

## Notes forming part of the financial statements for the year ended 31<sup>st</sup> March, 2020

### Corporate Information

Osiajee Texfab Limited (the Company) is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange.

### 1. Significant Accounting Policies

#### 1.1 Basis of Preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

These financial statements for the year ended 31<sup>st</sup> March, 2020 are the first financials with comparatives, prepared under Ind AS. For all previous periods including the year ended 31<sup>st</sup> March, 2019, the Company had prepared its financial statements in accordance with the accounting standards notified under companies (Accounting Standard) Rule, 2006 (as amended) and other relevant provisions of the Act (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India.

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1<sup>st</sup> April, 2017 being the date of transition to Ind AS.

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

- a) Certain financial assets and liabilities that are measured at fair value;
- b) Assets held for sale-measured at lower of carrying amount or fair value less cost to sell;
- c) Defined benefit plans – plan assets measured at fair value;

## 1.2 Summary of Significant Accounting Policies

### a) Current vs Non-Current Classification

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

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

All other assets are classified as non-current.

A liability is current when:

- Expected to be settled in normal operating cycle.
- Held primarily for the purpose of trading
- Due to be settled within twelve months after reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

### b) Use of estimates and judgements

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 & Equipment

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2017, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Property, plant & equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. In case of assets acquired in exchange for a non-monetary asset, the cost of such an item of property, plant and equipment is measured at fair value unless (a) the exchange transaction lacks commercial substance or (b) the fair value of neither the

asset received nor the asset given up is reliably measurable. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

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

The residual values, useful lives and methods of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **d) Depreciation on Property, Plant & Equipment**

Depreciation on Property, Plant & Equipment is calculated on a written down value (WDV) basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013.

#### **e) Inventories**

Inventories are valued at the lower of cost or net realizable value.

#### **f) Revenue Recognition**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### **g) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### **h) Employee Benefits**

Short term benefits and post employment benefits are accounted in the period during which the services have been rendered.

#### **i) Taxation**

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### **j) Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If an indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal or its value in use. Recoverable amount is

determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, are recognised in the statement of profit and loss.

## **k) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as part of finance costs.

## **l) Contingent Liability**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

## **m) Cash and cash equivalents**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## **n) Investments and other financial assets**

### **(i) Classification**

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

- (1) Those to be measured subsequently at fair value (either through other comprehensive income, or through the Statement of Profit and Loss), and
- (2) 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 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. The Company classifies its debt instruments into following categories:

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

**Equity instruments:**

The Company measures its equity investment other than in subsidiaries, joint ventures and associates at fair value through profit and loss.

**(iii) Impairment of financial assets**

The Company measures the expected credit loss associated with its assets based on historical trend, industry practices and the business environment in which the entity operates or any other appropriate basis. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

**o) 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 shares**

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.



**ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020**

**Note 2. Property, Plant and Equipment (Amount in Rs.)**

	Computer	Furniture & Fixture	Office Equipment	Total
<b>Gross Carrying amount</b>				
<b>Deemed Cost as at 1st April, 2018</b>	161,650	167,907	43,540	373,097
Additions	-	-	-	-
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March, 2019</b>	161,650	167,907	43,540	373,097
Additions	-	-	-	-
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>161,650</b>	<b>167,907</b>	<b>43,540</b>	<b>373,097</b>
<b>Accumulated Depreciation</b>				
Balance as at 1st April, 2018	110,466	145,249	21,445	277,160
Additions	14,156	4,745	2,235	21,136
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>124,622</b>	<b>149,994</b>	<b>23,680</b>	<b>298,296</b>
Additions	10,242	3,751	2,008	16,001
Disposals	-	-	-	-
Reclassification as held for sale	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>134,864</b>	<b>153,745</b>	<b>25,688</b>	<b>314,297</b>
<b>Net carrying amount</b>				
<b>Balance as at 1st April, 2018</b>	<b>51,184</b>	<b>22,658</b>	<b>22,095</b>	<b>95,937</b>
<b>Balance as at 31st March, 2019</b>	<b>37,028</b>	<b>17,913</b>	<b>19,860</b>	<b>74,801</b>
<b>Balance as at 31st March, 2020</b>	<b>26,786</b>	<b>14,162</b>	<b>17,852</b>	<b>58,800</b>



