

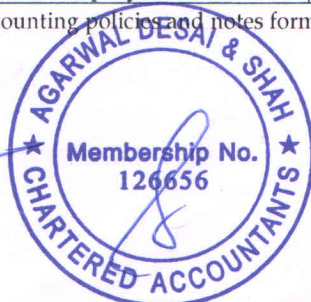
**ROYAL INDIA CORPORATION LIMITED**  
(Formerly known as NATRAJ FINANCIAL & SERVICES LIMITED)  
**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2021**  
CIN: L45400MH1984PLC032274

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, Plant and Equipments	1	68,261	10,573
(b) Capital Work in Progress		-	-
(c) Investment Property		-	-
(d) Intangible Assets		-	-
(e) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade receivables		-	-
(iii) Loans	2	3,76,19,600	3,80,45,778
(iv) Others Financial Assets	3	4,26,665	3,81,010
(f) Deferred Tax Assets (net)	4	11,85,34,695	8,30,58,841
(g) Other Non-Current Assets		-	-
(h) Income Tax Asset (net)		-	-
<b>Total Non-Current Assets</b>		<b>15,66,49,221</b>	<b>12,14,96,201</b>
<b>Current Assets</b>			
(a) Inventories		59,42,88,861	59,27,20,500
(b) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade Receivables	5	70,67,50,210	71,07,06,372
(iii) Cash and Cash Equivalents		1,03,54,191	1,00,84,550
(iv) Other Balances with Banks		2,66,184	33,10,609
(v) Loans and Advances		-	-
(vi) Others	6	1,01,34,909	1,06,46,534
(c) Current Tax Assets (net)		-	-
(d) Other Current Assets	7	66,77,770	79,27,479
<b>Total Current Assets</b>		<b>1,32,84,72,125</b>	<b>1,33,53,96,045</b>
<b>Total Assets</b>		<b>1,48,51,21,346</b>	<b>1,45,68,92,247</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	8	23,08,00,000	23,08,00,000
(b) Other Equity	9	(24,98,33,310)	(17,24,34,922)
<b>Total Equity</b>		<b>(1,90,33,310)</b>	<b>5,83,65,078</b>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	10	1,11,42,81,446	1,00,59,16,849
(ii) Trade Payable		-	-
(iii) Other financial Liabilities		-	-
(b) Provisions		-	-
(c) Other Non-Current Liabilities		-	-
(d) Deferred Tax Liabilities (net)		-	-
<b>Total Non-Current Liabilities</b>		<b>1,11,42,81,446</b>	<b>1,00,59,16,849</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities		-	-
(i) Borrowings	11	7,74,27,816	6,97,54,789
(ii) Trade Payables	12	31,03,90,227	31,91,14,885
(iii) Other Financial Liabilities	13	20,55,167	37,40,645
(b) Provisions		-	-
(c) Other Current Liabilities		-	-
(d) Deferred Tax Liabilities (net)		-	-
<b>Total Current Liabilities</b>		<b>38,98,73,210</b>	<b>39,26,10,320</b>
<b>Total Liabilities</b>		<b>1,50,41,54,656</b>	<b>1,39,85,27,169</b>
<b>Total Equity and Liabilities</b>		<b>1,48,51,21,346</b>	<b>1,45,68,92,247</b>

The accompanying significant accounting policies and notes form an integral part of the financial statement.

For Agarwal Desai & Shah  
Chartered Accountants  
FRN: 124850w

CA Rishi Sekhri  
Partner  
Membership No.: 126656  
Place : Mumbai  
Date : 30-06-2021



For Royal India Corporation Limited

Nitin K Gujral  
DIN: 08184605  
Managing Director  
Dinesh G Jani  
Chief Financial Officer

Madhusa H Inda  
DIN: 07971726  
Independent Director  
Jinal R Shah  
Company Secretary

**ROYAL INDIA CORPORATION LIMITED**  
(Formerly known as NATRAJ FINANCIAL & SERVICES LIMITED)  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**  
CIN:L45400MH1984PLC032274

