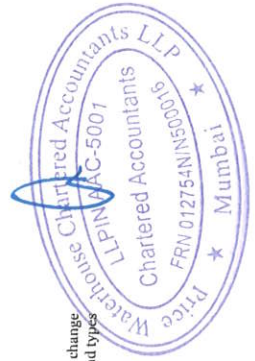
Mortality in Service : Indian Assured Lives Mortality (2006-08) Ultimate table

G. Sensitivity

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

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|--|--|
| Discount rate | 1% | |
| Salary Escalation Rate | 1% | |
| Attrition rate | 1% | |
| 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 |
| | (136.12) | (124.78) |
| | 151.16 | 138.54 |
| | (3.94) | (1.41) |
| Decrease in assumption having an impact on present value of plan liability | Decrease in assumption having an impact on present value of plan liability | Decrease in assumption having an impact on present value of plan liability |
| | 153.14 | 140.01 |
| | (136.96) | (108.57) |
| | 4.51 | 1.86 |

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, 2021

H. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:

| Gratuity : | Defined benefit obligation | |
|------------|----------------------------|---------------------------|
| | As at 31st March, 2021 | As at 31st March, 2020 |
| 2021 | - | 115.11 |
| 2022 | 126.27 | 74.42 |
| 2023 | 138.25 | 177.76 |
| 2024 | 223.03 | 211.23 |
| 2025 | 218.50 | 205.68 |
| 2026 | 240.63 | 1,245.02 |
| Thereafter | 2,893.14 | 1,396.13 |

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. 313.24 lakhs (31st March, 2020 - Rs. 344.88 lakhs).

(iii) Compensated absences:

The leave obligations cover the Company's liability for sick and earned leave. The amount of the provision of Rs 366.47lakhs (31st March, 2020 - Rs. 315.01 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, 2021
 (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, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Principal amount due to suppliers registered under MSME Act and remaining unpaid as at year end | 323.86 | 94.86 |
| Interest due thereon to suppliers registered under the MSMED Act and remaining unpaid as at the year end | 0.97 | - |
| Principal Amounts paid to suppliers registered under the MSMED Act, beyond the appointed date during the year | 46.01 | - |
| 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 | - | - |
| Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | - | - |
| Interest accrued and remaining unpaid at the end of each accounting year | 0.97 | - |
| Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of deductible expenditure under section 23 of the MSMED Act | - | - |

Note 33 Earnings per share

| | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|--------------------------------|--------------------------------|
| Basic Earnings Per Share has been computed as under: | | |
| Profit/(Loss) for the year | A 2,448.51 | 1,233.54 |
| Weighted average number of equity shares outstanding | B 8,740,658 | 8,740,658 |
| Earnings Per Share (Rs.) | A/B 28.01 | 14.11 |
| Diluted | | |
| Profit/(Loss) for the year | 2,448.51 | 1,233.54 |
| Adjusted Profit/(Loss) for the year | C 2,448.51 | 1,233.54 |
| Weighted average number of shares (in numbers) | 8,740,658 | 8,740,658 |
| Add: Dilutive potential equity share (Refer Note 13) | 1,333,100 | 1,333,100 |
| Weighted average number of equity shares for dilutive EPS | D 10,073,758 | 10,073,758 |
| Dilutive Earnings Per Share (Rs.) | C/D 23.16 | 11.67 |
| Nominal value per equity share (in Rs.) | 10.00 | 10.00 |

Note 34 Assets Hypothecated as security

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

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Current Assets | | |
| Financial Assets | | |
| Flouring Charge | | |
| Trade receivables | | |
| Inventories | 1,385.62 | 6,030.54 |
| Cash and cash equivalents | 8,414.33 | 5,942.91 |
| Others financial asset | 382.12 | 6.88 |
| Other current assets | 41.26 | 93.47 |
| Total Current assets given as security | 12,506.96 | 14,092.43 |
| Non Current Assets | | |
| First Charge | | |
| Plant and machinery | 2,938.11 | 3,189.66 |
| Furniture & fixtures | 25.40 | 34.43 |
| Vehicles | 3.87 | 5.61 |
| Office equipment | 11.15 | 17.17 |
| Computers | 30.79 | 29.04 |
| Total non-current assets Hypothecated as security | 2,715.29 | 3,276.52 |
| Total assets Hypothecated as security | 15,222.25 | 17,278.95 |



