

## INDEPENDENT AUDITOR'S REPORT

**To the Members of Rex Sealing and Packing Industries Private Limited**

**Report on the Audit of the Financial Statements**

### Qualified Opinion

We have audited the accompanying Financial Statements of **Rex Sealing and Packing Industries Private Limited ("the Company")**, which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and other explanatory information (herein referred as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2022; and its profit for the year ended on that date.

### Basis for Qualified Opinion:

As stated in note 42 of the financial statements, it is not possible for the Company to give disclosures under the broad heads of 'raw material consumption and 'item wise bifurcation of inventory' as per requirement of Schedule III of the Act due to the system constraint and multiple product mix manufactured by the Company.

Our report of previous year also contained similar qualified opinion.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 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 qualified opinion on the financial statements.

### Emphasis of Matter

As stated in note 12.1 of the financial statements, the Company had paid Rs. 9580 thousand to Maharashtra Industrial Development Corporation (MIDC) for allotment of plot in Ambarnath Industrial Area for which the physical possession is yet to be received by the Company. As stated in the said note and as informed by the management, the Company is making regular follow up with the MIDC for physical possession of plot. Further, we are informed, that the Company has not received any letter from MIDC as to cancellation of said plot from the MIDC.



Considering the above, in the opinion of the management, the Company will either receive physical possession of plot from MIDC or will get refund of entire amount in case of cancellation of physical possession of land by MIDC and hence, no provision is required to be made in the books of account for capital advance paid by the Company. Our opinion is not modified in respect of said matter.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report but does not include the Financial Statement and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibility of Management for Financial Statements**

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014, , as amended by the Companies Accounts Rules, 2016, to the extent possible and the relevant provisions of the Companies Act, 2013 ('the Act'). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with standards on auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.



Further, as part of an audit in accordance with standards on auditing, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is 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, but not for the purpose of expressing an opinion on the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### **Other Matter**

1. As stated in Note 7.3 and Note 15.3 in the Financial Statements, due to system constraints, the Company has disclosed the trade payable and trade receivable outstanding ageing based on posting date of transaction and not from due date which is not in line with the requirement of Schedule III Division I of the Act. Our opinion is not modified in respect of this matter.
2. We were not present during the physical verification of cash carried out by the Company as at year end and hence, we have relied on procedure for physical verification of cash carried out by the



Company including cash certificate provided by the management. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. The Company is converted from Private Limited Company to Limited Company subsequent to 31st March 2022. Considering the same, in FY 2021-22 the Company was private limited company and it was satisfying definition of small company as per section 2(85) of the Companies Act 2013 in FY 2021-22. Hence, the company falls within the exemption specified under Companies (Auditors' Report) Order 2020 in FY 2021-22. Accordingly, the matters specified in paragraphs 3 of the said Companies (Auditors Report) Order, 2020 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, are not applicable.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit except for the matter described in the basis of qualified paragraph;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books except for the matter described in the basis of qualified paragraph;
  - c) Read with our comments in the basis of Qualified Opinion paragraph, the Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014; as amended by the Companies (Accounts) Rules, 2016 to the extent applicable and the relevant provisions of the Companies Act, 2013 ('the Act') except for the matters described in the basis of qualified paragraph;
  - e) On the basis of the written representations received from the directors as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) The qualification relating to the maintenance of accounts and other matter connected therewith are as stated in the Basis of Qualified Opinion paragraph.
  - g) Since Company is private limited company, provisions of section 197 of the Act read with Schedule V to the Act in respect of managerial remuneration are not applicable. Therefore, reporting as required by Section 197(16) of the Act is not applicable to the Company.
  - h) The company is a private limited company and falls under exemption specified in Clause 9A vide notification No. G.S.R. [464\(E\)](#) dated 5<sup>th</sup> June, 2015 which is further to amended by notification dated 13<sup>th</sup> June 2017 issued by Ministry of Corporate Affairs. Hence, we have not reported on the adequacy and operating effectiveness of internal financial control over financial reporting.
  - i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 32 of Financial Statements;



- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
  - a. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 44(v) financial statements, no fund (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b. The management has represented that, to the best of its knowledge and belief, as disclosed in Note 44(vi) financial statements, no funds (which are material either individually or in the aggregate) have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. The Company has not declared or paid dividend during the year and hence, our reporting with respect to compliance with section 123 of the Act does not arise.

**For RMJ & Associates LLP**

Chartered Accountants

Firm Registration No: W100281



**Nirav Gosalia**

**Partner**

Membership No.: 133110

UDIN: 22133110ASH2NT6128



Place: Mumbai

Date: **09 SEP 2022**

**REX SEALING AND PACKING INDUSTRIES LIMITED**

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

**Balance Sheet as at 31st March, 2022**

(Amt Rs.'000)

Particulars	Notes	As at March 31, 2022	As at March 31, 2021
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	3	19,200.00	3,200.00
(b) Reserves and Surplus	4	62,635.92	75,702.20
		<b>81,835.92</b>	<b>78,902.20</b>
<b>2 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	-	470.56
(b) Long-Term Provisions	5.1	838.35	704.92
		<b>838.35</b>	<b>1,175.49</b>
<b>3 Current Liabilities</b>			
(a) Short-Term Borrowings	6	37,770.80	33,424.33
(b) Trade Payables:			
- Due to Micro Enterprises and Small Enterprises	7	3,786.01	1,864.60
- Due to Creditors other than Micro Enterprises and Small Enterprises		15,668.26	12,725.42
(c) Other Current Liabilities	8	3,204.15	4,784.18
(d) Short-Term Provisions	9	1,492.85	767.08
		<b>61,922.07</b>	<b>53,565.62</b>
<b>TOTAL</b>		<b>144,596.33</b>	<b>133,643.31</b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant & Equipment and Intangible Assets			
-Property, Plant & Equipment	10	18,083.35	18,490.18
(b) Deferred Tax Assets (net)	11	3,742.03	2,498.68
(c) Long-Term Loans and Advances	12	12,587.23	16,584.86
(d) Other Non Current Assets	13	1,853.40	2,688.60
		<b>36,266.01</b>	<b>40,262.32</b>
<b>2 Current assets</b>			
(a) Inventories	14	55,700.87	50,887.38
(b) Trade Receivables	15	47,243.77	35,163.79
(c) Cash and Bank Balances	16	531.99	2,149.85
(d) Short-Term Loans and Advances	17	4,774.68	4,985.35
(e) Other Current Assets	18	79.01	194.62
		<b>108,330.32</b>	<b>93,380.99</b>
<b>TOTAL</b>		<b>144,596.33</b>	<b>133,643.31</b>

Summary of Significant accounting policies

1-2

The accompanying notes are an integral part of the financial statements.

3-46

In terms of our report of even date

For and on behalf of the Board of Directors of

**For RMJ & Associates LLP**

Chartered Accountants

Firm Registration :W100281

*Nirav Gosalia*  
Nirav Gosalia

Partner  
Membership No. 133110



**Rex Sealing and Packing Industries Limited**

(Formerly Known as Rex Sealing and Packing Industries Pvt. Ltd.)

*Naresh Nayak*  
Naresh Nayak  
Managing Director  
DIN: 00347765

*Saloni Patwa*  
Saloni Patwa  
Company Secretary  
ACS: 67180

*Niranjan Nayak*  
Niranjan Nayak  
Whole Time Director & CFO  
DIN:02606926



Place : Mumbai

Date: **9 SEP 2022**

Place : Mumbai

Date: **9 SEP 2022**

Place : Mumbai

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Place : Mumbai

Date: **9 SEP 2022**

# REX SEALING AND PACKING INDUSTRIES LIMITED

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

## Statement of Profit and Loss for the year ended on 31st March 2022

(Amt Rs.'000)

Particulars	Notes	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Income</b>			
Revenue from Operations	19	210,767.60	171,442.69
Other Income	20	800.27	1,187.48
<b>Total Income (I)</b>		<b>211,567.86</b>	<b>172,630.17</b>
<b>Expenses</b>			
Cost of Raw Material Consumed	21	136,261.21	105,843.81
Changes in Inventories of Finished goods	22	(829.93)	1,617.55
Employee Benefits Expense	23	33,617.09	31,329.45
Finance Costs	24	3,801.90	4,621.50
Depreciation	10	3,389.39	3,898.17
Other Expenses	25	30,443.05	20,012.15
<b>Total (II)</b>		<b>206,682.70</b>	<b>167,322.63</b>
<b>Profit / (Loss) before tax (III=I-II)</b>		<b>4,885.16</b>	<b>5,307.54</b>
<b>Tax Expenses (IV)</b>			
Current Tax		3,364.14	1,519.42
Short/Excess Provision for Income Tax		(169.34)	201.24
Deferred Tax (Credit)/Charge		(1,243.35)	(92.71)
		<b>1,951.45</b>	<b>1,627.95</b>
<b>Profit after tax for the year (V=III-IV)</b>		<b>2,933.72</b>	<b>3,679.59</b>
Earnings per equity share: (Nominal Value of Share Rs 10/-)			
(31 March, 2021 : Rs.10/-)			
Basic & Diluted	30	0.0015	0.0019

Summary of Significant accounting policies

1-2

The accompanying notes are an integral part of the financial statements.

