

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
10 C Hungerford Street
5th Floor, Kolkata 700017
India

T: +91 33 4050 8000

Independent Auditor's Report

To the Members of Samay Industries Limited

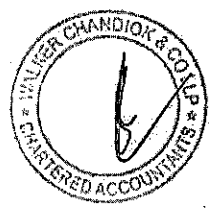
Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Samay Industries Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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.



Walker Chandiook & Co LLP

Independent Auditor's Report of even date to the members of Samay Industries Limited on the financial statements for the year ended 31 March 2020 (cont'd)

misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
9. 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

10. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;



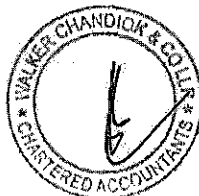
Walker Chandiook & Co LLP

Annexure A to the Independent Auditor's Report of even date to the members of Samay Industries Limited, on the financial statements for the year ended 31 March 2020

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.



Annexure B to the Independent Auditor's Report of even date to the members of Samay Industries Limited on the financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Samay Industries Limited ('the Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

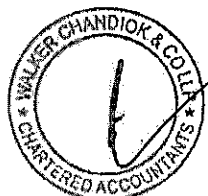
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 the Company's business, including adherence to the 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.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

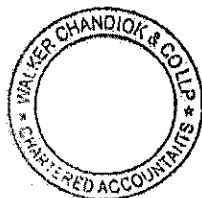
6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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



Financial statements and Independent Auditors' report

Samay Industries Limited

31 March 2020



Samay Industries Limited
Statement of Profit and Loss for the year ended 31 March 2020
 (All amounts in ₹ lacs, unless otherwise stated)

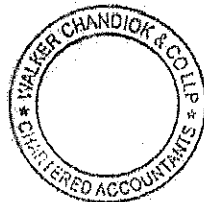
Particulars	Notes	Year-ended 31 March 2020	Year ended 31 March 2019
Revenue from operations			
Other income	19	4.69	5.13
Total Income	20	<u>9.40</u>	<u>33.08</u>
		<u>14.09</u>	<u>38.21</u>
Expenses			
Purchase of stock-in-trade		3.66	3.36
Changes in inventories of stock-in-trade		0.09	0.01
Employee benefits expense	21	34.45	34.23
Depreciation expense	22	0.98	0.76
Other expenses	23	71.63	1.71
Total expenses	24	<u>110.81</u>	<u>40.07</u>
Loss before tax		<u>(96.72)</u>	<u>(1.86)</u>
Tax expense:			
(a) Current tax		-	-
(b) Deferred tax	25		
Total tax expenses	15	<u>(8.67)</u>	<u>1.54</u>
Loss for the year		<u>(8.67)</u>	<u>1.54</u>
		<u>(88.05)</u>	<u>(3.40)</u>
Other comprehensive income (OCI)			
(i) Items that will not be reclassified to profit or loss			
- Fair valuation of equity instruments		(382.62)	(130.50)
- Share of loss from LLP (OCI portion)		(550.44)	(229.66)
(ii) Income tax relating to items that will not be reclassified to profit or loss		44.65	25.49
Total other comprehensive income		<u>(888.41)</u>	<u>(334.67)</u>
Total comprehensive income for the year		<u>(976.46)</u>	<u>(338.07)</u>
Earnings per equity share:			
(a) Basic (₹)	26	(33.87)	(1.31)
(b) Diluted (₹)		(33.87)	(1.31)

The accompanying notes 1 to 31 are integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date

For Walker Chandlok & Co. LLP
 Chartered Accountants
 Firm's Regn.No. : 001076N/N500013

Vikram Dhanania
 Partner
 Membership No. 060588

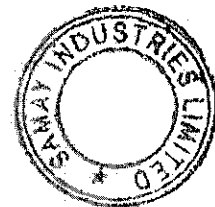


Place: Kolkata
 Date: 12 June 2020

For and on behalf of the Board of Directors
 Samay Industries Limited

Sheetal Bangur
 Director
 (DIN: 00003541)