Particulars	Notes to Accounts	2020-21	2019-20
Revenue from Operations	14	2,16,15,439	2,00,69,09,600
Other Income	15	28,02,182	30,82,017
<b>TOTAL INCOME</b>		<b>2,44,17,621</b>	<b>2,00,99,91,617</b>
<b>EXPENSES</b>			
Cost of Materials Purchased	16	1,79,23,920	2,00,59,97,812
Changes in inventories	17	(15,68,362)	(3,14,55,392)
Employee Benefit Expenses	18	23,65,763	30,23,650
Finance costs	19	11,74,60,351	10,75,81,256
Depreciation and Amortization Expense		14,052	9,684
Other Expenses	20	10,96,139	10,93,28,806
<b>TOTAL EXPENSES</b>		<b>13,72,91,863</b>	<b>2,19,44,85,816</b>
Profit Before Exceptional Items and Tax		(11,28,74,242)	(18,44,94,199)
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>(11,28,74,242)</b>	<b>(18,44,94,199)</b>
Tax Expenses			
Current Tax			-
MAT Credit Entitlement/Reversal			-
Deferred Tax		3,54,75,854	3,22,05,944
<b>Profit for the year</b>		<b>(7,73,98,388)</b>	<b>(15,22,88,255)</b>
<b>Other Comprehensive Income</b>			
Items that will not be reclassified subsequently to Profit or Loss		-	-
Actuarial Gain on Defined Plan Liability		-	-
Income tax on Actuarial Loss		-	-
Actuarial Loss on Defined Plan Liability		-	-
Income tax on Actuarial Loss		-	-
<b>Total Comprehensive Income for the year</b>		<b>(7,73,98,388)</b>	<b>(15,22,88,255)</b>
Earnings Per Share			
Basis & Diluted EPS	21	(3.35)	(6.60)

The accompanying significant accounting policies and notes form an integral part of the financial statement.

For Agarwal Desai & Shah  
Chartered Accountants  
FRN: 124850w

CA Rishi Sekhri  
Partner  
Membership No.: 126656

Place : Mumbai  
Date : 30-06-2021

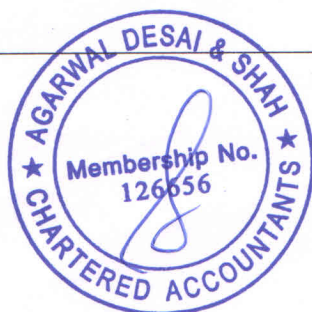
For Royal India Corporation Limited

Nitin K Gujral  
DIN: 08184605  
Managing Director

Dinesh G Jani  
Chief Financial Officer

Madhusa H Inda  
DIN: 07971726  
Independent Director

Jinal R Shah  
Company Secretary



**ROYAL INDIA CORPORAION LIMITED**  
 (Formerly Known as NATRAJ FINANCIAL & SERVICES LIMITED)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**  
 CIN: L45400MH1984PLC032274

Particulars	2020-21	2019-20
<b>A. Cash Flow from Operating Activities</b>		
Net profit before Tax as per Profit & Loss Account	(11,28,74,242)	(18,44,94,199)
Adjusted for:		
Depreciation	14,052	9,684
Expenses written off	-	-
Reversal of Provisions	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>(11,28,60,190)</b>	<b>(18,44,84,515)</b>
Adjusted for:		
(Increase)/ Decrease in Inventories	(15,68,362)	(3,14,55,392)
(Increase)/ Decrease in Trade receivables	39,56,163	1,89,36,31,238
(Increase)/ Decrease in Short Term Loans & Advances	-	33,82,325
(Increase)/ Decrease in Other Current Assets	17,61,335	9,93,28,036
Increase/ (Decrease) in Provision	-	(1,98,920)
Increase/ (Decrease) in Trade Payables	(87,24,659)	(1,89,08,38,573)
Increase/ (Decrease) in Short Term Borrowings	76,73,027	1,38,21,624
Increase/ (Decrease) in Other Current Liabilities	(16,85,478)	(387)
	14,12,026	8,76,69,951
Less: Taxes Paid	-	-
<b>Cash Flow used in Operating Activities (A)</b>	<b>(11,14,48,165)</b>	<b>(9,68,14,564)</b>
<b>B. Cash Flow from Investing Activities</b>		
Long term loan & Advances	3,80,522	46,34,575
Sale/(Purchase) of F.A.	(71,740)	-
Interest Received/Receivable	-	-
<b>Net Cash generated from Investing Activities (B)</b>	<b>3,08,782</b>	<b>46,34,575</b>
<b>C. Cash Flow from Financing Activities</b>		
Repayment/Receipt of long term loans & advances	10,83,64,597	9,88,69,142
Long term Borrowings	-	-
<b>Net Cash generated from Financing Activities (C)</b>	<b>10,83,64,597</b>	<b>9,88,69,142</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)</b>	<b>(27,74,785)</b>	<b>66,89,153</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>1,33,95,160</b>	<b>67,06,007</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1,06,20,375</b>	<b>1,33,95,160</b>

The accompanying significant accounting policies and notes form an integral part of the financial statement.