3-46

In terms of our report of even date

For and on behalf of the Board of Directors of

**For RMJ & Associates LLP**

Chartered Accountants

Firm Registration : W100281

**Nirav Gosalia**

Partner

Membership No. 133110



**Rex Sealing and Packing Industries Limited**

(Formerly Known as Rex Sealing and Packing Industries Pvt. Ltd.)

**Narash Nayak**

Managing Director

DIN: 00347765

Place : Mumbai

Date : 9 SEP 2022

**Saloni Patwa**

Company Secretary

ACS: 67180

Place : Mumbai

Date : 9 SEP 2022



**Niranjan Nayak**

Whole Time Director & CFO

DIN:02606926

Place : Mumbai

Date : 9 SEP 2022

# REX SEALING AND PACKING INDUSTRIES LIMITED

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

## Notes to financial statements for the year ended March 31, 2022

### 1. GENERAL INFORMATION

Rex Sealing and Packing Industries Private Limited was incorporated on August 10, 2005 and is a quality driven, environment friendly (ISO - 9001 & 14001) modern, hi-tech enterprise specialized in manufacturing industrial sealing and packing products. Subsequent to 31st March 2022, the Name of the Company has been changed from "Rex Sealing and Packing Industries Private Limited" to "Rex Sealing and Packing Industries Limited".

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1. Basis of Preparation

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time and the Companies Act, 2013.

As mentioned in Note 1 of financial statements, the Company is converted from Private Limited Company to Limited Company subsequent to 31st March 2022. Further, the board of directors and shareholders have approved the Initial Public Offering of equity shares subsequent to 31st March 2022 and hence, the Company is not considered as in the process of listing till 31st March 2022.

Considering the above, the Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as it was not in process of listing till 31st March 2022. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company. Further, the Company is small company as per section 2(85) of the Companies Act 2013 till 31st March 2022 as the Company is converted from Private Limited Company to Limited Company subsequent to 31st March 2022.

#### 2.2. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the application of accounting policies, reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Management believes that the estimates and assumptions used in the preparation of financial statements are prudent and reasonable. Actual results could differ from those estimates. Any difference between the actual results and estimates are recognized in the period in which the results are known / materialize. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### 2.3. Presentation & Disclosure of Financial Statements

All assets and liabilities have been classified as current & non-current as per company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

Based on the nature of products and time between acquisition of assets for processing and their realization in cash and cash equivalents, operating cycle is less than 12 months. However, for the purpose of current / non- current classification of assets and liabilities, period of 12 months have been considered as normal operating cycle.

#### 2.4 Property, Plant & Equipments

i. Property, plant and equipment are stated at cost of acquisition / construction less accumulated depreciation and accumulated impairment losses, if any. Gross carrying amount of all property, plant and equipment are measured using cost model.

ii. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

iii. Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

iv. Subsequent expenditure related to an item of property, plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

v. Property, plant & equipment are eliminated from financial statements either on disposal or when retired from active use. Assets held for disposal are stated at net realizable value. Losses arising in the case of retirement of property, plant and equipment and gains or losses arising from disposal of property, plant & equipment are recognized in the statement of profit and loss in the year of occurrence.



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#### vi. Depreciation

• Depreciation on property, plant and equipment is provided on a written down value (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013.

• Depreciation methods, useful lives and residual values are reviewed periodically, including at the end of each financial year and adjusted prospectively.

• Building on leasehold lands is depreciated on WDV over the period of lease or useful life whichever is lower.

• In case of assets purchased, sold or discarded during the year, depreciation on such assets is calculated on pro-rata basis from the date of such addition or as the case may be, upto the date on which such asset has been sold or discarded.

#### 2.5 Operating Leases

Lease arrangements where risks and rewards incidental to ownership of an asset substantially vest with the lessor are classified as operating lease.

Rental expenses on assets taken under operating lease arrangements are recognized on a straight-line basis as an expense in the Statement of Profit and Loss over the lease term of respective lease arrangement unless there is another systematic basis which is more representative of the time pattern of the lease.

#### 2.6 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the property, plant and equipment is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognized are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortization had no impairment loss been recognized in earlier years.

#### 2.7 Investments

Investments are classified into current and long-term investments.

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value of long term investments is made to recognise a decline, other than temporary, on an individual investment basis.

Long term investments which are expected to be realized within twelve months from the balance sheet date are presented under 'current investments' as 'current portion of long term investments' in accordance with the current / non-current classification of investments as per Schedule III Division I of the Companies Act, 2013.

The cost of investments comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Investment transactions are accounted for on a trade date basis. In determining the holding cost of investments and the gain or loss on sale of investments, the 'weighted average cost' method is followed.

#### 2.8 Inventories

i. Raw materials and components, packing materials, consumables, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The Cost comprises of costs of purchase, duties and taxes (other than those subsequently recoverable) and other costs incurred in bringing them to their present location and condition. Cost is determined on First In First Out.

ii. The cost of the finished goods is determined as per retail price method (i.e. by reducing the subsequent sales value of the inventory by the appropriate percentage gross margin).

iii. Cost of inventories is arrived at after providing for cost of obsolescence wherever considered necessary.



*Abhishek*  
*Umayak*  
*Umayak*

## 2.9 Cash & Cash Equivalent

Cash and cash equivalents include cash in hand, cheque on hand, bank balances and deposits with banks with maturity period less than 3 months (other than on lien).

## 2.10 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognized net of Goods and Services Tax wherever applicable.

- i. Sales of goods are recognized when significant risks and rewards of ownership of the goods have been transferred to the buyer which generally coincides with delivery and are recorded net of rebates, trade discounts and sales returns.
- ii. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.
- iii. Export benefits are recognized as income on accrual basis in Statement of Profit and Loss only to the extent that its realization is certain.

## 2.11. Foreign Currency Transactions

- i. Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.
- ii. As at balance sheet date, foreign currency monetary items are translated at closing exchange rate. Foreign currency non-monetary items are carried at historical cost using exchange rate on the date of transaction.
- iii. Exchange difference arising on settlement or translation of foreign currency monetary items are recognized as income or expense in the year in which they arise except to the extent exchange differences are regarded as an adjustment to interest cost and treated in accordance with Accounting Standard 16- Borrowing Cost.

## 2.12 Retirement and other Employee Benefits

### • Short term employee benefit

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

### • Post employment

Defined contribution schemes : The defined contribution plan is post-employment benefit plan under which Company contributes fixed contribution to a government administered fund and will have no obligation to pay further contribution. The Company's defined contribution plan comprises of Provident Fund, Labour Welfare Fund Employee State Insurance Scheme. The Company's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

Defined benefits plans : The Company has defined benefit plan of gratuity. Company's obligation towards gratuity liability is funded plan and is managed by Life Insurance Corporation of India (LIC). The present value of the defined benefit obligations and other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions are recognized immediately in the Statement of Profit and Loss as income or expense.

## 2.13 Taxation

Tax expenses comprises of current tax, deferred tax charge or credit, minimum alternative tax and adjustments of taxes for earlier years.

Provision for current tax is made as per the provisions of Income Tax Act, 1961.