Richa Jain
 Director
 (DIN: 00070202)



Place: Hyderabad
 Date: 12 June 2020

Samay Industries Limited
Cash Flow Statement for the year ended 31 March 2020
 (All amounts in ₹ lacs, unless other wise stated)

A Cash flow from Operating activities

	Year ended 31 March 2020	Year ended 31 March 2019
Loss before tax	(96.72)	(1.86)
Adjustments for:		
Depreciation expense	0.98	0.76
Dividend income	(9.38)	(7.79)
Interest income	-	(0.21)
Interest income on IT Refund	-	(2.13)
Loss/(Gain) on sale of financial assets measured at FVTPL	29.00	(6.24)
Share of profit/(loss) from LLP	40.93	(16.71)
Operating loss before working capital changes	(35.19)	(34.18)
Adjustments for changes in working capital:		
Decrease in trade receivables	0.02	1.16
Decrease in inventories	0.09	0.01
Decrease in current financial assets	-	10.07
Decrease/(Increase) in other current assets	0.29	(0.86)
Increase in provisions	0.98	0.74
(Decrease)/Increase in trade payables	(0.21)	0.03
Increase in other financial liabilities	2.25	-
Decrease in other current liabilities	(0.01)	(0.09)
Cash used in operating activities	(31.78)	(22.92)
Income tax paid (net of refunds)	-	0.96
Net cash used in operating activities (A)	(31.78)	(21.96)

B Cash flow from Investing Activities

Purchase of property, plant and equipment	-	(55.50)
Purchase of investments	(110.20)	(83.00)
Sale of investments	145.40	142.43
Interest received	-	0.21
Dividend income	9.38	7.79
Net cash generated from Investing activities (B)	44.58	11.93

C Cash flow from financing activities (*)

Net cash generated from/(used in) financing activities (C)	-	-
Net decrease in cash and cash equivalents (A - B + C)	12.80	(10.03)
Cash and cash equivalents at the beginning of the period	1.63	11.67
Cash and cash equivalents at the end of the period	14.43	1.64

Notes:

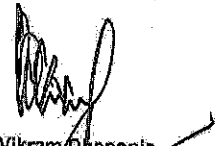
The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flow'.
 (*) No movement under reconciliation of liabilities arising from financing activities

Cash and cash equivalents comprises of

	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.48	0.48
Balances with banks in current accounts	13.95	1.15
Cash and cash equivalents (refer note 9)	14.43	1.63

This is the Statement of Cash Flow referred to in our report of even date


For Walker Chandio & Co LLP
 Chartered Accountants
 Firm's Regn No. : 001076/MN600013


 Vikram Dhanania
 Partner
 Membership No. 060568

Place: Kolkata
 Date: 12 June 2020

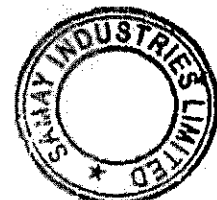


For and on behalf of the Board of Directors
 Samay Industries Limited


 Sheetal Bangur
 Director
 (DIN: 00003541)

Place: Hyderabad
 Date: 12 June 2020


 Richa Jalan
 Director
 (DIN: 00070202)



2 Significant accounting policies

2.01 Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at fair value of the consideration received or receivable. Ind AS 115 Revenue from contracts with customers outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found within Ind ASs. Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for those goods or services.

The Company recognises revenue from contracts with customers based on a five step model as set out in Ind 115:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognise revenue when (or as) the Company satisfies a performance obligation.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

Dividend Income

Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.

2.02 Financial Instruments

Point of recognition

Financial assets and liabilities, with the exception of loans, deposits and borrowings are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades, purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans are recognised when funds are transferred to the customers' account. The Company recognises debt securities, deposits and borrowings when funds reach the Company.