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

	(Amt in Rs.)		(Amt in Rs.)	
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Note 3. Investments</b>				
Investment in quoted Shares	18,714,395	18,714,395	18,714,395	18,714,395
Investment in unquoted Shares	3,000,000	3,000,000		
	<u>21,714,395</u>	<u>21,714,395</u>	<u>18,714,395</u>	<u>18,714,395</u>
<b>Note 4. Loans</b> (Unsecured, considered good)				
Loans	7,407,123	7,407,123	8,907,123	11,769,372
	<u>7,407,123</u>	<u>7,407,123</u>	<u>8,907,123</u>	<u>11,769,372</u>
<b>Note 5. Other Financial Assets</b>				
Advance against office building purchase	25,000	25,000	525,000	525,000
	<u>25,000</u>	<u>25,000</u>	<u>525,000</u>	<u>525,000</u>
<b>Note 6. Deferred Tax Assets</b>				
Deferred Tax Assets on account of:				
- Unabsorbed depreciation allowances	2,726	2,726	2,726	2,726
	<u>2,726</u>	<u>2,726</u>	<u>2,726</u>	<u>2,726</u>
<b>Note 7. Other Non Current Assets</b>				
Tax Deducted at sources	761,423	761,423	761,423	753,090
Advance against Expenses	-	-		
	<u>761,423</u>	<u>761,423</u>	<u>761,423</u>	<u>753,090</u>
<b>Note 8. Trade Receivables</b> (Unsecured considered good)				



Outstanding for a period exceeding Six Month	25,220,402	104,038,214	34,659,200	54,766,470
Other	20,028,013	15,926,639	63,975,640	
	<b>45,248,415</b>	<b>119,964,853</b>	<b>98,634,840</b>	<b>54,766,470</b>

**Note 9. Cash and Cash Equivalents**

Balances with Scheduled Bank	2,519	34,221	418,599	253,257
Cash on Hand	9,024	20,738	1,513	7,930
	<b>11,543</b>	<b>54,958</b>	<b>420,111</b>	<b>261,187</b>

**Note 10. Current Tax Assets**

Balance with Government Authorities	1,196,604	496,014	397,810	-
	<b>1,196,604</b>	<b>496,014</b>	<b>397,810</b>	<b>-</b>

**Note 11. Other Current Assets**

Share Issue expenses	231,159	231,159	231,159	231,159
	<b>231,159</b>	<b>231,159</b>	<b>231,159</b>	<b>231,159</b>

<b>12</b>	<b>Equity Share Capital</b>		<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>	
	<b>Authorised</b>				
	6,000,000 [31st March 2020: 60,000,000 and 1st April 2019: 60,000,000] Equity Shares of Rs. 10 each		60,000,000	60,000,000	
	<b>Issued, Subscribed and Fully Paid up</b>				
	5,400,000 [31st March 2020: 54,000,000 and 1st April 2019: 54,000,000] Equity Shares of Rs. 10 each		54,000,000	54,000,000	
			<b>54,000,000</b>	<b>54,000,000</b>	
<b>A</b>	<b>Reconciliation of the number of shares</b>	<b>As at 31.03.2020</b>	<b>As at 31.03.2019</b>		
		<b>No. of shares</b>	<b>Amount</b>	<b>No. of shares</b>	<b>Amount</b>
	Balance as at the beginning of the year	5,400,000	5,400,000	5,400,000	5,400,000
	Balance as at the end of the year	5,400,000	5,400,000	5,400,000	5,400,000

<b>B Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>					
	Name of Shareholders	As at 31.03.2020		As at 31.03.2019	
		Nos.	% of Holding	Nos.	% of Holding
	Manish Chanda	401500	7.44	401500	7.44
	<b>TOTAL</b>	<b>401500</b>	<b>7.44</b>	<b>401500</b>	<b>7.44</b>

**C** Terms/Rights attached to the Equity Shares

The Company has only one class of Equity Shares having a par value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share.