Deferred tax charge or credit reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years and are measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each balance sheet date.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably/virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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#### 2.14 Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

#### 2.15 Earnings Per share

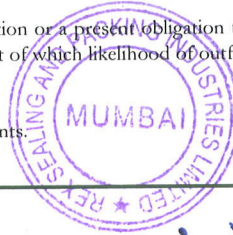
Basic earnings per share are calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events of bonus issue and share split. For the purpose of calculating diluted earnings per share, the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### 2.16 Provision and Contingent Liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value (except retirement benefits) and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

A Contingent Asset is neither recognised nor disclosed in the financial statements.



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**REX SEALING AND PACKING INDUSTRIES LIMITED**

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC15252

Notes to financial statements for the year ended March 31, 2022

(Amt Rs.'000)					
3 - Share Capital	Particulars	As at March 31, 2022		As at March 31, 2021	
		Number	Amt	Number	Amt
a. Authorised Shares	Equity Shares of Rs. 10/- each *	2,200,000	22,000.00	800,000	8,000.00
	6% Cumulative Redeemable preference shares of Rs. 10/- each	-	-	200,000	2,000.00
		<b>2,200,000</b>	<b>22,000.00</b>	<b>1,000,000.00</b>	<b>10,000.00</b>
b. Issued, Subscribed and Fully Paid-up Shares	Equity Shares of Rs.10/- each fully paid up **	1,920,000	19,200.00	320,000	3,200.00
	<b>Total</b>	<b>1,920,000</b>	<b>19,200.00</b>	<b>320,000.00</b>	<b>3,200.00</b>

\* Increase in Authorised Capital and 2,00,000 6% Cumulative Redeemable preference shares of Rs. 10/- each converted to Equity Shares of Rs. 10 Each  
 \*\* 16,00,000 Equity Shares of Rs 10/- each, were issued by way of Bonus Shares (in the Ratio of 1:5) (Refer note 3(g))

c. Details of shareholders holding more than 5% shares in the company

Name of Shareholder	Relationship	As at March 31, 2022		As at March 31, 2021	
		Number	% Held	Number	% Held
Mr. Manjunath Nayak	Director	480,000	25%	80,000	25%
Mrs. Meeta Nayak	Director	480,000	25%	80,000	25%
Mr. Niranjan Nayak	Director	480,000	25%	80,000	25%
Mr. Naresh Nayak	Director	480,000	25%	80,000	25%

d. Reconciliation of shares outstanding at the beginning and at the end of the financial year

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Rs.	Number	Rs.
Shares outstanding at the beginning of the year	320,000	3,200.00	320,000	3,200.00
Add: Bonus Shares Issued during the year (Refer note 3(g))	1,600,000	16,000.00	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,920,000	19,200.00	320,000	3,200.00

e. Terms/Rights attached to Equity Shares  
 The company has only one class of equity share having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share and dividend per share on pari passu basis. The company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors except interim dividend is subject to the approval of the shareholders in the ensuing Annual General Meeting.  
 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be proportion to the number of equity shares held by the shareholders.

f. Shares held by holding/ultimate holding company and/or their subsidiaries or associates - NIL

g. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date - In the current year, the Company has issued 16,00,000 Equity Shares of Rs 10/- each fully paid up by way of bonus shares (Bonus shares are issued in the ratio of 1:5)

h. Shareholding of Promoters and % of Changes during the year are as below:

Particulars	As at 31 March, 2022		As at 31 March, 2021		% of Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Mr. Manjunath Nayak	480,000	25%	80,000	25%	-
Mrs. Meeta Nayak	480,000	25%	80,000	25%	-
Mr. Niranjan Nayak	480,000	25%	80,000	25%	-
Mr. Naresh Nayak	480,000	25%	80,000	25%	-
<b>Total</b>	<b>1,920,000</b>	<b>100%</b>	<b>320,000</b>	<b>100%</b>	

Particulars	As at 31 March, 2021		As at 31 March, 2020		% of Change during the year
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	
Mr. Manjunath Nayak	80,000	25%	80,000	25%	-
Mrs. Meeta Nayak	80,000	25%	80,000	25%	-
Mr. Niranjan Nayak	80,000	25%	80,000	25%	-
Mr. Naresh Nayak	80,000	25%	80,000	25%	-
<b>Total</b>	<b>320,000</b>	<b>100%</b>	<b>320,000</b>	<b>100%</b>	



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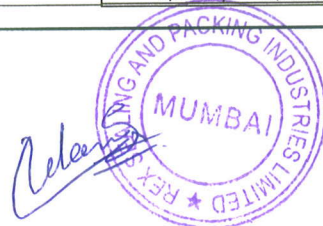
**REX SEALING AND PACKING INDUSTRIES LIMITED**

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC15252

Notes to financial statements for the year ended March 31, 2022

4. Reserves and Surplus		(Amt Rs.'000)				
Particulars	As at March 31, 2022	As at March 31, 2021				
<b>Surplus</b>						
Opening balance	75,702.20	72,022.61				
(+) Net Profit/(Net Loss) for the current year	2,933.72	3,679.59				
(-) Utilised for Issue of Bonus Shares	16,000.00	-				
Closing Balance	62,635.92	75,702.20				
<b>Total</b>	<b>62,635.92</b>	<b>75,702.20</b>				
5 - Long-Term Borrowings		(Amt Rs.'000)				
Particulars	As at March 31, 2022	As at March 31, 2021				
<b>Secured Loans:</b>						
Term Loans from Bank	446.61	1,455.33				
Term Loans from NBFC	23.95	517.95				
(The Term Loans carry interest rate between 10% to 15% and tenure for the period 36 to 60 Months. Hypothecated against Vehicle)						
Less: Current Maturities of Long Term Borrowings	(470.57)	(1,502.72)				
<b>Total</b>	<b>-</b>	<b>470.56</b>				
5.1 - Long-Term Provisions		(Amt Rs.'000)				
Particulars	As at March 31, 2022	As at March 31, 2021				
<b>Provision for Employee Benefits</b>						
- Provision for Gratuity	838.35	704.92				
<b>Total</b>	<b>838.35</b>	<b>704.92</b>				
6 - Short-Term Borrowings		(Amt Rs.'000)				
Particulars	As at March 31, 2022	As at March 31, 2021				
<b>Secured:</b>						
- Bank Overdraft (Interest rate @ 9.55% p.a)	28,314.15	19,956.83				
(Secured against Hypothecation of Stock, Book-Debts, Industrial premises, Plant & Machinery and personal guarantee of directors)						
<b>Unsecured (Repayable on demand): *</b>						
- Loan from Related Parties (Interest rate @ 12% p.a)	8,681.83	11,918.20				
- Loan from Directors (Interest free)	304.25	46.58				
Current Maturities of Long term Debt	470.57	1,502.72				
<b>Total</b>	<b>37,770.80</b>	<b>33,424.33</b>				
* includes dues to related parties. Refer Note 40						
7 - Trade Payables		(Amt Rs.'000)				
Particulars	As at March 31, 2022	As at March 31, 2021				
- Dues to Micro Enterprises and Small Enterprises	3,786.01	1,864.60				
- Dues to Creditors other than Micro Enterprises and Small Enterprises *	15,668.26	12,725.42				
<b>Total</b>	<b>19,454.27</b>	<b>14,590.03</b>				
* includes dues to related parties. Refer Note 40						
7.1 - Trade Payables Ageing Schedule - As at March 31, 2022		(Amt Rs.'000)				
Particulars	Unbilled	Outstanding for following periods from posting date (Note 7.3)				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	3,786.01	-	-	-	3,786.01
(ii) Others	6,810.88	8,330.47	73.45	131.78	321.68	15,668.26
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>6,810.88</b>	<b>12,116.48</b>	<b>73.45</b>	<b>131.78</b>	<b>321.68</b>	<b>19,454.27</b>



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**REX SEALING AND PACKING INDUSTRIES LIMITED**

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)  
CIN - U28129MH2005PLC155252

Notes to financial statements for the year ended March 31, 2022

**7.2 - Trade Payables Ageing Schedule - As at March 31, 2021** (Amt Rs.'000)

Particulars	Unbilled	Outstanding for following periods from posting date (Note 7.3)				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	1,832.18	32.42	-	-	1,864.60
(ii) Others	2,848.19	9,122.03	407.66	313.37	34.18	12,725.42
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues-Others	-	-	-	-	-	-
<b>Total</b>	<b>2,848.19</b>	<b>10,954.22</b>	<b>440.07</b>	<b>313.37</b>	<b>34.18</b>	<b>14,590.03</b>

7.3 - In the absence of relevant reports from the system, the above ageing is given as per the posting date of transaction in the books of accounts and accordingly disclosure of bills not due has also not been given in above table.

