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Date :

INDEPENDENT AUDITORS' REPORT

To the Members of M/S. QUANTUM KNITS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of **M/S. QUANTUM KNITS PRIVATE LIMITED** (the "Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In my opinion and to the best of my information and according to the explanations given to me, 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, of the state of affairs of the Company as at 31 March 2022, and its Profit and cash flows for the year ended on that date.

Basis for Opinion

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. My responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am 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 my audit of the financial statements under the provisions of the Act and the Rules thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my opinion on the financial statements.



Independent Auditor's Report

To the Members of M/S. QUANTUM KNITS PRIVATE LIMITED Report on the Audit of the Financial Statements

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

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is no material misstatement of this other information, So, I have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



Independent Auditor's Report

To the Members of M/S. QUANTUM KNITS PRIVATE LIMITED Report on the Audit of the Financial Statements

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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. Under Section 143(3)(i) of the Act, I am also responsible for expressing my 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Independent Auditor's Report

To the Members of M/S. QUANTUM KNITS PRIVATE LIMITED Report on the Audit of the Financial Statements

- 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, I report that:
 - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b) In my opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books.
 - c) The balance sheet, the statement of profit and loss and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In my opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.



Independent Auditor's Report

To the Members of M/S. QUANTUM KNITS PRIVATE LIMITED Report on the Audit of the Financial Statements

- e) On the basis of the written representations received from the directors as on 1 April 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in my opinion and to the best of my information and according to the explanations given to me:

- a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note. 20 to the financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 25 to the financial statements, no funds 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:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in the note 25 to the financial statements, no funds 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
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or



Independent Auditor's Report

To the Members of M/S. QUANTUM KNITS PRIVATE LIMITED Report on the Audit of the Financial Statements

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (c) (i) and (c) (ii) contain any material mis-statement.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In my opinion and according to the information and explanations given to me, no remuneration paid by the Company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by me.

UDIN: 22025028ALEHPR6829

PLACE: Coimbatore

DATE: 23.04.2022



A.VETRIVEL

M.NO:25028

**A. VETRIVEL, B.Sc., F.C.A.
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**Annexure A to the Independent Auditor's Report on Financial Statements of M/S.
QUANTUM KNITS PRIVATE LIMITED for the year ended March 31, 2022**

(Referred to my report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In my opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold land or lease hold land and buildings hence reporting under clause (i) (c) of the order is not applicable.
- (d) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to me and on the basis of my examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, has been physically verified by the management during the year. In my opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not been sanctioned any working capital limits from banks or financial institutions on the basis of security of current assets. Hence, the provisions of clause (ii)(b) of paragraph 3 of the order are not applicable to the Company.



- (iii) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not made investments, provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, limited liability partnership and other parties. Therefore, the provisions of clause 3(iii) of the said order are not applicable to the Company.
- (iv) According to the information and explanations given to me and on the basis of my examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in my opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) I have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and services provided by it and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, I have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to me and on the basis of my examination of the records of the Company, in my opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities;



(b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues, which have not been deposited with the appropriate authorities on account of any dispute, except as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	807.48	2011-12	High Court of Madras
Income Tax Act, 1961	Income Tax	331.05	2010-11	High Court of Madras

(viii) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not availed any Loan from financial institutions and banks during the year 2021-22, hence the defaulted in repayment of dues is not applicable to the Company. Accordingly, clauses 3(ix)(b)(c) & (d) of the Order are not applicable.

(e) According to the information and explanations given to me and on an overall examination of the financial statements of the Company, I report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to me and procedures performed by me, I report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.



- (b) According to the information and explanations given to me and on the basis of my examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to me, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to me, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to me by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to me, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In my opinion and according to the information and explanations given to me, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company is not covered by section 138 of the Companies Act 2013, related to appointment of internal auditor of the Company. Hence, the company is not required to appoint any internal auditor and the provisions of Clause (xiv) of paragraph 3 of the order are not applicable to the Company.
- (xv) In my opinion and according to the information and explanations given to me, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.



- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to me and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In my opinion and according to the information and explanations given to me, there is no liability of the Company under sub-section (5) of Section 135 of the Act, relating to Corporate Social Responsibility. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
- (xxi) The Company has not made investments in subsidiary company. Therefore, the Company does not require to prepare consolidated financial statement. Therefore, the provisions of Clause (xxi) of paragraph 3 of order are not applicable to the Company.

UDIN: 22025028ALEHPR6829

PLACE: Coimbatore

DATE: 23.04.2022


A.VETRIVEL
M.NO.25028

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Annexure B to the Independent Auditors' report on the audit of the financial statements of M/S.QUANTUM KNITS PRIVATE LIMITED for the year ended March 31, 2022.

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

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of my report of even date).

Opinion

I have audited the internal financial controls with reference to financial statements of M/S.QUANTUM KNITS PRIVATE LIMITED ("the Company") as of March 31, 2022 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

In my opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").



Auditors' Responsibility

My responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on my audit. I conducted my audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 whether such controls operated effectively in all material respects.

My 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. My audit of internal financial controls with reference to financial statements included 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

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 transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

UDIN: 22025028ALEHPR6829

PLACE: Coimbatore

DATE: 23.04.2022



A.VETRIVEL

M.NO:25028

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QUANTUM KNITS PRIVATE LIMITED
BALANCE SHEET AS AT 31.03.2022

(₹ in Lakhs)

	Note	As at 31.03.2022	As at 31.03.2021
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	4	35	38
(b) Other non current assets	5	18	18
Total non - current assets		53	56
(2) Current assets			
(a) Inventories	6	-	6
(b) Financial assets			
(i) Trade receivables	7	-	47
(ii) Cash and cash equivalents	8	-	28
(c) Other current assets	9	2,057	1,976
Total current assets		2,057	2,057
Total assets		2,110	2,113
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	10	10	10
(b) Other equity	11	2,018	2,016
Total equity		2,028	2,026
Liabilities			
(2) Non-current liabilities			
(a) Deferred tax liabilities (net)	12	9	9
Total non - current liabilities		9	9
(3) Current liabilities			
(a) Other current liabilities	13	73	75
(b) Current Tax Liabilities(net)	14	-	3
Total current liabilities		73	78
Total equity and liabilities		2,110	2,113

Significant accounting policies

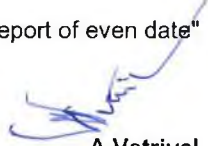
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The notes from 1 to 26 are an integral part of these financial statements

For and on behalf of the Board of Directors

"To be read with my report of even date"


K.P. Ramasamy
Chairman
DIN: 00003736


A. Vetrivel
Chartered Accountant


KPD Sigamani
Director
DIN: 00003744


P. Nataraj
Director
DIN: 00229137

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
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TATABAD, COIMBATORE - 641 012
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Coimbatore
23.04.2022

QUANTUM KNITS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2022

(₹ in Lakhs)

	Note	Year Ended	
		31.03.2022	31.03.2021
I. Revenue from operations	15	10	136
II. Other income		-	-
III. Total Income (I+II)		10	136
IV. Expenses			
Cost of materials consumed	16	6	121
Purchase of stock-in-trade		-	-
Changes in inventories of stock in trade		-	-
Employee benefits expense		-	-
Finance costs		-	-
Depreciation and amortisation expense	4	3	3
Other expenses	17	2	-
V. Total expenses		11	124
VI. Profit before tax (III-V)		(1)	12
VII. Tax expenses			
Current tax			
- Pertaining to current year		-	3
- Pertaining to prior year		(3)	-
Income tax expense		(3)	3
VIII. Profit for the year (VI-VII)		2	9
Other comprehensive income			
Item that will be reclassified to profit or loss		-	-
Item that will not be reclassified to profit or loss			
IX. Net other comprehensive income			
X. Total comprehensive income for the year (VIII+IX)		2	9
Earnings per equity share (EPS)			
Basic and diluted EPS (in ₹)	24	2	9

Significant accounting policies

3

The notes from 1 to 26 are an integral part of these financial statements

For and on behalf of the Board of Directors

"To be read with my report of even date"