Initial recognition

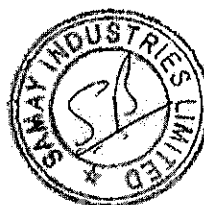
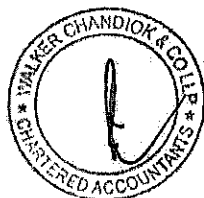
The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as per the principles of the Ind AS. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company accounts mentioned below:

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

Subsequent measurement of financial liabilities

All financial liabilities of the Company are subsequently measured at amortized cost using the effective interest method. Under the effective interest method, the future cash payments are exactly discounted to the initial recognition value using the effective interest rate. The cumulative amortization using the effective interest method of the difference between the initial recognition amount and the maturity amount is added to the initial recognition value (net of principal repayments, if any) of the financial liability over the relevant period of the financial liability to arrive at the amortized cost at each reporting date. The corresponding effect of the amortization under effective interest method is recognized as interest expense over the relevant period of the financial liability. The same is included under finance cost in the Statement of Profit and Loss.

This space has been intentionally left blank



A handwritten signature in black ink, appearing to be a cursive name.

2. Significant accounting policies (cont'd)

2.02 Financial Instruments (cont'd)

De-recognition:

(a) Financial asset:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flows from the financial asset expires;
- ii. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset. A regular way purchase or sale of financial assets has been derecognised, as applicable, using trade date accounting.
- iii. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- iv. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the Financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On de-recognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss.

(b) Financial liability:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables:

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets:

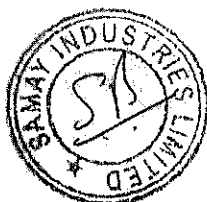
In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

Offsetting of financial instruments:

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

This space has been intentionally left blank



A handwritten signature in black ink, appearing to be a stylized name.

2 Significant accounting policies (cont'd)

2.04 Income Taxes

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the company will pay normal income tax during the specified period. Further, the MAT credit is not set-off against the deferred tax liabilities, since the Company does not have a legally enforceable right to set-off.

2.05 Provisions and contingencies

The Company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.06 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprise cash and cheques in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

2.07 Employee Benefits

Post-employment benefits

(i) Defined benefits plans

Gratuity scheme:

Gratuity is a post-employment benefit and is a defined benefit plan. The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if any. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

Recognition and measurement of defined benefit plans

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability / (asset) are recognized in the Statement of Profit and Loss. Remeasurement of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. Such Remeasurement are not reclassified to the Statement of Profit and Loss in the subsequent periods.

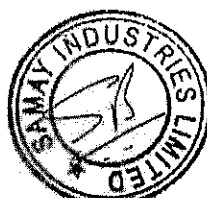
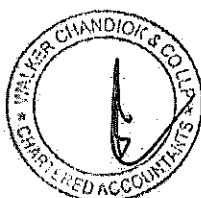
2.08 Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses. Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

2.09 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

This space has been intentionally left blank

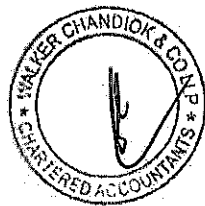


Samay Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
 (All amounts in ₹ lacs, unless otherwise stated)

3 Property, plant and equipment

	Land	Buildings	Plant and equipment	Computer and data processing units	Total
Gross block					
Balance as at 31 March 2018	8.00	0.53	0.01	0.02	8.56
Additions	-	55.50	-	-	55.50
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2019	8.00	56.03	0.01	0.02	64.06
Additions	-	-	-	-	-
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2020	8.00	56.03	0.01	0.02	64.06
Accumulated depreciation					
Balance as at 31 March 2018	-	0.19	-	-	0.19
Depreciation charge for the year	-	0.75	0.01	-	0.76
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2019	-	0.94	0.01	-	0.95
Depreciation charge for the year	-	0.98	-	-	0.98
Disposals/adjustments	-	-	-	-	-
Balance as at 31 March 2020	-	1.92	0.01	-	1.93
Net block					
Balance as at 31 March 2019	8.00	55.09	-	0.02	63.11
Balance as at 31 March 2020	8.00	54.11	-	0.02	62.13