7.4 - Under the Micro, Small and Medium Enterprises Development Act, 2006, certain disclosures are required to be made relating to dues to Micro, Small and Medium enterprises. Based on the information available with the Company, there are no parties who have been identified as micro, small and medium enterprises as at reporting date other than mentioned above based on the confirmations circulated and responses received as at reporting date by the management. Any updated information received by the management post reporting date regarding change in the status to micro, small and medium enterprises would be given effect of status change in the next financial year. Also refer note 39.

**8 - Other Current Liabilities** (Amt Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Creditors for Capital Goods	19.38	54.78
Advance from Customers	630.65	1,511.93
Employee Dues	673.43	1,016.68
Statutory Dues	1,878.45	2,191.53
Interest Accrued but not due	2.25	9.26
<b>Total</b>	<b>3,204.15</b>	<b>4,784.18</b>

**9 - Short-Term Provisions** (Amt Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Tax (Net of Advance Tax and TDS)	815.49	172.79
<b>Provision for Employee Benefits</b>		
- Provision for Gratuity (Refer Note 33)	334.09	234.40
- Provision for Bonus	343.26	359.89
<b>Total</b>	<b>1,492.85</b>	<b>767.08</b>

**11 - Deferred Tax Assets (Net)** (Amt Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Assets</b>		
Disallowances u/s 43B of the Income-tax Act, 1961	456.60	257.27
Provision for Doubtful Debts, EMD and GST	1,507.72	390.80
Excess of net block of fixed assets as per net block of fixed assets as per income tax over books of accounts	1,777.70	1,850.61
<b>Net Deferred Tax Liability/(Asset)</b>	<b>3,742.03</b>	<b>2,498.68</b>

**12 - Long-Term Loans and Advances** (Amt Rs.'000)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Capital Advance (Refer Note 12.1)	11,990.80	12,163.35
Prepaid Expenses	141.04	379.65
Balance with Government Authorities	622.55	388.39
Advance Tax and TDS (Net of Provision for Taxation)	2,193.64	3,653.46
Less: Provision for Capital Advance	(2,360.80)	-
<b>Total</b>	<b>12,587.23</b>	<b>16,584.86</b>

**12.1 -** Capital advance of Rs. 9,580 thousand was paid to Maharashtra Industrial Development Corporation (MIDC) in earlier years for an allotment of industrial plot in Ambarnath Industrial Area. Allotment of the said plot is done on 5th September, 2014 and intimation for physical possession of the said plot dated 12th March 2015 was received by the Company which was scheduled on 26th March 2015. However, said physical possession of plot was not completed on 26th March 2015 as the officer of MIDC didn't turn up and accordingly, the Company has requested to MIDC for another date for physical possession of plot. The Company is yet to receive any intimation from MIDC for next date of hearing as to the physical possession of said plot for which regular follow up is made by the management. Further, the Company has not received any letter from MIDC as to cancellation of said plot from the MIDC.

Considering the above, in the opinion of the management, the Company will either receive physical possession of plot from MIDC or will get refund of entire amount in case of cancellation of physical possession of land by MIDC and hence, no provision is required to be made in the books of account for capital advance paid by the Company which have been relied upon by the auditor.



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**REX SEALING AND PACKING INDUSTRIES LIMITED**

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC15252

Notes to financial statements for the year ended March 31, 2022

(Amt Rs.'000)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>13 - Other Non Current Assets</b>		
<b>Unsecured, considered good</b>		
Retention Money	188.90	290.45
Rent deposits	400.00	250.00
Security Deposits	321.86	325.86
Earnest Money Deposits	1,742.64	1,822.29
Less: Provision for Doubtful Deposits	(800.00)	-
<b>Total</b>	<b>1,853.40</b>	<b>2,688.60</b>

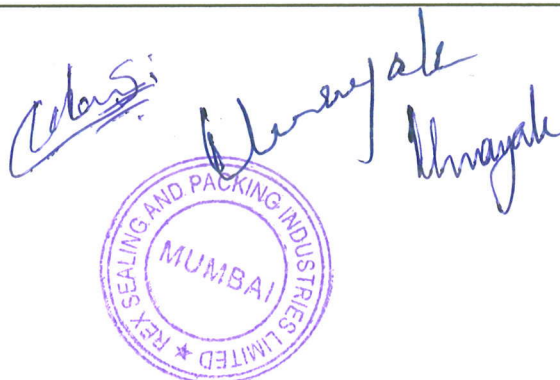
(Amt Rs.'000)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>14 - Inventories</b>		
<b>(Valued at lower of cost or NRV)</b>		
Raw Materials and Components	44,396.42	45,054.85
Goods-in transit	6,565.00	2,126.57
Finished Goods	2,973.83	2,947.66
Goods-in transit	803.76	-
Packing Material	961.86	758.30
<b>Total</b>	<b>55,700.87</b>	<b>50,887.38</b>

(Amt Rs.'000)		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>15 - Trade Receivables</b>		
<b>Outstanding for more than six months</b>		
Unsecured, Considered good	7,796.51	7,989.41
Secured, Considered good	-	-
Doubtful	2,949.49	2,364.58
<b>Outstanding for less than six months</b>		
Unsecured, Considered good	38,810.42	24,608.83
Secured, Considered good	-	-
Doubtful	-	812.16
Lees: Provision for Doubtful debt	(2,312.65)	(611.19)
<b>Total</b>	<b>47,243.77</b>	<b>35,163.79</b>

(Amt Rs.'000)						
Particulars	Outstanding for following periods from posting date (Note 15.3)					
	Less than 6 months	6 months - 1 year	1 - 2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	38,810.42	2,505.69	2,210.47	908.96	1,131.00	45,566.54
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	-	-	639.54	85.89	-	725.43
(iii) Disputed Trade Receivables – considered doubtful	-	-	466.21	104.43	2,693.82	3,264.46
<b>Total</b>	<b>38,810.42</b>	<b>2,505.69</b>	<b>3,316.22</b>	<b>1,099.27</b>	<b>3,824.83</b>	<b>49,556.43</b>

(Amt Rs.'000)						
Particulars	Outstanding for following periods from posting date (Note 15.3)					
	Less than 6 months	6 months - 1 year	1 - 2 years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	23,469.29	3,431.29	2,484.47	397.78	1,354.55	31,137.38
(ii) Undisputed Trade Receivables – considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good	1,139.54	-	85.89	-	-	1,225.43
(iii) Disputed Trade Receivables – considered doubtful	812.16	-	104.43	542.65	1,952.93	3,412.17
<b>Total</b>	<b>25,420.99</b>	<b>3,431.29</b>	<b>2,674.79</b>	<b>940.43</b>	<b>3,307.48</b>	<b>35,774.98</b>

**Note 15.3** - In the absence of relevant reports from the system, the above ageing is given as per the posting date of transaction in the books of accounts and accordingly disclosure of bills not due has also not been given in above table.