K.P. Ramasamy

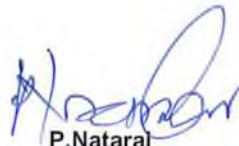
Chairman

DIN: 00003736


KPD Sigamani

Director

DIN: 00003744


P. Nataraj

Director

DIN: 00229137


A. Vetrivel

Chartered Accountant

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
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Coimbatore
23.04.2022

QUANTUM KNITS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022

(₹ in Lakhs)

PARTICULARS		Year Ended	
		31.03.2022	31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		2	9
Adjustments for:			
Income tax expenses recognised in the statement of profit and loss		(3)	3
Depreciation and amortisation		3	3
Operating profit before working Capital changes		2	15
Changes in Working Capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories		6	(6)
Trade receivables		47	(47)
Other current assets		(82)	(1,952)
Other non current assets		1	1,944
Adjustments for increase / (decrease) in operating liabilities:			
Other current liabilities		(2)	68
Cash generated from operations		(28)	22
Net income tax (paid)		-	-
Net cash generated by operating activities	(A)	(28)	22
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		-	-
Net cash flow used from investing activities	(B)	-	-
CASH FLOW FROM FINANCING ACTIVITIES			
Net Cash flow used in Financing Activities	(C)	-	-
Net increase in cash and cash equivalents	(A+B+C)	(28)	22
Add: Opening cash and cash equivalents		28	6
Closing Cash and Cash Equivalents (Refer Note No 8)		-	28
Closing cash and cash equivalents Comprises			
(a) Balance with Banks:			
i) In Current accounts		-	28
		-	28

Significant accounting policies

3

The notes from 1 to 26 are an integral part of these financial statements

For and on behalf of the Board of Directors

"To be read with my report of even date"

K.P.Ramasamy
Chairman
DIN: 00003736

A.Vetrivel
Chartered Accountant

KPD Sigamani
Director
DIN: 00003744

P.Nataraj
Director
DIN: 00229137



Coimbatore
23.04.2022

QUANTUM KNITS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.03.2022

a. Equity Share Capital

(₹ in Lakhs)

Balance as at April 01, 2020	10
Changes during the year	-
Balance as at March 31, 2021	10
Changes during the year	-
Balance as at March 31, 2022	10

b. Other Equity

(₹ in Lakhs)

Particulars	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 01, 2020	-	-	130	1,877	2,007
Profit for the year	-	-	-	9	9
Balance as at March 31, 2021	-	-	130	1,886	2,016
Profit for the year	-	-	-	2	2
Balance as at March 31, 2022	-	-	130	1,888	2,018

Significant accounting policies

3

The notes from 1 to 26 are an integral part of these financial statements

For and on behalf of the Board of Directors

"To be read with my report of even date"


K.P. Ramasamy

Chairman

DIN: 00003736


A. Vetrivel

Chartered Accountant


KPD Sigamani

Director

DIN: 00003744


P. Nataraj

Director

DIN: 00229137

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
Ph : 2495760, 4378813

Coimbatore

23.04.2022

QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2022

1 Company Overview

Quantum Knits Private Limited ('the Company') is a wholly owned Subsidiary Company of K.P.R.Mill Limited. The Company deals in Readymade Garments. It is incorporated as a Private Limited Company under the Companies Act, 1956, Primarily for the purpose of deal in Readymade garments.

2 BASIS OF PREPARATION

A STATEMENT OF COMPLIANCE

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with the requirements prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time.

These financial statements for the year ended 31.03.2022 (including comparatives) are authorised by the Board on 23.04.2022.

Details of the Company's accounting policies are included in note 3.

B FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All financial information has been rounded-off to the nearest lakhs, unless otherwise indicated.

C BASIS OF MEASUREMENT

These financial statements have been prepared on a historical cost basis and on an accrual basis, except for the following items:

- i. Derivative financial instruments measured at fair value through profit and loss;
- ii. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
- iii. Net defined (asset) / liability measured at fair value & plan assets less present value of obligations.