J K Files (India) Limited
 Notes to the financial statements for the year ended 31st March, 2021
 (All amounts are in Rs. lakhs, unless stated otherwise)

Note 35: Contingent liabilities (to the extent not provided for)

| Contingent Liabilities | As at 31st March, 2021 | As at 31st March, 2020 |
|---|---------------------------|---------------------------|
| (i) Claims against the Company not acknowledged as debts in respect of: | | |
| Income Tax Matters | 110.66 | 110.66 |
| Sales tax Matters | 299.69 | 251.01 |
| Excise and service tax Matters | 26.38 | 26.38 |
| Other Matters | 130.05 | 115.01 |

(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, 2021 | As at 31st March, 2020 |
|--------------------------------|---------------------------|---------------------------|
| Property, plant and equipment | 45.91 | 54.37 |
| Less: Capital advances | 28.80 | 20.55 |
| Net Capital commitments | 17.11 | 33.82 |



J K Finc (India) Limited
 Notes to the financial statements for the year ended 31st March, 2024
 (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 equivalents, other current financial assets, 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 rate and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, the 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: other techniques for which the inputs have a significant effect on the recorded fair value that are not based on observable market data.

| | Non Current | | | Current | | | Routed through P & L | | | Routed through OCI | | | Carrying at amortised cost | | Total Amount |
|---|-------------|---------|---------|---------|-----------|---------|----------------------|---------|-----------|--------------------|---------|---------|----------------------------|-----------|--------------|
| | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 3 | |
| | | | | | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | | | | | |
| Loans | 146.82 | - | - | - | 3,049.25 | - | - | - | 3,049.25 | - | - | - | - | 3,049.25 | 3,049.25 |
| Other Financial Assets | 0.70 | - | - | - | 41.20 | - | - | - | 41.20 | - | - | - | - | 41.20 | 41.20 |
| Trade receivable | - | - | - | - | 1,385.62 | - | - | - | 1,385.62 | - | - | - | - | 1,385.62 | 1,385.62 |
| Cash and Cash equivalents | - | - | - | - | 389.12 | - | - | - | 389.12 | - | - | - | - | 389.12 | 389.12 |
| Financial Liabilities | | | | | | | | | | | | | | | |
| Borrowings | - | - | - | - | 1,491.20 | - | - | - | 1,491.20 | - | - | - | - | 1,491.20 | 1,491.20 |
| Trade Payables | - | - | - | - | 1,904.68 | - | - | - | 1,904.68 | - | - | - | - | 1,904.68 | 1,904.68 |
| Trade Payables | - | - | - | - | 5,074.48 | - | - | - | 5,074.48 | - | - | - | - | 5,074.48 | 5,074.48 |
| Total | - | - | - | - | 9,559.26 | - | - | - | 9,559.26 | - | - | - | - | 9,559.26 | 9,559.26 |
| Financial Assets and Liabilities as at 31st March, | | | | | | | | | | | | | | | |
| 2024 | | | | | | | | | | | | | | | |
| Financial Assets | | | | | | | | | | | | | | | |
| Loans | 142.51 | - | - | - | 142.78 | - | - | - | 142.78 | - | - | - | - | 142.78 | 142.78 |
| Other Financial Assets | 0.70 | - | - | - | 93.47 | - | - | - | 93.47 | - | - | - | - | 93.47 | 93.47 |
| Trade receivable | - | - | - | - | 6,050.54 | - | - | - | 6,050.54 | - | - | - | - | 6,050.54 | 6,050.54 |
| Cash and Cash equivalents | - | - | - | - | 6.88 | - | - | - | 6.88 | - | - | - | - | 6.88 | 6.88 |
| Financial Liabilities | | | | | | | | | | | | | | | |
| Borrowings | 143.53 | - | - | - | 6,131.13 | - | - | - | 6,274.17 | - | - | - | - | 6,274.17 | 6,274.17 |
| Other Financial Liabilities | - | - | - | - | 3,843.02 | - | - | - | 3,843.02 | - | - | - | - | 3,843.02 | 3,843.02 |
| Trade Payables | - | - | - | - | 1,864.09 | - | - | - | 1,864.09 | - | - | - | - | 1,864.09 | 1,864.09 |
| Total | - | - | - | - | 11,741.88 | - | - | - | 11,741.88 | - | - | - | - | 11,741.88 | 11,741.88 |

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.