**REX SEALING AND PACKING INDUSTRIES LIMITED**

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Notes to financial statements for the year ended March 31, 2022

(Amt Rs.'000)		
16 - Cash and Cash Balances		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Cash and Cash Equivalents:</b>		
Cash on hand	227.61	452.04
Balance with Banks	274.19	112.07
<b>Other Bank Balances:</b>		
Fixed Deposits (maturity for more than 3 month but less than 12 months) (the deposits are hypothecated against bank guarantee)	30.19	1,585.75
<b>Total</b>	<b>531.99</b>	<b>2,149.85</b>
(Amt Rs.'000)		
17 - Short-Term Loans & Advances		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
Advance to Vendors	874.03	1,589.06
Staff Loans and Advances	392.45	379.12
Advance against salary to directors (net) **	3,220.00	-
Prepaid Expenses	584.64	471.28
Balance with Government Authorities*	2,581.56	3,487.46
	<b>7,652.66</b>	<b>5,926.91</b>
*Less: Provision for Doubtful GST Credit	(2,877.99)	(941.56)
<b>Total</b>	<b>4,774.68</b>	<b>4,985.35</b>
** includes dues from related parties. Refer Note 40		
(Amt Rs.'000)		
18 - Other Current Assets		
Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
Rental Deposits (Interest Free)	29.59	44.39
Interest Receivable	14.65	20.18
Other Receivables	34.77	130.05
<b>Total</b>	<b>79.01</b>	<b>194.62</b>



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## REX SEALING AND PACKING INDUSTRIES LIMITED

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

Notes to financial statements for the year ended March 31, 2022

### Note 10 - Property, Plant & Equipment and Intangible Assets

PARTICULARS	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2021	Additions during the year	Deletions/Disposals during the Year	As at March 31, 2022	As at April 1, 2021	Depreciation for the year	Depreciation on Deletions	As at March 31, 2022	As at March 31, 2021
	(Amt Rs. '000)								
<b>Tangible Assets</b>									
Building	10,180.40	-	-	10,180.40	4,707.40	244.43	-	5,228.57	5,473.00
Building on leasehold land *	7,334.69	-	-	7,334.69	5,337.87	187.49	-	1,809.32	1,996.81
Plant & Machinery *	23,663.20	2,799.97	2,604.45	23,858.72	17,942.66	1,154.99	2,418.54	7,179.60	5,720.54
Furniture & Fixtures	2,979.10	-	31.00	2,948.10	2,663.76	82.59	29.45	231.21	315.34
Vehicles	22,400.11	-	469.88	21,930.24	17,775.00	1,436.56	446.38	3,165.06	4,625.11
Office Equipment	1,057.51	174.53	105.53	1,126.52	804.78	129.21	98.99	291.52	252.73
Computers	554.43	227.31	35.32	746.42	447.79	154.12	33.55	178.07	106.64
<b>Total</b>	<b>68,169.44</b>	<b>3,201.82</b>	<b>3,246.18</b>	<b>68,125.08</b>	<b>49,679.26</b>	<b>3,389.39</b>	<b>3,026.91</b>	<b>18,083.35</b>	<b>18,490.18</b>

\* Hypothecated against credit facility availed from SBI bank.

### Note 10.1 - Previous year figures of Property Plant & Equipment's and Intangible Assets are as under:-

PARTICULARS	Gross Block				Accumulated Depreciation			Net Block	
	As at April 1, 2020	Additions during the year	Deletions/Disposals during the Year	As at March 31, 2021	As at April 1, 2020	Depreciation for the year	Depreciation on Deletions	As at March 31, 2021	As at March 31, 2020
	(Amt Rs. '000)								
<b>Tangible Assets</b>									
Building	10,180.40	-	-	10,180.40	4,451.54	255.86	-	5,473.00	5,728.86
Building on leasehold land *	7,334.69	-	-	7,334.69	5,130.96	206.92	-	1,996.81	2,203.73
Plant & Machinery *	22,763.30	899.90	-	23,663.20	16,782.17	1,160.50	17,942.66	5,720.54	5,981.13
Furniture & Fixtures	2,979.10	-	-	2,979.10	2,520.44	143.31	2,663.76	315.34	458.66
Vehicles	21,971.49	756.44	327.82	22,400.11	16,129.79	1,931.57	286.35	4,625.11	5,841.70
Office Equipment	929.96	127.55	-	1,057.51	676.99	127.79	-	252.73	252.97
Computers	472.26	82.17	-	554.43	375.57	72.22	447.79	106.64	96.70
<b>Total</b>	<b>66,631.20</b>	<b>1,866.06</b>	<b>327.82</b>	<b>68,169.44</b>	<b>46,067.45</b>	<b>3,898.17</b>	<b>286.35</b>	<b>18,490.18</b>	<b>20,563.75</b>

\* Hypothecated against credit facility availed from SBI bank.

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**REX SEALING AND PACKING INDUSTRIES LIMITED**

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

**Notes to financial statements for the year ended March 31, 2022**

**19 - Revenue from Operations** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Sale of Products (Net)</b>		
- Export Sales	6,405.20	9,586.95
- Domestic Sales	202,766.68	161,043.27
<b>Other Operating Revenue</b>		
- Export Benefits	395.04	-
- Sundry Balance Written Back	1,200.67	812.47
<b>Total</b>	<b>210,767.60</b>	<b>171,442.69</b>

**20 - Other Income** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on Fixed Deposit and Other Deposits	13.19	107.76
Interest on IT Refund	133.68	-
Net Gain on Foreign Currency Transaction	613.45	612.76
Bad Debts Recovered	8.56	463.53
Miscellaneous Income	31.40	3.43
<b>Total</b>	<b>800.27</b>	<b>1,187.48</b>

**21 - Cost of Material Consumed** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<u>Raw materials consumed:</u>		
Opening Stock of Raw Materials	45,054.85	41,375.12
Add:- Purchase of Raw Materials	130,083.38	105,235.56
Add : Direct Expenses	867.21	1,002.73
	176,005.44	147,613.40
Less: Closing Stock of Raw Materials	44,396.42	45,054.85
<b>Cost of Raw Material Consumed (A)</b>	<b>131,609.02</b>	<b>102,558.56</b>
<u>Packing material consumed:</u>		
Op. Stock of Packing Material	758.30	340.58
Add: Purchases of Packing Material	4,855.75	3,702.97
	5,614.04	4,043.55
Less: Cl. Stock of Packing Material	961.86	758.30
<b>Cost of Packing material consumed (B)</b>	<b>4,652.19</b>	<b>3,285.26</b>
<b>Total Cost of Material Consumed (A+B)</b>	<b>136,261.21</b>	<b>105,843.81</b>

**22 - Changes in Inventories of Finished Goods** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Opening Stock of Finished Goods	2,947.66	4,565.21
Less: Closing stock of Finished Goods (including in transit)	3,777.59	2,947.66
<b>Total Change in Inventory of finished goods</b>	<b>(829.93)</b>	<b>1,617.55</b>



**REX SEALING AND PACKING INDUSTRIES LIMITED**


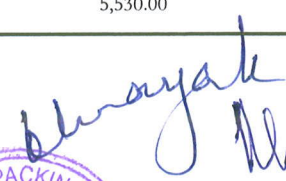
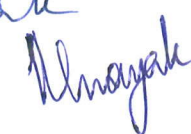
(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)


CIN - U28129MH2005PLC155252

Notes to financial statements for the year ended March 31, 2022

<b>23 - Employee Benefit Expenses</b> (Amt Rs.'000)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Salaries, Wages and Other Allowances	10,029.65	10,339.75
Directors Remuneration	21,900.00	19,800.00
Contributions to Provident Fund and Others	531.50	523.08
Gratuity Expenses (Refer Note 3.3)	464.36	241.06
Staff Welfare Expenses	691.58	425.56
<b>Total</b>	<b>33,617.09</b>	<b>31,329.45</b>
<b>24 - Finance Cost</b> (Amt Rs.'000)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Interest on Unsecured Loan from Related Parties	1,289.38	1,467.51
Interest on Bank Overdraft	2,134.58	2,607.44
Interest on Secured Car Loan	96.41	265.19
Interest on delayed payment of Statutory dues	126.10	73.08
Interest on delayed payment to MSME Vendors	4.55	38.79
Processing Fees	150.87	169.49
<b>Total</b>	<b>3,801.90</b>	<b>4,621.50</b>
<b>25 - Other Expenses</b> (Amt Rs.'000)		
Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Labour Charges *	6,054.20	4,449.66
Factory Expenses	220.43	138.65
Electricity Charges	1,670.14	1,321.35
<u>Repairs &amp; Maintenance :</u>		
- On Building	378.32	92.87
- On Plant and Machinery	748.48	344.73
- On Others	1,080.15	876.42
Transportation Expenses	4,692.66	3,764.07
Rent Expenses	921.55	811.05
Rates & Taxes	72.39	528.26
GST Expense	-	1,060.94
Auditor's Remuneration (Refer Note 25.1)	358.67	446.00
Legal and Professional Charges	2,388.99	677.95
Brokerage & Commission	1,026.01	1,087.83
Communication Expenses	290.71	244.33
Travelling & Conveyance Expenses	982.63	677.88
Office Expenses	462.27	362.98
Insurance Charges	390.65	408.49
Bank Charges	162.12	319.89
Expenses Related to Issue of Shares and Increase in Share Capital	115.20	-
Sales Promotion & Selling Expenses	559.45	519.58
Sundry Balances W/off	313.10	45.14
Bad Debts	220.24	116.84
Provision for Doubtful Debts	1,701.46	143.39
Provision for Deposits	800.00	-
Provision for GST credit	1,936.42	941.56
EMD W/off	-	99.62
Loss on Sale of Motor Vehicle	2.31	16.05
Loss on disposal of Property, Plant & Equipment	195.77	-
Provision for doubtful capital advances	2,360.80	-
Miscellaneous Expenses	337.94	516.62
<b>Total</b>	<b>30,443.05</b>	<b>20,012.15</b>
* Paid to related party Refer Note 40	5,530.00	3,767.50