For Agarwal Desai & Shah  
 Chartered Accountants  
 FRN: 124850w

CA Rishi Sekhri  
 Partner  
 Membership No.: 126656

Place : Mumbai  
 Date : 30-06-2021

For Royal India Corporation Limited

*Nitin K Gujral*  
 Nitin K Gujral  
 DIN: 08184605  
 Managing Director

*Dinesh G Jani*  
 Dinesh G Jani  
 Chief Financial Officer

*Madhusa H Inda*  
 Madhusa H Inda  
 DIN: 07971726  
 Independent Director

*Jinal R Shah*  
 Jinal R Shah  
 Company Secretary



**ROYAL INDIA CORPORAION LIMITED**  
**(Formerly Known as NATRAJ FINANCIAL & SERVICES LIMITED)**  
**STATEMENT SHOWING CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021**  
**CIN: L45400MH1984PLC032274**

Particulars	Equity Share Capital	Reserve & Surplus			Other Comprehensive Income			Total
		Capital Reserve	Securities Premium Reserve	Retained Earning	Equity Component through Financial Instrument	Effective portion of Cash Flow Hedges	Other items of other Comprehensive Income	
Balance as on 1 <sup>st</sup> April 2020	23,08,00,000	30,00,000	11,05,30,000	(28,59,64,922)	-	-	-	5,83,65,078
Premium on Equity shares issued during the year	-	-	-	-	-	-	-	-
Writing off Share issue Expenses	-	-	-	-	-	-	-	-
Equity Component through Financial Instrument	-	-	-	-	-	-	-	-
Re-measurement of defined employee benefit plans transferred to statement of profit and loss (Net of Taxes)	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	(7,73,98,388)	-	-	-	(7,73,98,388)
Dividends including distribution tax	-	-	-	-	-	-	-	-
Transfer to retained earnings/General Reserve	-	-	-	-	-	-	-	-
Any other changes	-	-	-	-	-	-	-	-
Balance as on 31 <sup>st</sup> March 2021	23,08,00,000	30,00,000	11,05,30,000	(36,33,63,310)	-	-	-	(1,90,33,310)



**ROYAL INDIA CORPORAION LIMITED**  
**(Formerly Known as NATRAJ FINANCIAL & SERVICES LIMITED)**  
**NOTES TO ACCOUNTS**  
**CIN: L45400MH1984PLC032274**

**NOTE 1: PROPERTY, PLANT & EQUIPMENT**

Sr. No	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.2020	Addition during the year	Deduction during the Year	As at 31.03.2021	As at 01.04.2020	Addition during the year	Deduction during the year	As at 31.03.2021	As at 31.03.2021	As at 31.03.2020
	<u>Tangible Assets</u>										
1	Vehicles ( Motor Cycle)	42,50,288	-	-	42,50,288	42,50,288	-	-	42,50,288	-	-
2	Printer	17,500	-	-	17,500	16,626	-	-	16,626	874	874
3	Computer Software	73,170	60,440	-	1,33,610	63,947	13,003	-	76,950	56,660	9,223
4	Aquaguard	9,490	-	-	9,490	9,014	-	-	9,014	476	476
5	CCTV Camera	-	11,300	-	11,300	-	1,049	-	1,049	10,251	-
	<b>TOTAL</b>	<b>43,50,448</b>	<b>71,740</b>	<b>-</b>	<b>44,22,188</b>	<b>43,39,875</b>	<b>14,052</b>	<b>-</b>	<b>43,53,927</b>	<b>68,261</b>	<b>10,573</b>

**NOTE 2: LOANS & ADVANCES - NON CURRENT**

Particulars	2021	2020
Unsecured Loans		
Inter - Corporate Deposits	3,76,19,600	3,80,45,778
Others	-	-
<b>TOTAL</b>	<b>3,76,19,600</b>	<b>3,80,45,778</b>

**NOTE 3: OTHER FINANCIAL ASSETS- NON CURRENT**

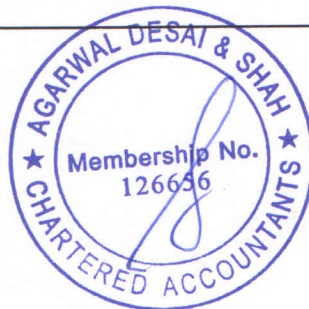
Particulars	2021	2020
FD	3,91,665	3,56,010
Deposit	35,000	25,000
<b>TOTAL</b>	<b>4,26,665</b>	<b>3,81,010</b>