D USE OF ESTIMATES AND JUDGEMENT

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

(i) Impairment of non-financial assets:

In assessing impairment, management has estimated economic use of assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation of uncertainty relates to assumptions about future operating cash flows and determination of a suitable discount rate. (also refer Note 3I)

(ii) Useful lives of depreciable assets:

Management reviews its estimate of useful lives of depreciable assets at each reporting date, based on expected utility of assets. Uncertainties in these estimates relate to technological obsolescence that may change utility of assets (also refer Note 3D).

(iii) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources (also refer Note 20).

(iv) Impairment of financial assets - refer Note 3I



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2022

E CURRENT AND NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) INVENTORIES

Inventories are valued at lower of cost. In the case of finished goods and work-in-progress, cost includes an appropriate share of manufacturing overheads based on normal operating capacity.

B) CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

C) CASH FLOW STATEMENT

Cash flows are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. In cash flow statement, cash and cash equivalents include cash in hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less.

D) PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement:

Free hold land is stated at historical cost. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises

a. purchase price, including import duties and non-refundable taxes on purchase (goods and service tax), after deducting trade discounts and rebates.

b. any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.

c. The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain/ loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent expenditure

Subsequent costs are included in asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company.



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2022

Component accounting

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation:

Depreciation is calculated on the cost of items of property, plant and equipment less their estimated residual values over the estimated useful lives using the straight-line method and is generally recognised in the Statement of profit and loss. Freehold land is not depreciated.

Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight-line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Company for the current and the comparative period are as follows :

Factory Building	~ 30 Years
Non Factory Building	~ 60 Years
Plant & Equipments - Garment	~ 20 Years
Electricals	~ 14 Years
Computers & accessories	~ 3 Years
Furniture's & fixtures	~ 10 Years
Vehicles - Two Wheeler	~ 10 Years
Vehicles - Four Wheeler	~ 8 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period. Based on technical assessment and consequent advice, the management believes that its estimate of useful life as given above best represent the period over which management expects to use the asset.

On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period from/upto which the asset is ready for use/disposed off.

Capital work-in-progress

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. They are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

E) REVENUE RECOGNITION

The Company generates revenue primarily from sale of Yarn, Knitted Fabric and Readymade Garments. Income is recognized on raising invoices and delivery of goods.

F) INVESTMENTS

Long term investments (excluding investment properties) are carried at cost less provision for diminution other than temporary in the value of such investments. Current investments are stated at lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2022

G) EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are considered for the effects of all dilutive potential equity shares.

H) INCOME TAXES

Income tax expense represents current tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

I) IMPAIRMENT

Impairment of Financial Instruments

The Company recognises loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information. The Company assumes that credit risk on a financial asset has increased significantly if it is past due.



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2022

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Impairment of Non-Financial Assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine recoverable amount. Such a reversal is made only to an extent that asset's carrying amount does not exceed carrying amount that would have been determined, net of depreciation/ amortisation, if no impairment loss was recognised.

J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the Financial Statements for the year ended 31.03.2022

Contingent liabilities:

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

Contingent assets:

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in these financial statements.

3A Recent pronouncements

On 23 March 2022, the Ministry of Corporate Affairs ("MCA") through notifications, made amendments to the Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment (PPE) – For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in Statement of Profit and Loss (SOPL) and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.



QUANTUM KNITS PRIVATE LIMITED

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Property, Plant & Equipment								Total
	Freehold Land	Factory Building	Non-factory Building	Plant and Equipment	Electricals	Furniture and Fixture	Computers and accessories	Vehicles	
Gross carrying amount									
As at 01.04.2020	-	-	-	52	-	-	-	-	52
Additions	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2021	-	-	-	52	-	-	-	-	52
Additions	-	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2022	-	-	-	52	-	-	-	-	52
Accumulated Depreciation									
As at 01.04.2020	-	-	-	12	-	-	-	-	12
Depreciation Expense	-	-	-	3	-	-	-	-	3
Disposals / adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2021	-	-	-	14	-	-	-	-	14
Depreciation Expense	-	-	-	3	-	-	-	-	3
Disposals / adjustments	-	-	-	-	-	-	-	-	-
As at 31.03.2022	-	-	-	17	-	-	-	-	17
Net carrying amount									
As at 31.03.2021	-	-	-	38	-	-	-	-	38
As at 31.03.2022	-	-	-	35	-	-	-	-	35