### Note 13. OTHER EQUITY

( Amount in Rs)

	Reserve & Surplus		
	Securities Premium Reserve	Retained Earnings	Total
<b>Balance as at 1st April, 2018</b>	-	<b>4,555,653</b>	<b>4,555,653</b>
Profit for the year	-	4,953,249	4,953,249
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	4,953,249	4,953,249
<b>Balance as at 31st March, 2019</b>	-	<b>9,508,902</b>	<b>9,508,902</b>
<b>Balance as at 1st April, 2019</b>	-	<b>9,508,902</b>	<b>9,508,902</b>
Profit for the year	-	2,763,277	2,763,277
Other comprehensive income for the year	-	-	-
<b>Total comprehensive income for the year</b>	-	2,763,277	2,763,277
<b>Balance as at 31st March, 2020</b>	-	<b>12,272,179</b>	<b>12,272,179</b>

**Statement of changes in Equity for the year ended 31st March, 2020**

<b>A. EQUITY SHARE CAPITAL</b>	<b>Notes</b>	<b>( Amount in Rs)</b>
<b>As at 1st April, 2018</b>		<b>54,000,000</b>
Changes in equity share capital		-
<b>As at 31st March, 2019</b>		<b>54,000,000</b>
Changes in equity share capital		-
<b>As at 31st March, 2020</b>		<b>54,000,000</b>

**B. OTHER EQUITY**

**( Amount in Rs)**

	<b>Reserve &amp; Surplus</b>		
	<b>Securities Premium Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
<b>Balance as at 1st April, 2018</b>	<b>0</b>	<b>4,555,653</b>	<b>4,555,653</b>
Profit for the year	0	4,953,249	4,953,249
Other comprehensive income for the year	0	-	-
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>4,953,249</b>	<b>4,953,249</b>
<b>Balance as at 31st March, 2019</b>	<b>0</b>	<b>9,508,902</b>	<b>9,508,902</b>
<b>Balance as at 1st April, 2019</b>	<b>0</b>	<b>9,508,902</b>	<b>9,508,902</b>
Profit for the year	0	2,763,277	2,763,277
Other comprehensive income for the year	0	-	-
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>2,763,277</b>	<b>2,763,277</b>
<b>Balance as at 31st March, 2020</b>	<b>0</b>	<b>12,272,179</b>	<b>12,272,179</b>

**Note 14. Borrowings**

Short Term

Borrowings - Loans	425,000	275,000	500,000	500,000
	<u>425,000</u>	<u>275,000</u>	<u>500,000</u>	<u>500,000</u>

**Note 15. Trade****Payables**Due to Micro and  
Small Enterprises

	-	-	-	
Due to Others	6,765,086	92,466,919	69,019,364	28,074,139
	<u>6,765,086</u>	<u>92,466,919</u>	<u>69,019,364</u>	<u>28,074,139</u>

**Note 16. Current Tax  
Liabilities**

Provision for tax

	2,560,798	1,639,798	615,507	316,798
	<u>2,560,798</u>	<u>1,639,798</u>	<u>615,507</u>	<u>316,798</u>

**Note 17. Other  
Current Liabilities**

Other Payable

	634,125	40,553	-	10,500
	<u>634,125</u>	<u>40,553</u>	<u>-</u>	<u>10,500</u>

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

	(Amount in Rs.)	(Amount in Rs.)	(Amount in Rs.)
	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
<b>Note 18. Revenue from Operations</b>			
Sales	68,332,721	28,410,732	137,392,844
Other Operating Income	-	-	-
	<u>68,332,721</u>	<u>28,410,732</u>	<u>137,392,844</u>
<b>Note 19. Other Income</b>			
Interest Income	-	-	83,333
<b>Income tax Refund</b>	2,250	-	