**NOTE 4: DEFERRED TAX ASSETS**

Particulars	2021	2020
Existing DTA	1,21,365	1,46,497
DTL on Interest Income	(1,86,60,952)	(1,78,73,712)
DTA on Interest Expenses	13,70,74,282	10,07,86,056
<b>TOTAL</b>	<b>11,85,34,695</b>	<b>8,30,58,841</b>

**NOTE 5: TRADE RECEIVABLES**

Particulars	2021	2020
Outstanding for a period exceeding six months		
(a) Overseas Debtors		
Unsecured, Considered Good	7,00,03,727	7,00,03,727
(b) Domestic Debtors		
Unsecured, Considered Good	75,20,24,237	75,79,68,714
<b>Other Trade Receivables</b>		
(a) Overseas Debtors		
Unsecured, Considered Good	-	-
(b) Domestic Debtors		
Unsecured, Considered Good	-	-
	<b>82,20,27,964</b>	<b>82,79,72,442</b>
Less: Expected Credit Loss	(11,52,77,754)	(11,72,66,069)
<b>Total</b>	<b>70,67,50,210</b>	<b>71,07,06,372</b>



## NOTE 6: OTHER FINANCIAL ASSETS- CURRENT

Particulars	2021	2020
GST Credit	60,52,634	58,67,036
Income Tax (AY 2015-16)	40,82,274	40,82,274
MVAT Receivable (FY 2016-17)	-	6,97,224
<b>Total</b>	<b>1,01,34,909</b>	<b>1,06,46,534</b>

## NOTE 7: OTHER CURRENT ASSETS

Particulars	2021	2020
Trade Advances Given	66,77,770	79,27,479
<b>Total</b>	<b>66,77,770</b>	<b>79,27,479</b>

## NOTE 8: EQUITY SHARE CAPITAL

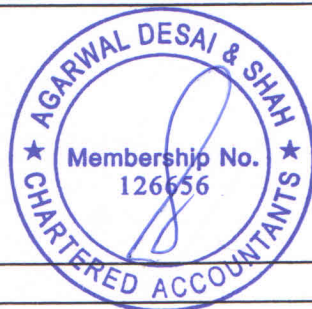
Sr. No	Particulars	As at 31.03.2021	As at 31.03.2020
1	<b>AUTHORIZED CAPITAL</b>		
	2,40,00,000 Equity Shares of Rs. 10/- each.	24,00,00,000	24,00,00,000
		24,00,00,000	24,00,00,000
2	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>		
	<i>To the Subscribers of the Memorandum</i>		
	2,30,80,000 Equity Shares of Rs.10/- each fully paid	23,08,00,000	23,08,00,000
	<b>Total</b>	<b>23,08,00,000</b>	<b>23,08,00,000</b>

8.1 Reconciliation of the number of shares and amount	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares				
Opening Balance	2,30,80,000	23,08,00,000	2,30,80,000	23,08,00,000
<i>Transferred from Share Suspense Account</i>	-	-	-	-
<b>Closing Balance</b>	<b>2,30,80,000</b>	<b>23,08,00,000</b>	<b>2,30,80,000</b>	<b>23,08,00,000</b>

8.2 Details of the Shareholders holding more than 5% Shares	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	% of Holding	No. of Shares	% of Holding
i. Manoj B Punamiya	42,35,067	18.35%	42,35,067	18.35%
ii. Lata M. Jain	29,27,339	12.68%	29,27,339	12.68%
iii. Hill View Impex Private Limited	15,24,845	6.61%	15,24,845	6.61%
iv. Shri Baiju Trading & Investments Private Limited	19,10,000	8.28%	19,10,000	8.28%

## NOTE 9: OTHER EQUITY

Particulars	2021	2020
Capital Reserve	30,00,000	30,00,000
Securities premium	11,05,30,000	11,05,30,000
Profit & loss balance	(28,59,64,922)	(13,36,76,667)
<b>Adjustment:</b>		
Net Profit for the Period	(7,73,98,388)	(15,22,88,255)
Other Adjustment	-	-
Balance of Profit and Loss Account	(36,33,63,310)	(28,59,64,922)
<b>Total</b>	<b>(24,98,33,310)</b>	<b>(17,24,34,922)</b>