JK Fintech India Limited
 The financial statements for the year ended 31st March, 2024
 (All amounts are in INR Lakhs, unless stated otherwise)

Not. 38 : Financial risk management objectives

The Company financial risk management is an integral part of how to plan and execute its business strategy. 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 its contracts and deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends 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 exposure, borrowing, managing 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 including the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Key metrics: Company interest rate 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 sensitivity to management personnel and represents management's assessment of the reasonably possible change in interest rate.

a) Exposure to interest rate risk

| Particulars | As at 31st March, 2024 | As at 31st March, 2020 |
|---|------------------------|------------------------|
| Total loans outside | 1,481.29 | 3,843.92 |
| % of floating rate borrowings in table rate of interest | 22% | 100% |

b) Interest rate sensitivity

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

| | 2022-2023 | 2019-2020 |
|--|-----------|-----------|
| 50 bp increase would decrease the profit before tax by | 7.41 | 30.80 |
| 50 bp decrease would increase the profit before tax by | (7.41) | (30.80) |

b) Market risk - Foreign Currency risk

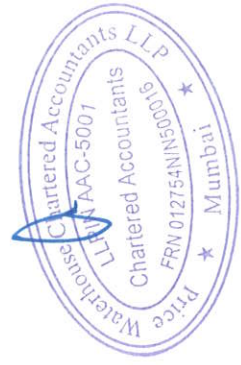
The Company operates in a globally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange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

Derivative instrument are not included average currency exposure (Refer note 39)

Foreign Currency Risk Sensitivity

A change of 5% in foreign currency would have following impact on profit before tax

| | 2022-23 | 2019-20 |
|---|---------|---------|
| USD | 7.29 | 30.98 |
| EUR | 5.99 | 14.77 |
| GBP | 12.37 | 0.05 |
| INR (Increase/Decrease in Profit or Loss) | (12.37) | (0.05) |
| 3) 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 account receivable. Individual risk limit are set accordingly. | | |



J.K. Pricer (India) Limited
 Notes to the financial statements for the year ended 31st March, 2021
 (All amounts are in Rs. lakhs, unless stated otherwise)

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 appropriate forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Significant changes in credit risk that are expected to cause a significant change in the Company's estimate of the asset's credit risk,
- iv) Significant changes in the value of the collateral supporting the obligation,
- v) Significant changes in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises loans as 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 recognised in profit or loss.

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry provisions 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 collections of receivable is not material hence no additional provision considered.

ii) Movement of Account Receivables

| | As at 31st March, 2021 | As at 31st March, 2020 |
|------------------|------------------------|------------------------|
| Net due | 1,13,047 | 2,80,766 |
| 0-3 months | 2,553 | 1,25,106 |
| 3-12 months | 6,30 | 21,181 |
| 12 months beyond | 1,04,654 | 50,987 |
| Total | 1,20,584 | 1,77,274 |

ii) Movement in provision for doubtful Trade Receivables

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|------------------------|------------------------|
| Opening provision | 60,106 | 62,133 |
| Less: Provision utilised against bad debts | (1,979) | (1,281) |
| Closing provision | 58,127 | 60,852 |

iii) Movement in provision for doubtful Receivables

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--------------------------------|------------------------|------------------------|
| Opening provision | 8,372 | 8,353 |
| Add: Additional provision made | 0-21 | 0-21 |
| Closing provision | 8,372 | 8,372 |



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 to 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.

(3) Financial instruments:

The company had access to following unsecured borrowing facilities at end of reporting period:

| | As at 31st March, 2021 | As at 31st March, 2020 |
|--|---------------------------|---------------------------|
| Variable borrowing - Cash Credit against within 1 year | 4,79,871 | 4,35,058 |

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, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|-----------------|
| | 0-1 Years | 1-5 Years | 0-1 Years | 1-5 Years |
| Long term borrowings (including current maturity of long term debt) | - | - | - | - |
| Short term borrowings | 1,48,129 | 1,48,129 | 1,48,129 | 1,48,129 |
| Total | 1,48,129 | 1,48,129 | 1,48,129 | 1,48,129 |