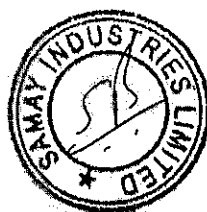
This space has been intentionally left blank



Samay Industries Limited
 Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
 (All amounts in ₹ lacs, unless otherwise stated)

4 Investments(cont'd)	Face value	As at 31 March 2020		As at 31 March 2019	
		Number	Amount	Number	Amount
(a) Non-current(cont'd)					
Investment in equity instruments					
Unquoted					
(Non-trade, measured at FVTOCI)					
Apurva Export Private Limited	10	50,000	<u>420.18</u>	50,000	<u>524.83</u>
			<u>420.18</u>		<u>524.83</u>
Investment in mutual funds (unquoted)					
(Measured at FVTPL)					
IDFC Multi Cap Fund (Growth)	10	138,172	<u>99.30</u>	138,172	<u>129.69</u>
			<u>99.30</u>		<u>129.69</u>
In Limited Liability Partnership (LLP)					
(Measured at Cost)					
Souf Beauty & Wellness Centre LLP			<u>2,000.00</u>		<u>2,000.00</u>
			<u>2,000.00</u>		<u>2,000.00</u>
Total non-current investments			<u><u>2,864.58</u></u>		<u><u>3,282.71</u></u>
Aggregate amount of quoted investments					
- At cost					
			637.71		630.02
- At market value					
			345.10		628.19
Aggregate amount of unquoted investments					
			2,519.48		2,654.52
Aggregate amount of impairment in value of investments					
			-		-
(b) Current					
Investment in mutual funds (unquoted)					
(Measured at FVTPL)					
IDFC Money Manager Fund - Treasury Plan (Growth)	10	38,028.49	<u>11.61</u>	139,673	<u>40.23</u>
			<u>11.61</u>		<u>40.23</u>
Total current investments			<u><u>11.61</u></u>		<u><u>40.23</u></u>
Aggregate amount of quoted investments					
- At cost					
			-		-
- At market value					
			-		-
Aggregate amount of unquoted investments					
			11.61		40.23
Aggregate amount of impairment in value of investments					
			-		-

This space has been intentionally left blank



(Handwritten signature)

Samay Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in ₹ lacs, unless otherwise stated)

	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
12 Equity share capital				
Authorized share capital				
Equity shares of ₹ 10 each	2,500,000	250.00	2,500,000	250.00
Preference shares of ₹ 100 each	2,500,000	2,500.00	2,500,000	2,500.00
		<u>2,750.00</u>		<u>2,750.00</u>
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	260,000	26.00	260,000	26.00
Preference shares of ₹ 100 each	124,325	124.33	124,325	124.33
		<u>150.33</u>		<u>150.33</u>

(a) Reconciliation of equity share capital

There has been no movement in the equity share capital and preference share capital during the current and comparative periods.

(b) Terms and rights attached to equity shares

Equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share and confer similar right as to dividend and voting. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Preference shares

The Company has only one class of non-cumulative participating compulsorily convertible preference shares having a face value of ₹ 100 per share. The preference shares carry a preferential right to receive a dividend of 8% in case of payment of dividend to equity shareholders and shall stand increase to the rate of dividend paid to equity share holders subject to a maximum of 12%. The preference shares shall be compulsorily convertible at par after a period of 20 years from the date of allotment being 22 August 2013 or earlier on such date as may be fixed by the Board of Directors. The preference shares shall have, on winding up, a preferential right to the repayment of capital paid up there on in preference to the equity share, but shall not have any such right to participate in the surplus, if remaining, after payment of entire capital.