## NOTE 10: BORROWINGS- NON CURRENT

Particulars	2021	2020
Inter Corporate Deposits	1,11,42,81,446	1,00,59,16,849
Others	-	-
<b>Total</b>	<b>1,11,42,81,446</b>	<b>1,00,59,16,849</b>

## NOTE 11: BORROWINGS- CURRENT

Particulars	2021	2020
Inter Corporate Deposits	7,74,27,816	6,97,54,789
Others	-	-
<b>Total</b>	<b>7,74,27,816</b>	<b>6,97,54,789</b>

## NOTE 12: TRADE PAYABLES

Particulars	2021	2020
For Goods Purchased and Supplied	31,03,90,227	31,91,14,885
Others	-	-
<b>Total</b>	<b>31,03,90,227</b>	<b>31,91,14,885</b>

## NOTE 13: OTHER FINANCIAL LIABILITIES- CURRENT

Particulars	2021	2020
Other Current Liabilities	20,55,167	37,40,645
<b>Total</b>	<b>20,55,167</b>	<b>37,40,645</b>

## NOTE 14: REVENUE FROM OPERATIONS

Sr.No.	Particulars	2020-21	2019-20
1	Local Gold Bar Sales	2,16,15,439	2,00,69,09,600
2	Export Diamonds	-	-
	<b>TOTAL</b>	<b>2,16,15,439</b>	<b>2,00,69,09,600</b>

## NOTE 15: OTHER INCOME

Sr.No.	Particulars	2020-21	2019-20
1	Foreign Exchange Gain	-	-
2	Interest Income	28,02,182	28,83,097
3	Reversal of Provision	-	1,98,920
	<b>TOTAL</b>	<b>28,02,182</b>	<b>30,82,017</b>

## NOTE 16: COST OF MATERIAL PURCHASED

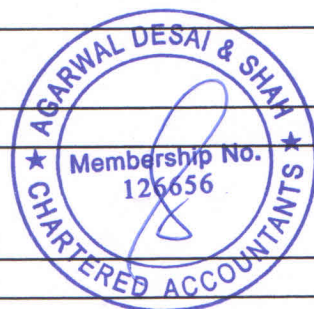
Sr.No.	Particulars	2020-21	2019-20
1	Purchases	1,79,23,920	2,00,59,97,812
	<b>TOTAL</b>	<b>1,79,23,920</b>	<b>2,00,59,97,812</b>

## NOTE 17: CHANGE IN INVENTORIES

Sr.No.	Particulars	2020-21	2019-20
	Opening Stock	59,27,20,500	56,12,65,108
Less:	Closing Stock	(59,42,88,861)	(59,27,20,500)
	<b>TOTAL</b>	<b>(15,68,362)</b>	<b>(3,14,55,392)</b>

## NOTE 18: EMPLOYEE BENEFIT EXPENSES

Sr.No.	Particulars	2020-21	2019-20
1	Directors Remuneration	3,60,000	7,40,000
2	Salaries	19,96,100	22,55,170
3	Staff Welfare	9,663	28,480
	<b>TOTAL</b>	<b>23,65,763</b>	<b>30,23,650</b>



## NOTE 19: FINANCE COST

Sr.No.	Particulars	2020-21	2019-20
1	Bank Charges	22,727	15,952
2	Interest Expenses	11,74,37,624	10,75,65,303
	<b>TOTAL</b>	<b>11,74,60,351</b>	<b>10,75,81,256</b>