Maturity patterns of other Financial Liabilities

| | As at 31st March, 2021 | | As at 31st March, 2020 | |
|---|------------------------|-----------------|------------------------|------------------|
| | 0-3 months | 3-6 months | 6 months to 12 months | beyond 12 months |
| As at 31st March, 2021 | | | | |
| Total Payable | 2,66,821 | 1,27,712 | 2,17,729 | 5,77,127 |
| Capital creditors | 11,79 | 47,147 | 65,27 | 5,77,127 |
| Employee benefits payable | 5,160 | 10,660 | 588,508 | 3,129 |
| Other Financial liability (Current and Non Current) | 34,669 | 1,12,905 | 591,851 | 2,77,077 |
| Bank to Market of derivative financial instruments | - | - | - | - |
| As at 31st March, 2020 | | | | |
| Total Payable | 1,31,440 | 3,22,832 | 2,51,994 | 6,94,860 |
| Capital creditors | 292,779 | 643,17 | 6,926 | 15,41 |
| Employee benefits payable | 40,358 | - | 6,926 | 1,00,32 |
| Other Financial liability (Current and Non Current) | - | - | 6,088 | 40,358 |
| Bank to Market of derivative financial instruments | - | - | - | 1,00 |
| Total | 1,79,278 | 2,87,149 | 2,52,334 | 7,81,860 |



Note -39: Derivative instruments and unhedged foreign currency exposure

(a) Foreign Currency Exposure as at the reporting date

| Particulars | As at 31 March, 2021 | | | | | | |
|---------------------|----------------------|------------|--------------|--------|--------------|-------|----------------|
| | USD (in Mn.) | In Rs | EUR (in Mn.) | In Rs | GBP (in Mn.) | In Rs | Total (In Rs.) |
| A.Trade Recievable | 2.12 | 1,552.75 | 0.59 | 508.64 | - | - | 2,061.39 |
| B.Cover by Forwards | (3.30) | (2,516.19) | - | - | - | - | (2,516.19) |
| C.Unhedged Exposure | - | - | 0.59 | 508.64 | - | - | - |
| D.Trade Payable | 1.13 | 823.89 | - | - | - | - | 823.89 |
| E.Cover by Forwards | - | - | - | - | - | - | - |
| F.Unhedged Exposure | 1.13 | 823.89 | - | - | - | - | 823.89 |

| 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 Recievable | 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 |

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, 2021
(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, India

(b) **Subsidiary Company**
JK Talabot Limited, India

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

(c) **Fellow Subsidiary Companies**
Raymond (Europe) Limited, United Kingdom
Ring Plus Aqua Limited, India
Raymond Apparel Limited, India
Raymond Luxury Cotton Limited, India
Raymond UCO Denim Limited, India

(d) **Associate Enterprises**
PT. Jaykay Files Indonesia, Indonesia
PT. Jaykay International Indonesia, Indonesia
J K Helene Curtis Limited, India

Other related parties:

(e) **Key Management Personnel :**
Whole time Director : Mr. Ganesh Kumar Subramanian (till 31st May, 2020)
Chief Executive Office : Mr. Hukumchand Lakhotiya (w.e.f 7th January, 2021)
Independent director : Mr. Narayan Ramalingam (till 12th February, 2020)
Independent director : Mr. Ramchandra Anant Prabhudesai (till 12th February, 2020)
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