**REX SEALING AND PACKING INDUSTRIES LIMITED**

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Notes to financial statements for the year ended March 31, 2022

**25.1 - Auditors Remuneration** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Statutory Audit	225.00	225.00
Tax Audit	75.00	75.00
Taxation Matter	30.00	33.50
Other Services	25.00	112.50
Reimbursement of expenses	3.67	-
<b>Total</b>	<b>358.67</b>	<b>446.00</b>

**26 - CIF Value of Imports** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Raw Materials	78,235.74	66,076.82
<b>Total</b>	<b>78,235.74</b>	<b>66,076.82</b>

**27 - Earning in Foreign Currency** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
FOB value of Export Sales	5,976.25	9,234.07
<b>Total</b>	<b>5,976.25</b>	<b>9,234.07</b>

**28 - Particulars of Revenue from Operations** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Sales of Products:</b>		
Ceramic Fibre Product	35,359.39	43,692.13
Chemicals	6,672.66	2,565.34
Fire Proof Sleeve	41,536.85	15,881.83
Gasket Sheet	41,681.01	28,722.22
Gland Packing	43,049.95	29,277.37
Industrial Bellows	14,358.27	12,972.64
Silica Products	19,664.92	14,703.61
Others	6,848.84	22,815.08
<b>Total</b>	<b>209,171.88</b>	<b>170,630.21</b>

**29 - Value of Imported and Indigenous Raw Material Consumption** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022		For the year ended 31 March, 2021	
	Amt	%	Amt	%
<b>Raw Materials</b>				
Imported	78,763.88	60%	58,004.68	57%
Indigenous	52,845.14	40%	44,553.87	43%
<b>Total</b>	<b>131,609.02</b>	<b>100%</b>	<b>102,558.56</b>	<b>100%</b>

**30 - Earnings Per Share** (Amt Rs.'000)

Particulars	For the year ended 31 March, 2022	For the year ended 31 March, 2021
<b>Basic and Diluted Earnings per share</b>		
Profit/(Loss) attributable to Equity shareholders	2,933.72	3,679.59
Weighted average number of equity shares (After considering the effect of bonus shares issued during the year)	1,920,000	1,920,000
Basic/ Diluted earnings per share	0.0015	0.0019
Face value per share	10	10



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**REX SEALING AND PACKING INDUSTRIES LIMITED**

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

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**Notes to financial statements for the year ended March 31, 2022****31- Capital and Other Commitments -**

Estimated amount of contracts to be executed on capital account and not provided for is Rs.250.00 thousand (PY Rs. Nil).  
There are no other commitments as at balance sheet date (Previous Year Rs. Nil)

**32 - Contingent Liability**

Particular	For the year ended 31 March, 2022	For the year ended 31 March, 2021
Liability on sales tax payable on non-collection of C - Form from the customers.	978.41	978.41
TDS Default as per Traces of Income Tax Act, 1961 for AY 22-23 & Prior Years (Refer Note 32 l)	229.44	215.41
VAT and CST liability as mentioned below (Refer Note 32 a to 32 j)	6,951.66	3,124.59
Income Tax Demand as mentioned below (Refer Note 32 k)	234.62	234.62
GST Demand as mentioned below (Refer Note 32 m & n)	3,757.25	-

The Company is in the process of evaluating the above and is of opinion that none of orders mentioned above will result in any tax liabilities in near future. Pending completion of the process, no provision is considered necessary. Cash outflow for above items will depend on the outcome of matters under dispute.

a. The company had received a notice dated 06/09/2016 under MVAT Act, 2002 raising a liability of Rs. 812.41 thousand subsequently the department waived off Rs. 177.77 thousand for assessment period 1-4-10 to 31-3-11. Part payment of Rs. 270 thousand has been done against the order. The company had paid additional Rs. 8.25 thousand for availing amnesty benefit. Stay has been granted by the authority for the balance amount of Rs.356.4 thousand.

b. The company had received a notice dated 28/03/2018 under CST Act, 1956 raising a liability of Rs. 628.35 thousand for assessment period 1-4-13 to 31-3-14. Part payment of Rs.329.99 thousand was done against the order. The company had obtained stay against the balance amount of Rs.298.36 thousand. However the company has provided for the full amount in the financials.

c. The company had received a notice dated 26-3-2021 under CST Act, 1956 raising a liability of Rs. 339.44 thousand plus interest Rs.488.79 thousand for assessment period 1-4-14 to 31-3-15. The company has gone into appeal on 25-6-21 and paid Rs.34.04 thousand against the order under protest.

d. The company has filed appeal on 28-06-2021 by paying Rs. 20.48 thousand under protest against the assessment order dated 26.03.2021 passed by the Deputy Commissioner of State tax for the period 01-04-2014 to 31-03-2015 raising dues of Rs 487.81 thousand under MVAT Act, 2002.

e. The company had received a notice of dated 12/07/2019 under CST Act, 1956 raising a liability of Rs. 622.86 thousand for assessment period 1-4-15 to 31-3-16. Correspondingly, the Company had filed a rectification application before the assessing officer and paid Rs. 60.95 thousand on 4-11-20 under protest.

f. The company had received a notice dated 12/07/2019 under of MVAT Act, 2002 raising a liability of Rs. 551.04 thousand for assessment period 1-4-15 to 31-3-16. Rectification application had been filed before the assessing officer. Correspondingly, the Company had filed a rectification application before the assessing officer and paid Rs.57.45 thousand on 4-11-20 under protest.

g. The company has received a notice dated 25-08-2021 under CST Act, 1956 raising a liability of Rs 1,335.33 thousand plus interest Rs 1,575.69 thousand for assessment period 01-04-16 to 31-03-17. The stay to the recovery was granted on part payment of Rs.133.53 thousand under protest and the company has gone into appeal on 29-09-21.

h. The company has received a notice dated 25-08-2021 under MVAT Act,2002 raising a liability of Rs 90.41 thousand plus interest Rs 106.69 thousand for assessment period 01-04-16 to 31-03-17. The stay to the recovery was granted on part payment of Rs 9.04 thousand and the company has gone into appeal on 29-09-21.

i. The company has received notice date 25-08-2021 under CST Act,1956 raising a liability of Rs 334.70 thousand plus interest Rs 314.62 thousand for assessment period 01-04-17 to 30-06-17. The stay to the recovery was granted on part payment of Rs 33.47 thousand and the company has gone into appeal on 29-09-2021.

j. The company has received notice dated 25-08-2021 under MVAT Act,2002 raising a liability of Rs 35.89 thousand plus interest Rs 33.74 thousand for assessment period 01-04-17 to 30-06-17. The stay to the recovery was to the recovery was granted on part payment of Rs.3.59 thousand and the company has gone into appeal on 29-09-21.



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# REX SEALING AND PACKING INDUSTRIES LIMITED

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## Notes to financial statements for the year ended March 31, 2022

k. The company had received an order u/s 143(1)(a) of Income Tax Act 1961 dated 25/11/2016 for demand of Rs. 234.62 thousand. The company had filed an appeal which was approved by IT Officer, the IT Officer asked the company to furnish same to AO for reverification and the company is in process of evaluating the same and will take action accordingly.

l. TDS default as per Income Tax Traces Rs.229.44 thousand (PY Rs.215.41 thousand). The management is in process of taking necessary action.

m. During the year the company has received an intimation of liability dated 04/02/22 under section 73 of MGST Act, 2017 pertaining to FY 2018-19 for excess ITC claimed in GSTR 3B/9 which is not confirmed in GSTR 2A or 8A of GSTR 9 of Rs.2025.94 thousand with Interest of Rs.1701.79 thousand and in-eligible ITC claimed from RC cancelled suppliers of Rs.11.81 thousand with Interest Rs.9.92 thousand. The company is in process of taking necessary action for the total demand of Rs.3749.46 thousand.

n. During the year the company has received an Order u/s Section 73(9) dated 11/02/22 of MGST Act, 2017 pertaining to FY 2019-20 for delay in filing GSTR3B attracting interest as per section 50 of Rs.7.79 thousand. The company is in process of taking necessary action for the same.