## NOTE 20: OTHER EXPENSES

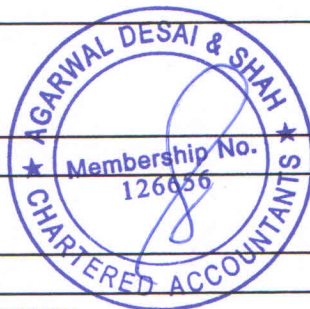
Sr.No.	Particulars	2020-21	2019-20
1	Advertisement & Publicity	1,23,820	62,800
2	Appeal Fees	400	3,600
3	Auditors Remuneration	1,67,118	70,000
4	BSE Listing Fees	3,00,000	3,00,000
5	CDSL Fees	85,000	77,100
6	Computer Expenses	57,864	13,517
7	Conveyance	465	10,240
8	Directors Sitting Fees	79,000	91,000
9	Donation	-	50,00,000
10	ECL	(19,88,315)	6,58,38,106
11	Electricity Expenses	-	25,410
12	Email Access Fee	-	6,300
13	Interest on TDS	-	1,061
14	Internal Audit Fees	30,000	30,000
15	Late Filing Fees	-	21,350
16	Legal & Professional Charges	7,66,278	3,87,600
17	Limited Review Fees	30,000	-
18	Miscellaneous Expenses	-	939
19	NSDL Fees	21,500	1,000
20	Office & General Expenses	2,04,581	1,01,452
21	Postage & courier	5,997	5,730
22	Printing & Stationery Expenses	16,738	37,661
23	Profession Tax	2,500	2,500
24	Registry Charges	1,62,934	77,566
25	Rent	3,49,250	3,17,500
26	Repair & Maintenance	6,160	21,970
27	ROC Expenses	30,635	40,561
28	Secretarial Expense	20,000	20,000
29	Sundry Balance Written off	5,08,782	3,66,30,236
30	Telephone & Internet Expenses	4,369	45,933
31	Travelling Expenses	1,00,000	77,612
32	Website Maintenance Expenses	11,063	10,063
	<b>TOTAL</b>	<b>10,96,139</b>	<b>10,93,28,806</b>

## NOTE 20.1: AUDITORS REMUNERATION

Sr.No.	Particulars	2020-21	2019-20
1	Statutory Audit Fees	87,118	70,000
2	Tax Audit Fees	40,000	-
3	Internal Financial Control Fees	-	-
	<b>TOTAL</b>	<b>1,27,118</b>	<b>70,000</b>

## NOTE 21: EARNINGS PER SHARE

Particulars	2020-21	2019-20
Profit for the year attributable to owners of the Company	(7,73,98,388)	(15,22,88,255)
Weighted average number of equity shares	2,30,80,000	2,30,80,000
Earnings per share from continuing operations - Basic and Diluted	(3.35)	(6.60)





**NOTE 22: RELATED PARTIES DISCLOSURES**

As per Ind AS 24, the disclosures of transactions with the related parties are given below:

(I) List of Related Parties where control exists and relationships:

Sr. No.	Related Party	Relation	Nature of Transactions	Amount for the year
1	Mr. Nitin K Gujral	Key Managerial Personnel	Director's Remuneration	3,60,000
2	Mr. Dinesh G Jani		Salary	2,40,000
3	Mrs. Jinal R Shah		Salary	3,49,249
4	Mrs. Mitali Y Shah		Salary	65,200

(II) Transactions during the year with Related Parties:

Sr. No.	Nature of Transactions	Amount
1	Remuneration	6,00,000
2	Salary	4,14,449
<b>Balances as at 31<sup>st</sup> March, 2021</b>		
1	Remuneration	6,50,100
2	Salary Payable	46,467

**NOTE 23: GENERAL INFORMATION**

Royal India Corporation Limited formerly known as Natraj Finance was incorporated in 1984 in the name and style of Natraj Commercial Enterprises Ltd. In October, 2006 Company changed its name to Natraj Financial & Services Limited. In September, 2008 the company was taken over by existing promoters as per the rules & regulation of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) regulations, 1997 and later on was named as Royal India Corporation Limited. The Company is a public limited company incorporated and domiciled in India and has its registered office at Nariman Point, Mumbai, India. The Company has its listings on the Bombay Stock Exchange.

Royal India Corporation Limited is engaged in the wholesale trading of Gold Bullion, plain gold jewellery, gold coins, and medallions. The Company has business operations mainly in India.

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**NOTE 24: BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS****1) Accounting convention**

The financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Amendment Rules, 2016.

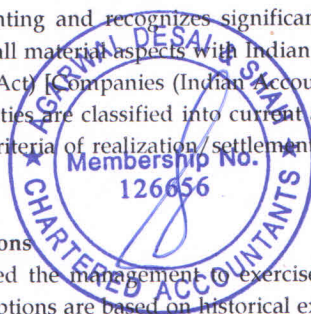
**2) Basis of measurement**

The Company Follow mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. These 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. All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

**3) Key accounting judgment, estimates and assumptions**

The preparation of the financial statements required the management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis.

Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.



The areas involving critical estimates or judgments are:

**i) Depreciation and amortization**

Depreciation and amortization are based on management estimates of the future useful lives of certain class of property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortization charges.