Title deeds of Immovable Properties not held in name of the Company: NIL

Particulars	As at 31.03.2022	As at 31.03.2021
Relevant line item in the Balance sheet		
Description of item of property		
Gross carrying value		
Title deeds held in the name of		
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter		
Property held since which date		
Reason for not being held in the name of the Company		

Capital work-in-progress (CWIP) Ageing Schedule:

As at 31 March 2022

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

(Or)

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, the CWIP completion schedule (project wise) is as follows: NIL

Project name	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	

Capital work-in-progress (CWIP) Ageing Schedule:

As at 31 March 2021

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Note: The Company does not have any CWIP which is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

(Or)

For capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan, the CWIP completion schedule (project wise) is as follows: NIL

Project name	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More Than 3 years	



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

(₹ in Lakhs)

		As at				
		31.03.2022	31.03.2021			
5	OTHERS NON CURRENT ASSETS					
	Advances other than capital advances					
	Refund due from income tax	18	18			
		18	18			
6	INVENTORIES					
	Raw Materials	-	6			
		-	6			
	FINANCIAL ASSETS					
7	TRADE RECEIVABLES					
	Unsecured and Considered good					
	Trade Receivables considered good - Unsecured	-	47			
	Net trade receivables	-	47			
	Trade Receivables ageing schedule:					
	As at 31.03.2022					
	Outstanding for following periods from the date of transaction					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years	
(i)	Undisputed Trade receivables – considered good	-	-	-	-	-
(ii)	Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(iii)	Undisputed Trade Receivables – credit impaired	-	-	-	-	-
(iv)	Disputed Trade Receivables– considered good	-	-	-	-	-
(v)	Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-
(vi)	Disputed Trade Receivables – credit impaired	-	-	-	-	-



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

(₹ in Lakhs)

						As at	
						31.03.2022	31.03.2021
As at 31.03.2021							
	Outstanding for following periods from the date of transaction					Total	
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More Than 3 years		
(i) Undisputed Trade receivables – considered good	47	-	-	-	-	47	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	
8 CASH AND CASH EQUIVALENTS							
Balance with Banks							
i) In Current accounts						-	28
						-	28
9 OTHER CURRENT ASSETS							
Advance to suppliers						2,057	1,976
						2,057	1,976



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

(₹ in Lakhs)

Notes forming part of the financial statements for the year ended 31.03.2022

		As at				
		31.03.2022	31.03.2021			
10	EQUITY SHARE CAPITAL					
	a) Authorised					
	1,00,000 (Pr.Yr.1,00,000) Equity Shares of ₹ 10 each with voting rights	10	10			
		10	10			
	b) Issued, Subscribed & Fully Paid up					
	1,00,000 (Pr.Yr.1,00,000) Equity Shares of ₹ 10 each fully paid-up with voting rights	10	10			
		10	10			
10.1	Terms / Rights to Shares					
	Equity Shares: The Company has issued only one class of equity shares having a face value of ₹ 10 per share. The holder of each equity share is entitled to one vote per share. The Board has recommended a Final Dividend of ₹ 300 per share of the face value of ₹ 10/- each for the year 2021-22 subject to the approval of the Shareholders in 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 settling the dues of preferential and other creditors as per priority. The distribution will be in proportion to the number of equity shares held by the shareholders.					
10.2	Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period					
	Equity Shares with voting rights	For the Year Ended 31.03.2022	For the Year Ended 31.03.2021			
	Particulars	Number of Shares	(₹ in Lakhs)	Number of Shares	(₹ in Lakhs)	
	At the beginning of the year	1,00,000	10	1,00,000	10	
	Changes during the year	-	-	-	-	
	Outstanding at the end of the year	1,00,000	10	1,00,000	10	
	As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares as at the balance sheet date.					
10.3	Details of Shareholders holding more than 5% shares in the company					
	Particulars		Number of Shares	%	Number of Shares	%
	M/s K P R Mill Limited		1,00,000	100	1,00,000	100