JK Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note--2. Transactions carried out with related parties referred in 1 above for the Year ended 31st March, 2021, 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 | - | 1,781.63 (2,003.42) | - (1.00) | - | - |
| Purchase of DEPB licence | - | 5.65 (72.11) | - | - | - |
| Fixed Assets | - | 54.27 | - | - | - |
| Sales : | | | | | |
| Sale of products | - | 625.81 (637.88) | - | - | - |
| Property, plant and equipment | - | 5.45 (0.91) | - | - | - |
| Expenses : | | | | | |
| Rent expenses | 145.42 (145.42) | - | - | - | - |
| Facility Charges | 346.36 (480.00) | - | - | - | - |
| Managerial remuneration | - | - | - | 61.31 (261.17) | - |
| Directors fees | - | - | - | 3.00 (15.00) | - |
| Electricity charges | 16.81 (48.87) | - | - | - | - |
| Legal and Professional Expenses | 14.72 (35.82) | - | - | 13.00 (16.00) | - |
| Miscellaneous expenses | 55.11 (52.30) | 0.02 | - | - | - |
| Paid to trust - Employees Gratuity fund contribution | - | - | - | - | 58.13 (15.00) |
| Other Receipts : | | | | | |
| Cost of shared manpower | - (3.25) | 10.50 (15.82) | - | - | - |
| Reimbursement of expenses | 623.88 (979.06) | 1.43 (3.54) | (0.17) | - | - |
| Finance : | | | | | |
| Inter Company loan received (Short term) | - (3,050.00) | - | - | - | - |
| Inter Company loan repaid (Short term) | - (6,477.82) | - | - | - | - |
| Inter Company loan repaid (Long term) | - (3,427.82) | - | - | - | - |
| Inter Corporate loan Given (Short term) | - | 2,900.00 (750.00) | - | - | - |
| Inter Corporate loan repayment received (Short term) | - | - (750.00) | - | - | - |
| Interest Income on Inter company loan | - | 85.32 (8.03) | - | - | - |
| Interest expense on Inter Company loan | - (219.63) | - | - | - | - |
| Outstandings : | | | | | |
| Trade Payable | 66.91 (6.62) | 577.75 (377.86) | - | - | - |
| Trade Receivable | - | 0.82 | 303.97 (384.44) | - | - |
| Loans(Current)* | - | 2,900.00 | - | - | - |
| Other Financial Assets (Current) | - (90.40) | 38.36 (0.08) | 83.72 (83.72) | - | - |

* Inter company loan receivable were provided to group companies to meet their working capital requirements.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-1-'i.b&c' -Fellow Subsidiary Companies with whom transactions have taken place for the year ended 31st March, 2021

| Nature of transactions | J K Talabot Ltd | Raymond Apparel Ltd | Raymond Europe Ltd | Raymond Luxury Cotton Limited | Silverspark Apparel Ltd. | Ring Plus Aqua Ltd. | Total 1 (b) & (c) |
|---|------------------------|---------------------|--------------------|-------------------------------|--------------------------|---------------------|------------------------|
| Purchases : | | | | | | | |
| Purchase of raw material and stock-in-trade | 1,781.63 (2,003.42) | - | - | - | - | - | 1,781.63 (2,003.42) |
| Purchase of DEPB licence | 5.65 (11.09) | - | - | - | - (61.02) | - | 5.65 (72.11) |
| Fixed Assets | 54.27 | - | - | - | - | - | 54.27 |
| Sales : | | | | | | | |
| Sale of products | 619.79 (631.93) | - | - | - | - | 6.02 (5.95) | 625.81 (637.88) |
| Property, plant and equipment | 4.54 | - | - | - | - | 0.91 (0.91) | 5.45 (0.91) |
| Expenses : | | | | | | | |
| Miscellaneous expenses | - | - | - | - | - | 0.02 | 0.02 |
| Other Receipts : | | | | | | | |
| Cost of shared manpower | 10.50 (15.82) | - | - | - | - | - | 10.50 (15.82) |
| Reimbursement of expenses | - | - | - | - | - | 1.43 (3.54) | 1.43 (3.54) |
| Finance : | | | | | | | |
| Loans and Advances given | - (750.00) | 900.00 | - | 2,000.00 | - | - | 2,900.00 (750.00) |
| Loan and Advances Repaid | - (750.00) | - | - | - | - | - | - (750.00) |
| Interest Received | - (8.03) | 0.21 | - | 85.32 | - | - | 85.52 (8.03) |
| Outstandings : | | | | | | | |
| Trade Payable | 561.60 (361.71) | - | 16.15 (16.15) | - | - | - | 577.75 (377.86) |
| Trade Receivable | - | - | - | - | - | 0.82 | 0.82 |
| Other Financial Assets (Current) | - | 0.21 | - | 37.86 | - | 0.29 (0.08) | 38.36 (0.08) |
| Loans (Current) * | - | 900.00 | - | 2,000.00 | - | - | 2,900.00 |

* Inter company loan receivable were provided to group companies to meet their working capital requirements.