### 33 : EMPLOYEE BENEFITS:

#### **i. Defined Contribution Plan (DCP)**

The Company's Provident Fund Scheme (including pension fund scheme for eligible employees) is a defined contribution plan. The expenses charged to the Statement of Profit and Loss under the head Contribution to Provident Fund is Rs. 463.25 thousand (PY Rs. 445.24 thousand).

The Company's Employees State Insurance Corporation is at defined contribution plan. The expenses charged to the statement of Profit and Loss under the head Contribution to Employees State Insurance Corporation is Rs. 67.27 thousand (PY Rs. 76.56 thousand).

#### **ii. Defined Benefit Plan**

The Company operates one defined plan, i.e. gratuity, for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days of last drawn salary for each completed year of service. The Company has made an arrangement with Life Insurance Corporation of India to administer its Gratuity scheme.

Gratuity valuation has been done based on Actuarial Valuation as per Projected Unit Credit Method (PY was based valuation from LIC as per Projected Unit Credit Method). Actuarial gains/losses are recognized immediately in Statement of Profit and Loss in the year in which they arise. The Company during the year provided Rs. 464.36 thousand (PY Rs. 241.06 thousand) towards gratuity.

The following tables set out disclosures of assumption prescribed by AS 15 in respect of company's funded gratuity plan -

Particulars	Year ended March 31, 2022 (Rs.)	Year ended March 31, 2021 (Rs.)
	Gratuity	Gratuity
Discount rate	7.25%	7.00%
Salary escalation	7.00%	5.00%
Withdrawal Rate	2% to 10% depending on age	1% to 3% depending on age
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table	LIC 2006-08 ultimate

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iii. The company does not have any other long term benefits in the form of leave benefits.

### 34 - Hedged & Unhedged Foreign Currency Exposure :

(Amt Rs.'000)

Particulars	Year ended March 31, 2022 (Rs.)		Year ended March 31, 2021 (Rs.)	
	In foreign currency	In INR	In foreign currency	In INR
Receivable (USD)	59.53	4,485.60	66.27	4,776.27
Payables (USD)	70.10	5,383.15	12.21	888.48

There are no foreign currency exposures which are hedged as at year end. (PY Rs. Nil).



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**REX SEALING AND PACKING INDUSTRIES LIMITED**

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**Notes to financial statements for the year ended March 31, 2022**

35- The operating lease rent charged to Profit and loss account during the year for the lease amounts to Rs.921.55 thousand (PY Rs. 811.07 thousand) towards certain godown / premises taken on cancellable basis

**Total of Future Minimum Lease payment under operating lease is as follows - (Amt Rs.'000)**

Particulars	Year ended March 31, 2022 (Rs.)	Year ended March 31, 2021 (Rs.)
Not less than one year	687.09	701.89
Later than one year but not more than 5 years	550.00	1,150.00
Later than 5 year	-	-
<b>Total</b>	<b>1,237.09</b>	<b>1,851.89</b>

36 : The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, long term loans and advances, short term loans and advances, trade receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information and economic forecasts on the future expected performance of the Company. The Company has performed necessary analysis on the assumptions used and based on current estimates, it expects the carrying amount of these assets will be recovered. Given the uncertainty on account of COVID-19, the impact on the Company's assets may differ from that estimated as at the date of approval of these financial statements, if any.

37 : The balance of trade receivables, trade payable, loans and advances are subject to balance confirmations. In the opinion of Management, Current Assets, Loans & Advances have the values at which they are stated in Balance Sheet, if realized in the ordinary course of business.

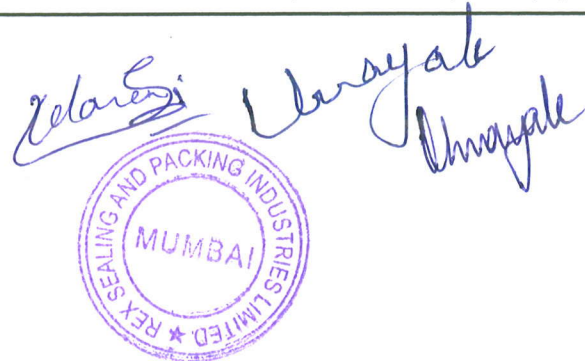
38 : There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The impact is not expected to be material as per the assessment made by the Company. As a matter of caution, the company has made a provision and deposited the amount on a prospective basis from the date of the SC order.

39 : Based on intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and disclosures relating to amount unpaid as at the end together with interest paid/payable as required under the said Act have been given below by the Company.

(Amt Rs.'000)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	3,790.56	1,903.39
- Principal Amount	3,786.01	1,864.60
- Interest Amount (charged to Profit and Loss during the year)	4.55	38.79
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	56.48	51.93
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

\*Amount unbilled as per Note 7 has not been considered in the above table as the invoice for the same is yet to be received by the company.



# REX SEALING AND PACKING INDUSTRIES LIMITED

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Notes to financial statements for the year ended March 31, 2022

## 42 : Regarding Material Consumption and Itemwise Inventory Details

In the opinion of the management, disclosures under the broad heads of 'raw material consumption and 'item wise bifurcation of inventory' are not possible to given in the financial statement as per requirement of Schedule III of the Act considering the system constraint and multiple product mix manufactured by the Company.

## 43 - Details of Provision on Doubtful Debts

Particulars of Provisions	(Amt Rs.'000)	
	As at March 31, 2022	As at March 31, 2021
Opening Balance as on 01.04.2021	611.19	467.81
Additional Provisions made in 2021-22	1,921.70	344.00
Amount of Provisions reversed in 2021-22	220.24	200.61
Closing Balance as on 31.03.2022	2,312.65	611.19

## Note "44" Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck-off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) There are no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company does not have any downstream layers of the companies and hence Section 2(87) of the Companies Act, 2013 read with Companies (Restrictions on number of layers), Rules, 2017 is not applicable.



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**REX SEALING AND PACKING INDUSTRIES LIMITED**

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**Notes to financial statements for the year ended March 31, 2022**

**Note 45 : The Company has sanctioned facility from banks on the basis of security of current assets**

The company has been sanctioned working capital limits of Rs.46,000 thousand, in aggregate, from State Bank of India on the basis of security of -  
a) Hypothecation of raw material, stock in process, finished goods and receivables.  
b) Collateral Security as immovable properties of factory land and building (Taloja) and plant & machinery.  
c) Personal guarantee of Directors of the company.

The quarterly returns or statements filed by the company with the bank is not in agreement with the books of accounts of the Company. Disclosure of summary of reconciliation and reasons of material discrepancies are as stated below:

As per books	Q1	Q2	Q3	Q4
Inventory	40,550.64	41,614.66	53,029.11	55,700.87
Trade Receivables	37,949.57	39,992.62	50,906.85	49,556.43
Trade Payables (Goods)	8,108.14	9,491.51	12,651.32	9,608.39
As per Bank Submissions	Q1	Q2	Q3	Q4
Inventory	51,831.49	48,808.16	51,646.25	46,422.46
Trade Receivables	38,688.72	40,521.42	50,952.86	52,678.75
Trade Payables (Goods)	8,541.86	10,355.80	12,577.79	10,474.67
Reconciliation of Diff	Q1	Q2	Q3	Q4
Inventory	(11,280.85)	(7,193.50)	1,382.86	9,278.41
Trade Receivables	(739.16)	(528.79)	(46.02)	(3,122.33)
Trade Payables (Goods)	(433.72)	(864.29)	73.53	(866.28)

Reason for Discrepancies: Details were submitted based on the unaudited books of accounts and information available at the time of submission to bank which were subject to changes/ reconciliation.

**45 a :** Subsequent to year end in August 2022, the board of directors and shareholders have approved issue of 3,30,000 fresh equity shares by the Company and sale of 3,00,000 equity shares by existing shareholders under IPO (Initial Public Offer) at a price as may be decided by board in consultation with lead manager.