**ii) Provision and contingencies**

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

**iii) Fair valuation**

Fair value is the market-based measurement of observable market transaction or available market information. Fair valuation of Gold Bar and Gold Jewellery are based on the market rates published by the **Indian Bullion Association** for various grades from which the fair value of the Gold Bar and Gold Jewellery are derived.

**NOTE 25: SIGNIFICANT ACCOUNTING POLICIES**

**1) Property, Plant and Equipment**

**i) Recognition and measurement:** Property, plant and equipment are carried at cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure related to an item of fixed asset are added to its book value 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 the replaced part is derecognized. All repairs and maintenance are charged to the Statement of Profit and Loss during the financial year in which they are incurred.

**ii) Depreciation:** Depreciation of other items of Property, Plant and Equipment are provided on a Written down Value Method over the estimated useful life of the asset or as prescribed in Part C of Schedule II to the Companies Act, 2013. 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.

The Company assesses at each balance sheet date whether there is objective evidence that an asset or a group of assets is impaired. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognized within operating profit in the Income statement.

**2) Investment Property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not used in the production of goods and services or for the administrative purposes, is classified as Investment Property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

**3) Intangible Assets**

**Computer software**

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Computer software development costs recognized as assets are amortized over their estimated useful life of 5 years.

**4) Financial Instruments**

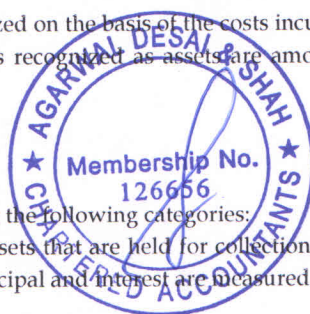
**i) Financial assets**

The Company classifies its financial assets in the following categories:

**a) Financial assets at amortized 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 amortized cost.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value which usually represents cost plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss if any. Financial assets at amortized cost are represented by trade receivables, security and other deposits, cash and cash equivalent, employee and other advances.

**b) Equity investments** - Investment in subsidiaries are stated at cost. All other equity investments are measured at fair value, except for certain unquoted equity investments which are carried at cost where the fair value of these investments cannot be reliably measured.



- c) **Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)** - For investments which are not held for trading purposes and where the company has exercised the option to classify the investment as at FVTOCI, all fair value changes on the investment are recognized in OCI. The accumulated gains or losses on such investments are not recycled to the Statement of Profit and Loss even on sale of such investment.
- d) **Financial assets at Fair Value through Profit and loss (FVTPL)** - Financial assets other than the equity investments and investment classified as FVTOCI are measured at FVTPL. These include surplus funds invested in mutual funds etc.
- e) **Impairment of financial assets** - The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

ii) **Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are measured at amortized cost using effective interest method. For trade and other payable maturing within one year from the Balance Sheet date, the carrying value approximates fair value due to short maturity.

iii) **Offsetting financial instruments**

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

iv) **Fair value measurement**

The Company classifies the fair value of its financial instruments in the following hierarchy, based on the inputs used in their valuation:

- a) The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date.
- b) The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques using observable market data. Such valuation techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions.
- c) The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

5) **Inventories**

Inventories are valued at cost or net realizable value whichever is lower, cost being determined on weighted average method. Raw Materials and Stores are valued at weighted average cost.

6) **Functional and presentation currency**

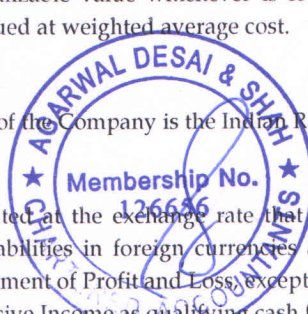
The functional and presentation currency of the Company is the Indian Rupee (INR).

7) **Foreign currency transaction**

Foreign currency transactions are translated at the exchange rate that approximates the prevalent exchange rate on the transaction date. Monetary assets and liabilities in foreign currencies are translated at the year-end rate. Any resultant exchange differences are taken to the Statement of Profit and Loss except:

- i) When deferred, in Other Comprehensive Income as qualifying cash flow hedges; and
- ii) Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The company is not being carrying on any business outside India since past five years and has been engaged in local business activities only.



8) **Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. 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 recognized as interest expense.

9) **Contingent Liabilities**

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

10) **Contingent Assets**

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset.

11) **Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of goods & service tax, discounts and returns. The Company recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities, as described below.

i) **Sale of goods and services**

Sales are recognized when the significant risks and rewards of ownership of the goods are transferred to the buyer as per terms of contract. Income and fees from services are accounted as per terms of relevant contractual agreements/arrangements.

ii) **Interest income**

Interest income is recognized on accrual basis as per the terms of relevant contracts or by using the effective interest method, where applicable.