	<u>2,250</u>	<u>-</u>	<u>83,333</u>
<b>Note 20. Purchase of Stock In Trade</b>			

Purchases	56,143,377	28,634,909	135,689,954
	<u>56,143,377</u>	<u>28,634,909</u>	<u>135,689,954</u>

**Note 21. Change in Inventories of Stock-In-Trade**

Inventory at the Beginning	7,198,720	-	-
Inventory at the End	-	7,198,720	-
	<u>7,198,720</u>	<u>7,198,720</u>	<u>-</u>

**Note 22. Employees Benefit Expenses**

Salaries and Bonus	244,420	76,935	565,000
Staff Welfare	13,410	-	21,725
Remuneration to Director	-	-	-
	<u>257,830</u>	<u>76,935</u>	<u>586,725</u>

**Note 23. Other Expenses**

Bank Charges	1,304	590	
Listing Fees	322,500	295,896	284,691
Advertisement & Sales Promotion Expenses	30,969	30,751	15,275
Director Sitting Fees	4,000	30,000	99,000
General Expenses	<b>468,935</b>	83,911	123,529
Legal & Professional Charges	87,600	150,300	175,700
Printing, Stationery	25,158	12,400	12,150
Communication Expenses	-	-	48,000
Telephone charges	-	-	5,399
Travelling Expenses	-	4,375	-

	29,300		
Audit Fees	65,000	65,000	25,000
	<u>1,034,766</u>	<u>673,223</u>	<u>788,744</u>

**Note 24. Earning Per Share**

Basis for calculation of Basic and Diluted Earnings per share is as under:

Profit after tax (Rs.)	2,763,277	4,953,249	3,09,790
Weighted Average Number of Equity Shares (Nos)	5,400,000	5,400,000	54,000,000
Face Value of each Equity Share (Rs.)	1	1	1
Basic and Diluted Earning Per Equity Share (Rs.)	0.5117	0.9173	0.0057

For S C Mehra & Associates  
Chartered Accountants  
Firm Regn No: 106156W



For Osiajee Texfab Limited

SD/-  
S C Mehra  
Partner  
Membership No. 039730  
Place : Mumbai  
Date: June 30, 2020

SD/-  
(Vidya Gawand)  
Director  
Din No. 001755987

SD/-  
(Lalit Sarwar)  
CEO

SD/-  
(Swapnil Vyas)  
Chief Financial Officer

## Note 26. Fair Value

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments

	<b>(Amount in Rs.)</b>	
	<b>As at</b>	<b>As at</b>
	<b>31.03.2020</b>	<b>31.03.2019</b>
<b>Financial Assets</b>		
<b>Investments</b>	21,714,395	21,714,395
<b>Loans</b>		
- <b>Loans &amp; Advances to others</b>		
- Loans & Advances to others	7,407,123	7,407,123
Other Financial Assets	25,000	25,000
<b>Trade Receivables</b>	45,248,415	119,964,853
<b>Cash &amp; Cash equivalents</b>	11,543	54,958
<b>Total</b>	<b>74,406,476</b>	<b>149,166,329</b>
<b>Financial Liabilities</b>		
<b>Borrowings</b>	425,000	275,000
<b>Trade Payables</b>		
- Trade Payables to others	6,765,086	92,466,919
<b>Other Financial Liabilities</b>		
- Other Payables	634,125	40,553
<b>Total</b>	<b>7,824,211</b>	<b>92,782,472</b>

The management assessed that Carrying Values approximate their fair value largely due to the short-term maturities of these instruments, hence the same has not been disclosed.



## 27. Related Party Transactions

Name of related parties in Transactions with company and description of relationship

Key Managerial Personnel (KMP):

Mr. Lalit Kumar Sarwar	- Chief Executive Officer
Ms. Priya Manoj Dedhia	- Company Secretary
Mr. Swapnil Vyas	- Chief Financial Officer

## 28. Transaction with Related Parties during the Year

### Remuneration to Key Managerial Personnel (KMP)

(Amount in Rs.)