**45 b :** Subsequent to year end, the Company has appointed Mr. Naresh Nayak as Managing Director, Mr. Niranjn Nayak Whole Time Director & Chief Financial Officer (CFO) and Ms. Saloni Patwa as Company Secretary and Compliance Officer of the Company.

**45 c :** Subsequent to year end, the Name of the Company has been changed from "Rex Sealing and Packing Industries Private Limited" to "Rex Sealing and Packing Industries Limited".

**46 :** The figures for the previous year have been regrouped, reclassified or rearranged to meet the recognition and measurement principles followed for preparation of financial statements.

**For RMJ & Associates LLP**  
Chartered Accountants  
Firm Registration :W100281

**Rex Sealing and Packing Industries Limited**  
(Formerly Known as Rex Sealing and Packing Industries Pvt. Ltd.)

*Nirav Gosalia*  
Nirav Gosalia  
Partner  
Membership No. 133110



*Naresh Nayak*  
Naresh Nayak  
Managing Director  
DIN: 00347765

*Saloni Patwa*  
Saloni Patwa  
Company Secretary  
ACS: 67180

*Niranjn Nayak*  
Niranjn Nayak  
Whole Time Director & CFO  
DIN:02606926



Place : Mumbai  
Date: **9 SEP 2022**

Place : Mumbai  
Date: **9 SEP 2022**

Place : Mumbai  
Date: **9 SEP 2022**

Place : Mumbai  
Date: **9 SEP 2022**

# REX SEALING AND PACKING INDUSTRIES LIMITED

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

## Notes to financial statements for the year ended March 31, 2022

### 40 - Related Parties Disclosure (related parties where transactions have taken place during the year) :

Relationship	Related Party Name
Firm in which relative of Director are partner	Vijaylaxmi Enterprises
Director (Also having substantial interest in the Company)	Mr. Manjunath Nayak
Director (Also having substantial interest in the Company)	Mrs. Meeta Nayak
Director (Also having substantial interest in the Company)	Mr. Niranjan Nayak
Director (Also having substantial interest in the Company)	Mr. Naresh Nayak
Relative of Director	Mrs. Nivedita Nayak
Relative of Director	Mrs. Kalpana Nayak

### Transaction during the year with related parties -

(Amt Rs.'000)

Name of the party	Nature of transactions	Key Management Personnel, Directors & Relatives of Directors	
		2021-22	2020-21
Vijaylaxmi Enterprises	Manpower Supply	5,530.00	3,767.50
Mr. Manjunath Nayak	Opening Balance of Loan taken	11.48	32.59
	Loan Received	411.92	127.44
	Loan Repaid	247.72	148.55
	Closing Payable / (Receivable)	175.68	11.48
	Director's Remuneration	6,700.00	6,000.00
	Advance against salary given	1,962.77	-
	Adjusted against salary	992.77	-
	Closing Payable / (Receivable)	(970.00)	104.84
Mrs. Meeta Nayak	Director's Remuneration	1,800.00	1,800.00
	Closing Payable / (Receivable)	110.00	150.00
	Advance against salary given	47.23	-
	Adjusted against salary	47.23	-
Mr. Niranjan Nayak	Opening Balance of Loan taken	0.00	(3.08)
	Loan Received	164.07	212.08
	Loan Repaid	157.14	209.00
	Closing Payable / (Receivable)	6.93	0.00
	Director's Remuneration	6,700.00	6,000.00
	Advance against salary given	1,994.05	-
	Adjusted against salary	794.05	-
	Closing Payable / (Receivable)	(1,200.00)	-
Mr. Naresh Nayak	Opening Balance of Loan taken	35.10	6.59
	Loan Received	938.24	494.87
	Loan Repaid	851.70	466.36
	Closing Payable / (Receivable)	121.64	35.10
	Director's Remuneration	6,700.00	6,000.00
	Advance against salary given	1,694.53	-
	Adjusted against salary	644.53	-
	Closing Payable / (Receivable)	(1,050.00)	220.00



*Meeta Nayak*  
*Niranjan Nayak*

# REX SEALING AND PACKING INDUSTRIES LIMITED

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

## Notes to financial statements for the year ended March 31, 2022

Mrs. Nivedita Nayak (all figures are inclusive of interest)	Opening Balance of Loan taken	4,107.44	5,560.39
	Loan Received	4,164.40	1,539.36
	Loan Repaid	4,495.87	2,992.31
	Closing Payable / (Receivable)	3,775.97	4,107.44
	Interest on Loan	414.40	599.29
Mrs. Kalpana Nayak ((all figures are inclusive of interest)	Opening Balance of Loan taken	7,810.75	7,406.20
	Loan Received	5,446.05	2,781.40
	Loan Repaid	8,350.94	2,376.85
	Closing Payable / (Receivable)	4,905.86	7,810.75
	Interest on Loan	746.05	868.23

Also refer note 45 with respect to personal guarantee given by the directors on behalf of the Company. Further, in the current year 3 directors have waived salary aggregating to Rs. 4,200 thousands (Mr. Niranjana Nayak, Mr. Manjunath Nayak and Mr. Naresh Nayak Rs. 1,400 thousands each) for 2 months in March 2022 which is treated as advance against salary and the same would be adjusted against salary for FY 2022-23 as per the policy of the Company.

**Note:** Related parties and transactions with the related parties are identified by the management and the same has been relied upon by us.

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*Nayak*



# REX SEALING AND PACKING INDUSTRIES LIMITED

(Formerly known as Rex Sealing and Packing Industries Pvt. Ltd.)

CIN - U28129MH2005PLC155252

Notes to financial statements for the year ended March 31, 2022

## 41- Ratios

Sr. No.	Ratio	Numerator	Denominator	FY 2021-22	FY 2020-21	% Change	Reasons for Changes Above 25%
1	Current Ratio (times)	Current Assets	Current Liabilities	1.75	1.74	0.35%	
2	Debt Equity Ratio (times)	Long Term Borrowings + Short Term Borrowings (*)	Shareholder's Equity	0.46	0.43	7.44%	
3	Debt Service Coverage Ratio (times)	Net Profit before taxes + Interest + Non-cash operating expenses + Other non - cash adjustments (**)	Interest and lease payments + Principal repayments during the year (***)	1.90	2.68	-29.34%	Due to reduction in Net Profit before tax and increase in principal repayments of loans as compared to previous year
4	Return on Equity Ratio (times)	Net Profit After Tax	Average Shareholder's Funds	0.037	0.048	-23.55%	
5	Inventory Turnover Ratio (times)	Cost of Goods Sold	Average Inventory (excluding raw material in transit)	2.54	2.21	14.89%	
6	Trade Receivables Turnover Ratio (times)	Turnover	Average Trade Receivables	5.08	4.26	19.20%	
7	Trade Payables Turnover Ratio (times)	Purchases	Average Trade Payables	9.72	8.98	8.18%	
8	Net Capital Turnover Ratio (times)	Turnover	Average Working Capital	4.85	4.40	10.24%	
9	Net Profit Ratio (%)	Net Profit After Tax	Turnover	1.40%	2.16%	-34.96%	Due to Provisions for Doubtful Debts & GST Credit & Capital Advances made in current year leading to reduction in Net Profits
10	Return on Capital employed (%)	EBIT	Capital Employed	1.07%	0.78%	37.32%	Due to increase in EBIT and Capital Employed as compared to previous year
11	Return on Investment (%) (****)	Net Return on Investment	Average Investments	NA	NA	NA	

\* Interest accrued but not due is not considered

\*\* Includes Net Profit Before Tax + Interest on borrowings + Depreciation & Amortisation + Provision for Doubtful Debts + Provision for GST Credit + Provision for Capital Advances + Loss on sale of Assets + Assets w/off + Sundry Balance Written off - Sundry Balance Written Back

\*\*\* Includes Interest on borrowings + Lease Payments during the year (Rent Expenses) + Principal Repayments of Loan during the year

\*\*\*\* Fixed deposit/interest on fixed deposit is not considered as the same is classified under cash and bank balance and in the opinion of the management, it is temporary parking of ideal funds not in the form of investment activity.



*Wrayak*  
*Wrayak*