12) **Employee Benefits**

Short Term Employee Benefits are recognized on an undiscounted basis whereas Long Term Employee Benefits are recognized on a discounted basis.

13) **Income Tax**

i) **Current Income Tax:**

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with local laws of various jurisdiction where the Company operates.

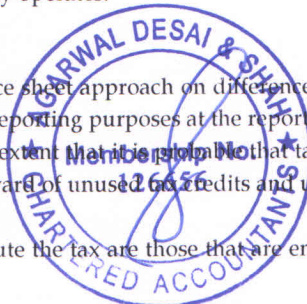
ii) **Deferred Tax:**

Deferred tax is provided using the balance sheet approach on differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Current and Deferred Tax are recognized in the Statement of Profit and Loss except to items recognized directly in Other Comprehensive income or equity, in which case the deferred tax is recognized in Other Comprehensive Income and equity respectively.



**14) Borrowing Costs**

Borrowing costs consist of interest, ancillary and other costs (i.e. Effective Interest Method) that the Company incurs in connection with the borrowing of funds and interest relating to other financial liabilities. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

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

**15) Exceptional Items**

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

**16) Earnings per share**

The company presents Basic and Diluted earnings per share data for the equity shareholders of the company. Basic and Diluted earnings per share is calculated by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

**17) Cash flow Statement:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipt or payments and item of income or expense associated with investing or financing cash-flows. The cash flow from operating, investing and financing activities of the Company is segregated.

**18) Events after the reporting period**

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorization for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted, but disclosed.

**NOTE 26: FINANCIAL RISK MANAGEMENT RISK MANAGEMENT FRAMEWORK**

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the risk management framework. The respective Boards have established the Risk Management Committee for developing and monitoring the risk management policies.

The Committee reports regularly to the board of directors on their activities.

The Entity's risk management policies are established to identify and analyze the risks faced by the Entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The Entity, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Entity. The audit committee is assisted in its oversight role by internal audit which regularly reviews risk management controls and procedures, the results of which are reported to the audit committee.

The Entity has exposure to Credit, Liquidity and Market risks arising from financial instruments:

**1) CREDIT RISK**

Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Entity's receivables from customers and investments in debt securities.

**Trade and other receivables**

The Entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the country in which customers operate.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Entity's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed periodically.



As at 31<sup>st</sup> March, 2021, the ageing of Trade Receivables and the maximum exposure to credit risk is as follows:

**TRADE RECEIVABLES**

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Outstanding for a period exceeding six months</b>		
(a) Overseas Debtors		
Unsecured, Considered Good	7,00,03,727	7,00,03,727
(b) Domestic Debtors		
Unsecured, Considered Good	75,20,24,237	75,79,68,714
<b>Other Trade Receivables</b>		
(a) Overseas Debtors		
Unsecured, Considered Good	-	-
(b) Domestic Debtors		
Unsecured, Considered Good	-	-
	<b>82,20,27,964</b>	<b>82,79,72,442</b>
Less: Expected Credit Loss	(11,52,77,754)	(11,72,66,069)
<b>Total</b>	<b>70,67,50,210</b>	<b>71,07,06,372</b>

**2) LIQUIDITY RISKS**

Liquidity risk is the risk that the Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

**3) MARKET RISKS:**

Market risk is the risk that changes in market prices such as commodity prices risk, foreign exchange rates and interest rates which will affect the Entity's financial position. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables.

**i) Currency Risk:**

The Entity is exposed to currency risk on account of its borrowings and other payables in foreign currency. The functional currency of the Entity is Indian Rupee. The Entity uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. The Entity does not use derivative financial instruments for trading or speculative purposes.

**ii) Interest Rate Risk:**

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

For Agarwal Desai & Shah  
Chartered Accountants  
FRN: 124850w

CA Rishi Sekhri  
Partner  
Membership No.: 126656

Place : Mumbai  
Date : 30-06-2021



For Royal India Corporation Limited

*Nitin K Gujral*  
Nitin K Gujral  
DIN: 08184605  
Managing Director

*Dinesh G Jani*  
Dinesh G Jani  
Chief Financial Officer

*Madhusa*  
Madhusa H Inda  
DIN: 07971726  
Independent Director

*Jinal R Shah*  
Jinal R Shah  
Company Secretary