Name of Related Party	Nature of Transaction	Year ending March 31, 2020	Year ending March 31, 2019
Mr. Lalit Kumar Sarwar*	Remuneration	0	0
Ms. Priya Manoj Dedhia**	Remuneration	15000	0
Mr. Swapnil Pradipbhai Vyas***	Remuneration	0	0

\*Mr. Lalit Kumar Sarwar was appointed as Chief Executive Officer of the Company w.e.f. 17.04.2019.

\*\*Ms. Priya Manoj Dedhiawas appointed as Company Secretary of the Company w.e.f. 28.11.2019.

\*\*\*Mr. Swapnil Pradipbhai Vyas was appointed as Chief Financial Officer of the Company w.e.f. 14.02.2020.

In **accordance** with Accounting Standard Ind AS 108 'Operating Segment' the Company has only one reportable business segment and have only one reportable geographic segment in India.

## 29. Capital Risk Management:

The Company aim to manages its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to our shareholders.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. 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 a 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.

30. **Contingent Liabilities:** Nil(Previous Year – Nil)

31. **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

32. **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and deposits to landlords) and from its financing activities. The Company generally doesn't have collateral.

## **Trade Receivables and Security Deposits**

Customer credit risk is managed by business through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of each customer is assessed and credit limits are defined in accordance with this assessment. Outstanding customer receivables and security deposits are regularly monitored.

## **Liquidity Risk**

The company's principal source of liquidity is cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived

### **33. First time adoption of Ind AS**

These financial statements, for the year ended 31 March 2020, are the Third year the Company has prepared in accordance with Ind AS and Company has adopted the same First time in the year ended 31<sup>st</sup> March, 2018.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after 31 March 2020, together with the comparative period data as at and for the year ended 31 March 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 April 2018, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the statement of financial position as at 1 April 2018 and the financial statements as at and for the year ended 31 March 2019.

### ***Exemption Applied***

Ind AS 101 allows first-time adopters certain mandatory and voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the exemption with respect to Property, Plant & Equipment.

As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant & equipment.

## Estimates

The estimates at 1 April 2019 and at 31 March 2020 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from impairment of financial assets based on expected credit loss model where application of Indian GAAP did not require estimation.

34. The following reconciliations provides a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS as required under Ind AS 101:

- a) Reconciliation of Balance Sheet as at April 1, 2018
- b) Reconciliation of Balance Sheet as at March 31, 2019
- c) Reconciliation of Statement of Profit and Loss for the year ended March 31, 2019

### Reconciliation of Balance Sheet as at April 1, 2018

(Amount in Rs.)

Assets	Regrouped	Ind AS	Ind AS
<b>1) Non-Current Assets</b>			
a) Property, Plant & Equipment	95,937	-	95,937
b) Financial Assets			
i) Investments	1,87,14,395	-	1,87,14,395
ii) Loans	89,07,123	-	89,07,123
iii) Other Financial Assets	5,25,000		5,25,000
c) Deferred Tax Assets	2,726	-	2,726
d) Other non-current assets	7,61,423		7,61,423
<b>2) Current Assets</b>			
a) Inventories	-	-	-
b) Financial Assets			
i) Trade Receivables	9,86,34,840	-	9,86,34,840
ii) Cash and Cash Equivalents	4,20,111	-	4,20,111
iii) Loans	-	-	-
c) Current tax Assets	3,97,810	-	3,97,810
d) Other Current Assets	2,31,159	-	2,31,159
<b>Total</b>	<b>12,86,90,524</b>	<b>-</b>	<b>12,86,90,524</b>

<b>Equity and Liabilities</b>			
<b>1) Equity</b>			
a) Equity Share Capital	5,40,00,000	-	5,40,00,000
b) Other Equity	45,55,653	-	45,55,653
<b>2) Non Current Liabilities</b>			
a) Deferred Tax Liabilities	-	-	-
<b>3) Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	5,00,000	-	5,00,000
ii) Trade Payables	6,90,19,364	-	6,90,19,364
iii) Other Financial Liabilities	-	-	-
b) Current tax liabilities	6,15,507		6,15,507
c) Other Current Liabilities	0	-	0
<b>Total</b>	<b>7,01,34,871</b>	<b>-</b>	<b>7,01,34,871</b>