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-'1.d'- Other related parties where control exists for the year ended 31st March, 2021

| 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) |
| Other Receipts : | | | | |
| Other reimbursements | - | - | - | - |
| | (0.17) | - | - | (0.17) |
| Outstandings : | | | | |
| Trade Receivable* | - | 303.97 | - | 303.97 |
| | (51.26) | (333.18) | - | (384.44) |
| Other Financial Assets (Current)* | 83.72 | - | - | 83.72 |
| | (83.72) | - | - | (83.72) |

* The total receivable from PT JayKay Files and PT JayKay International, Indonesia has been provided. (Refer note 6 and 9)



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note-'1.e - Key Management Personnel for the Year ended 31st March, 2021

| Nature of transactions | Short term employee benefits | Post employment benefits | Director sitting fees | Professional Services | Total |
|----------------------------------|------------------------------|--------------------------|------------------------|-------------------------|--------------------------|
| Mr. Ganesh Kumar Subramanian | 22.63 (250.81) | 1.60 (10.36) | - - | - - | 24.23 (261.17) |
| Mr. Hukumchand Lakhotiya | 35.73 - | 1.35 - | - - | - - | 37.08 - |
| Mr. Narayan Ramalingam | - - | - - | - (5.00) | - - | - (5.00) |
| Mr. Ramchandra Anant Prabhudesai | - - | - - | - (4.00) | - - | - (4.00) |
| Mrs. Rashmi Mundada Brijgopal | - - | - - | 1.50 (3.50) | - - | 1.50 (3.50) |
| Mr. Ravikant Uppal | - - | - - | 1.50 (2.50) | 13.00 (16.00) | 14.50 (18.50) |
| Total 1 (e) | 58.36 (250.81) | 2.95 (10.36) | 3.00 (15.00) | 13.00 (16.00) | 77.31 (292.17) |

* 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 | Current Year | Previous Year |
| Segment revenue* | 18,482.57 | 19,353.02 | 4,911.07 | 7,413.69 | 8,190.40 | 5,750.47 | 1,935.74 | 3,893.53 | 987.56 | 34,807.94 | 37,907.44 | |
| Carrying cost of segment non-current asset** | 6437.29 | 7248.65 | - | - | - | - | - | - | 1,496.73 | 6437.29 | 7248.65 | |
| * 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 geographies. Consequently, none of the customer contribute materially to the revenue of the Company.

Note 43

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 44

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

| Corporate Social Responsibility expenditure | Year ended 31st March, 2021 | Year ended 31st March, 2020 |
|---|-----------------------------|-----------------------------|
| Gross amount required to be spent as per Section 135 of the Act | 34.55 | 35.00 |
| Amount spent during the year | 35.02 | 14.00 |



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 45

Changes in accounting policies - Lease Accounting as per IndAS 116

Impact on the financial statements – lessee accounting

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)(c).

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, 2021
 (All amounts are in Rs. lakhs, unless stated otherwise)

Note 45

Changes in accounting policies - Lease Accounting as per IndAS 116

(ii) Measurement of lease liabilities

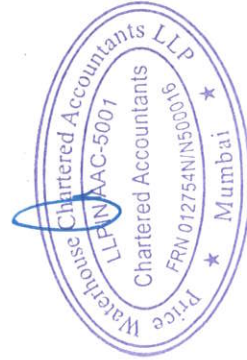
| | |
|--|-----------------|
| Operating lease commitments disclosed as at 31st March 2019 | - |
| Add: adjustments as a result of a different treatment of extension and termination options | 1,552.76 |
| Lease liability recognised as at 1st April 2019 | 1,552.76 |
| Of which are: | |
| Current lease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



J K Files (India) Limited
Notes to the financial statements for the year ended 31st March, 2021
(All amounts are in Rs. lakhs, unless stated otherwise)

Note 46 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 nuclear hants 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. 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 made detailed assessments of the recoverability and carrying values of its assets comprising property, plant and equipment, inventories, receivables and other current assets as at the balance sheet date and on the basis of evaluation, has concluded that no significant impact on its financial statement as at 31st March, 2021. The Company is of the view that considering the nature of its business operations, existing customer and supplier relationships and its market position, impact on its business operations, if any, arising from COVID-19 pandemic is not expected to be significant. However, the Company will continue to monitor any material changes to future economic conditions.

Note 47 The Financial Statements were authorised for issue by the directors on May 3, 2021.


As per our attached report of even date

For Price Waterhouse Chartered Accountants LLP
 Firm Registration No. 012754N/S500016


 Arunkumar Ramdas
 Partner
 Membership No.: 112433
 Mumbai
 30th May, 2021

For and on behalf of Board of Directors


 K. A. Narayan
 Director
 DIN: 00050589


 Waqar Siddiqui
 Company Secretary


 Sridharsan Ganapathy
 Chief Financial Officer
 Mumbai
 30th May, 2021