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

(₹ in Lakhs)

		As at	
		31.03.2022	31.03.2021
11 OTHER EQUITY			
Capital Reserve			
Opening Balance	-	-	-
Changes during the year	-	-	-
Closing Balance	-	-	-
General Reserve			
Opening balance	130	130	130
Add: Transfer from Surplus in the Statement of Profit and Loss	-	-	-
Closing balance (A)	130	130	130
The General reserve represents an amount transferred from retained earnings from time to time for appropriation purpose which can be utilised for meeting future obligations. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.			
Retained Earnings			
Opening balance	1,886	1,877	1,877
Add: Profit for the year	2	9	9
Closing balance (B)	1,888	1,886	1,886
Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. This reserve can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.			
Total (A+B)		2,018	2,016
12 DEFERRED TAX LIABILITIES			
Deferred tax liabilities	9	9	9
Net deferred tax liabilities	9	9	9
CURRENT LIABILITY			
13 OTHER CURRENT LIABILITIES			
Advance payment from customers	73	75	75
	73	75	75
14 CURRENT TAX LIABILITIES			
Provision for tax	-	3	3
	-	3	3



QUANTUM KNITS PRIVATE LIMITED

Notes Forming part of the Financial Statements for the year ended 31.03.2022

(₹ in Lakhs)

		Year Ended	
		31.03.2022	31.03.2021
15	REVENUE FROM OPERATIONS		
	Sale of products	10	118
	Other operating revenues	-	18
	Revenue from operations	10	136
	Disaggregation of revenue from contracts with customers		
	In the following disclosure, revenue from contract with customers have been disaggregated based on the nature and type of goods sold.		
15.1	Sale of Products		
	Fabric	10	118
		10	118
15.2	Other Operating revenues		
	Others	-	18
		-	18
16	COST OF MATERIALS CONSUMED		
	a) Inventory of materials at the beginning of the year		
	Yarn and fabric	6	-
		6	-
	b) Add: Purchases		
	Yarn	-	122
	Job work charges	-	5
		-	127
	c) Less : Inventory of materials at the end of the year		
	Yarn and fabric	-	6
		-	6
	Cost of materials consumed (a + b - c)	6	121
17	OTHER EXPENSES		
	Administration Expenses		
	Rent	1	-
	Payment to auditors (Refer note 19)	1	-
		2	-



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

18 INCOME TAX

(₹ in Lakhs)

Particulars	2021-22	2020-21
Income tax recognised in profit or loss		
Current tax		
Current income tax charge	-	3
Adjustment in respect of current income tax of prior years	(3)	-
Mat Credit entitlement	-	-
	(3)	3
Deferred tax		
In respect of current year	-	-
Total	(3)	3

18.1 Reconciliation with effective tax rate

The Income tax expense for the year can be reconciled to the accounting profit as follows

(₹ in Lakhs)

Particulars	Effective Tax Rate		Amount	
	2021-22	2020-21	2021-22	2020-21
Profit before tax			(1)	12
Tax using the Company's domestic tax rate	0.00%	25.17%	-	3
Effect of deductions under Chapter VI-A of the Income Tax Act, 1961	-	-	-	-
Effect of non-deductible expenses and others	-	-	-	-
	0.00%	25.17%	-	3
Adjustments recognised in the current year in relation to the current tax of prior years			(3)	-
Income tax recognised in profit or loss	0.00%	25.17%	(3)	3

19 Payment to Auditor

(₹ in Lakhs)

Particulars	2021-22	2020-21
Audit Fees	0.10	0.10
Tax Audit and Tax Matters	0.40	-
Expenses (incl. Service Tax)	-	0.02
Total	0.50	0.12



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

20 Contingent Liabilities and Commitments (to the extent not provided for.

(₹ in Lakhs)

Particulars	As at 31 March, 2022	As at 31 March, 2021
Contingent Liabilities :		
(a) Disputed Liabilities in Appeal:		
(i) Income Tax demands for the year ended 2009-10 & 2010 -11	1,139	1,139

21 Disclosure with respect to Micro, Small and Medium Enterprises Development Act, 2006

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" ("MSMED Act, 2006") is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the year or on balance brought forward from previous year.