(c) No additional shares were allotted as fully paid up by way of bonus shares or pursuant to contract without payment being received in cash during the last five years. Further, none of the shares were bought back by the Company during the last five years.

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

	As at 31 March 2020		As at 31 March 2019	
	Number	Percentage	Number	Percentage
Equity shares of ₹ 10 each:				
Sheetal bangur	239,300	92.00%	239,300	92.00%
Anju poddar	19,800	8.00%	19,800	8.00%
	<u>259,100</u>	<u>100%</u>	<u>259,100</u>	<u>100%</u>
Preference shares of ₹ 100 each:				
Kiran Vyapar Limited (Holding Company)	124,325	100%	124,325	100%
	<u>124,325</u>	<u>100%</u>	<u>124,325</u>	<u>100%</u>

13 Other equity

	As at 31 March 2020	As at 31 March 2019
General reserve	440.41	440.41
Retained earnings	475.65	563.70
Securities premium	2,175.69	2,175.69
Other comprehensive income	(715.63)	172.78
	<u>2,376.12</u>	<u>3,352.58</u>

(a) Description of nature and purpose of each reserve:

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserves, dividends and other distributions made to the shareholders.

Securities premium

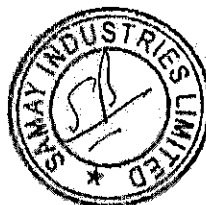
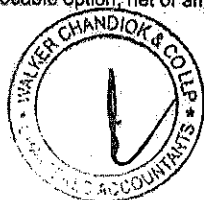
Securities premium is used to record the premium received on issue of shares. The reserve will be utilised in accordance with provisions of the Act.

General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Other comprehensive income

This represents the cumulative gains and losses arising on the valuation of financial instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off, if any.



Samay Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
19 Revenue from operations		
Sale of products	4.69	5.13
	<u>4.69</u>	<u>5.13</u>
20 Other income		
Interest income		
- On financial assets carried at amortised cost	-	0.21
- Others	0.02	2.13
Dividend income	9.38	7.79
Other non-operating income:		
- Net gain arising on financial assets measured at FVTPL		
- Realised	-	0.71
- Unrealised	-	5.53
- Share of profit from partnership firm	-	16.71
	<u>9.40</u>	<u>33.08</u>
21 Changes in inventories of stock-in-trade		
Stock at the beginning of the year	9.47	9.48
Stock at the end of the year	9.38	9.47
	<u>0.09</u>	<u>0.01</u>
22 Employee benefits expense		
Salaries and wages	34.45	34.23
	<u>34.45</u>	<u>34.23</u>

(a) Defined benefits plans - Gratuity (unfunded)

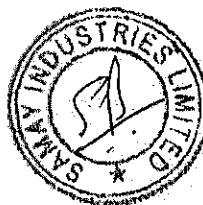
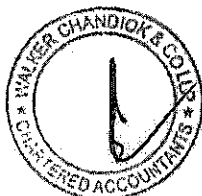
Gratuity plan is a defined benefit plan that provides for lump sum gratuity payment to employees made at the time of their exit by the way of retirement (on superannuation or otherwise), death or disability. The benefits are defined on the basis of their final salary and period of service and such benefits paid under the plan is not subject to the ceiling limit specified in the Payment of Gratuity Act, 1972. Liability as on the Balance Sheet date is provided based on actuarial valuation done by a certified actuary using projected unit credit method.

Aforesaid defined benefit plans typically expose the Company to actuarial risks such as pay as you go risk, salary risk, investment risk and longevity risk:

Pay as you go risk	For unfunded schemes, financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.
Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality plan of the participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

The following table summarises the components of defined benefit expense recognized in the Statement of profit and loss/Other Comprehensive Income (OCI) and the funded status and amounts recognised in the Balance Sheet for the respective plans:

	Year ended 31 March 2020	Year ended 31 March 2019
(i) Change in present value of the defined benefit obligation:		
Present value of the obligations at the beginning of the year	1.71	0.97
Current service cost	0.79	0.71
Interest cost	0.13	0.07
Actuarial (gain)/loss arising from assumption changes	0.23	0.03
Actuarial (gain)/loss arising from experience adjustments	(0.17)	(0.07)
Present value of the obligations at the end of the year	<u>2.69</u>	<u>1.71</u>



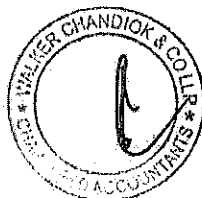
[Handwritten signature]

Samay Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in ₹ lacs, unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
23 Depreciation		
Depreciation on property, plant and equipment	0.98	0.76
	<u>0.98</u>	<u>0.76</u>
24 Other expenses		
Net loss arising on financial assets measured at FVTPL		
- Realised	31.03	-
- Unrealised	(2.03)	-
Share of loss from LLP	40.93	-
Director's sitting fees	0.20	0.21
Travelling and conveyance	0.19	0.27
Legal and professional [refer note (a) below]	0.72	0.72
Other expenses	0.59	0.51
	<u>71.63</u>	<u>1.71</u>
(a) Payment to auditors		
Statutory audit	0.35	0.35
	<u>0.35</u>	<u>0.35</u>
25 Tax expenses		
Current tax	-	-
Deferred tax	(8.67)	1.54
	<u>(8.67)</u>	<u>1.54</u>
The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of 26% (31 March 2019 - 26%) and the reported tax expense in profit or loss are as follows:		
(a) Reconciliation of income tax provision to the amount computed by applying the statutory tax rate:		
Loss before tax	(96.72)	(1.86)
Enacted tax rates in India (%)	26.00%	26.00%
Computed expected tax expense	(25.15)	(0.48)
Effect due to non-deductible expenses	17.50	-
Effect of income exempted from tax	(2.44)	(7.48)
Others	1.41	9.50
Income tax expense	<u>(8.67)</u>	<u>1.54</u>
(b) Details of income tax assets		
Current tax liabilities:	As at	As at
Opening balance	31 March 2020	31 March 2019
Provision for taxes	-	0.92
Advance tax paid	-	(2.13)
Mat credit utilized	-	-
	-	1.14
	-	<u>(0.07)</u>
Current tax assets:		
Opening balance	0.07	0.96
Advance tax paid	-	-
Mat credit utilized	-	-
Provision for taxes	-	-
Refund received	(0.07)	(0.96)
	<u>(0.07)</u>	<u>(0.96)</u>
	-	-
26 Earnings per equity share		
Net loss attributable to equity shareholders	(88.05)	(3.40)
Nominal value of equity share (₹)	10.00	10.00
Weighted average number of equity shares outstanding during the year	260,000	260,000
Weighted average number of potential equity shares on account of Preference Shares	1,243,250	1,243,250
Weighted average number of shares outstanding for diluted EPS	<u>1,503,250</u>	<u>1,503,250</u>
Basic earnings per share	(33.87)	(1.31)
Diluted earnings per share	<u>(33.87)</u>	<u>(1.31)</u>

(*) Anti-dilutive for current year since decreasing loss per share from ordinary activities.



Samay Industries Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
 (All amounts in ₹ lacs, unless otherwise stated)

28 Fair value measurement

(a) Category wise classification of financial instruments:

Particulars:	As at	As at
	31 March 2020	31 March 2019
A. Financial assets:		
(i) Carried at amortised cost		
Investment in partnership firm		
Loans	2,000.00	2,000.00
Cash and cash equivalents	0.26	0.26
Other financial assets	14.43	1.63
Trade receivables	-	190.22
(ii) Carried at FVOCI		
Investments in Equity Instruments	765.28	1,153.02
(ii) Carried at FVTPL		
Investments in mutual funds	110.91	169.92
Total financial assets	2,890.88	3,515.07
B. Financial liabilities		
(i) Measured at amortised cost		
Trade payables		
Other financial liabilities	-	0.21
Total financial liabilities	406.34	2.94
(b) Fair value hierarchy	406.34	3.15

The fair value of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly market between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent in all the years. Fair value of financial instruments referred to in note (a) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable entity specific inputs.