#### Reconciliation of Balance Sheet as at March 31, 2019

<b>Assets</b>	<b>Regrouped</b>	<b>Ind AS</b>	<b>Ind AS</b>
<b>1) Non-Current Assets</b>			
a) Property, Plant & Equipment	74,801	-	74,801
b) Financial Assets			
i) Investments	21,714,395	-	21,714,395
ii) Loans	7,407,123	-	7,407,123
iii) Other Financial Assets	25,000		25,000
c) Deferred Tax Assets	2,726	-	2,726
d) Other non-current assets	7,61,423	-	7,61,423
<b>2) Current Assets</b>			
a) Inventories	-	-	-
b) Financial Assets			
i) Trade Receivables	119,964,853	-	119,964,853
ii) Cash and Cash Equivalents	54,958	-	4,20,111
iii) Loans	-	-	-
c) Current tax Assets	496,014	-	496,014
d) Other Current Assets	2,31,159	-	2,31,159

<b>Total</b>	<b>157,931,172</b>	<b>-</b>	<b>157,931,172</b>
<b>Equity and Liabilities</b>			
<b>1) Equity</b>			
a) Equity Share Capital	5,40,00,000	-	5,40,00,000
b) Other Equity	9,508,902	-	9,508,902
<b>2) Non Current Liabilities</b>			
a) Deferred Tax Liabilities	-	-	-
<b>3) Current Liabilities</b>			
a) Financial Liabilities			
i) Borrowings	275,000	-	275,000
ii) Trade Payables	92,466,919	-	92,466,919
iii) Other Financial Liabilities	-	-	-
b) Current tax liabilities	1,639,798		1,639,798
c) Other Current Liabilities	40,553	-	40,553
<b>Total</b>	<b>157,931,172</b>	<b>-</b>	<b>157,931,172</b>

Reconciliation of Statement of Profit and Loss for the year ended March 31, 2019



(Amount in Rs.)

	<b>Regrouped</b>	<b>Ind AS</b>	<b>Ind AS</b>
Revenue from Operations	28,410,732	-	28,410,732
Other Income	0	-	0
<b>Total Income</b>	<b>28,410,732</b>	<b>-</b>	<b>28,410,732</b>
Expenses			
Purchases of Stock-In-Trade	28,634,909	-	28,634,909
Changes in Inventories of Stock-In-Trade	(7,198,720)	-	(7,198,720)
Employee Benefit Expenses	76,935	-	76,935
Finance Cost	-	-	-
Depreciation and Amortisation Expense	21,136	-	21,136
Other Expenses	673,223	-	673,223
<b>Total Expenses</b>	<b>22,207,483</b>	<b>-</b>	<b>22,207,483</b>
<b>Profit Before Tax</b>	<b>6,203,249</b>	<b>-</b>	<b>6,203,249</b>
<b>Tax Expense</b>			

Current Tax	1,250,000	-	1,250,000
Deferred Tax	-	-	-
<b>Profit for the period</b>	<b>4,953,249</b>	-	<b>4,953,249</b>
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income for the</b>	<b>4,953,249</b>	-	<b>4,953,249</b>

35. Certain Balances of parties under sundry debtors, creditors, loans and advances are subject to confirmations/reconciliation.

36. There was no expenditure/earning in Foreign Currency during the year.

**For S C Mehra & Associates**  
**Chartered Accountants**  
**Firm Regn No: 106156W**

**For Osiajee Texfab Limited**

**SD/-**  
**S C Mehra**  
**Partner**  
**Membership No. 039730**  
**Place : Mumbai**  
**Date: June 30, 2020**

 Value  
Research

**SD/-**  
**( Vidya Gawand )**  
**Director**  
**Din No. 001755987**

**SD/-**  
**( Lalit Sarwar )**  
**CEO**

**SD/-**  
**( Swapnil Vyas )**  
**Chief Financial Officer**