The categories used are as follows:

- Level 1: quoted prices (unadjusted) in active markets for financial instruments.
- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Particulars	As at	As at
	31 March 2020	31 March 2019
Level 1 (Quoted prices in active market)		
Financial assets measured at FVOCI		
Investments in quoted equity instruments	345.10	628.19
Financial assets measured at FVTPL		
Investments in mutual funds	110.91	169.92
Level 3 (Significant observable inputs)		
Financial assets measured at FVOCI		
Investments in unquoted equity instruments	420.18	524.83
	876.19	1,322.94

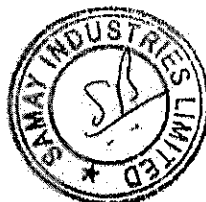
(c) Fair value of assets and liabilities measured at cost/amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amount would be significantly different from the values that would be eventually received or settled. Management assessed that fair values of cash and cash equivalents, trade receivables, other financial assets and other financial liabilities approximate their carrying amounts due to the short-term maturities of these items.

(d) Computation of fair values

Investments in unquoted equity instruments (Level 3)

Investments in unquoted equity instruments are valued by use of net asset value certificates from the investee parties.



[Handwritten signature]

Samay Industries Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in ₹ lacs, unless otherwise stated)

30 Impact of COVID-19 pandemic

COVID-19, a global pandemic has affected the world economy including India, leading to significant decline and volatility in the economic activities. The national lockdown announced on 23 March 2020 affected activities of organizations across the economic ecosystem, impacting earning prospects and valuations of companies and creating huge volatility in the stock markets. As a result, the Company's business is likely to be impacted by decline in carrying value of investments and reduced demand for commodities, thereby impacting profitability. The impact of COVID-19 on Company's financial statements remain uncertain and dependent on extent of spread of the pandemic; steps taken by the Government and central bank to mitigate the economic impact; steps taken by the Company and the time it takes for economic activities to resume at normal levels as a result of which, actual results may differ.

The employees are permitted to work in accordance with the guidelines issued by the Ministry of Home Affairs (MHA) and the respective state governments. The Company's capital and liquidity position remains strong and would continue to be the focus area for the Management. There have been no significant changes to the Company's internal financial control other than providing remote access to some of its key employees during the lockdown to facilitate work from home.


Based on the current assessment of the potential impact of the COVID-19 on the Company, management is of the view that the Company has adequate liquidity to service its obligations and sustain its operations.

The extent to which the current pandemic will impact the operations of the Company is dependent on the future developments, which are highly uncertain at this point in time. The Company believes that it has considered all the possible impact of known events arising out of COVID 19 pandemic in the preparation of these financial statements. The impact assessment of COVID -19 is a continuing process given its nature and duration. The Company will continue to monitor for any material changes to future economic conditions.

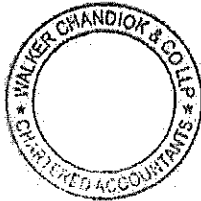
31 Segment Reporting

Based on guiding principles in Ind AS 108 - "Operating Segments", the primary business segment of the Company is "trading in commodities". As the Company operates in a single primary business segment, disclosure requirements are not applicable. The Company caters to the domestic market and accordingly there is no reportable geographical segment.

For Walker Chandlok & Co LLP
Chartered Accountants
Firm's Regn. No. : 001076N/1500013


Vikram Dhanania
Partner
Membership No. 060568

Place: Kolkata
Date: 12 June 2020



For and on behalf of the Board of Directors
Samay Industries Limited


Sheetal Bangur
Director
(DIN: 00003541)

Place: Hyderabad
Date: 12 June 2020


Richa Jalan
Director
(DIN: 00070202)