Particulars	31.03.2022	31.03.2021
1) The Principal amount remaining unpaid to any supplier at the end of each accounting year	-	-
2) Interest due remaining unpaid to any supplier at the end of each accounting year	-	-
3) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
4) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
5) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
6) 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 enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

22 Corporate Social Responsibility Expenditure

The gross amount required to be spent by the Company during the year towards Corporate Social Responsibility (CSR) as per the provision of section 135 of the Companies Act, 2013 amounts to ₹ Nil (Pr.Yr. ₹ Nil).

23 Related Party disclosures

Disclosures under "Ind AS" 24- Related Party Disclosure, as identified and disclosed by the management and relied upon by the Auditors:

23.1 Name of related parties and nature of relationships:

Holding Company	M/s. K.P.R.Mill Limited
Key Management Personnel	Sri K.P.Ramasamy Sri KPD Sigamani Sri P.Nataraj
Relatives of Key Management Personnel	Sri C.R.Anandakrishnan (Son of Sri K.P.Ramasamy) Sri E.K.Sakthivel (Daughter's Husband of Sri.KPD Sigamani) Smt D.Geetha (Daughter of Sri.KPD Sigamani) Sri T.N.Arun (Son of Sri P.Nataraj)
Enterprises owned by key management personnel/Directors or their relatives	M/s K.P.R.Developers Limited M/s K P R Cements Private Limited M/s K P R Holdings Private Limited M/s K P R Agro Farms Private Limited M/s Jahnvi Motors Private Limited M/s Galaxy Knits Limited M/s KPR Exports Plc, Ethiopia M/s K.P.R.Sugar Mill Limited M/s KPR Sugar and Apparels Limited M/s KPR Mill Pte Limited, Singapore

23.2 Transactions during the year with related parties / Key Management Personnel are as under :

(₹ in Lakhs)

Nature of Transaction	Enterprises owned by key management personnel / Directors or their relatives	Holding Company	Total as on 31/03/2022
Sale of Goods		11	11
Lease rent paid		1.20	1.20
Job work expenses		0.36	0.36
Amount payable to customers	75	-	75
Advance receivable from customers		2,056 (1,973)	2,056 (1,973)

Note: Figures in brackets relates to the previous year



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

23.3 Details of transactions with related parties

a. Sale of Goods		(₹ in Lakhs)	
Name	2021-22	2020-21	
M/s.K.P.R. Mill Limited	11	-	
	11	-	

b. Lease rent paid		(₹ in Lakhs)	
Name	2021-22	2020-21	
M/s.K.P.R. Mill Limited	1.20	-	
	1.20	-	

c. Jobwork Expenses		(₹ in Lakhs)	
Name	2021-22	2020-21	
M/s.K.P.R. Mill Limited	0.36	-	
	0.36	-	

d. Amount payable		(₹ in Lakhs)	
Name	2021-22	2020-21	
M/s.K.P.R. Sugar Mill Limited	75	-	
	75	-	

e. Amount Receivable		(₹ in Lakhs)	
Name	2021-22	2020-21	
M/s.K.P.R. Mill Limited	2056	1973	
	2,056	1,973	

24 Earnings Per Share (EPS)		(₹ in Lakhs)	
Particulars	2021-22	2020-21	
Profit for the year attributable to equity shareholders	2	9	
Weighted average number of Shares	1,00,000	1,00,000	
Face Value Per Share (₹)	10	10	
Earnings Per Share (₹) - Basic and Diluted	2	9	



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the financial statements for the year ended 31.03.2022

25 Other Statutory Information

a) No funds 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:

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

b) No funds 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

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

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

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

d) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

e) The Company does not have any 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).

f) The Company has no transactions with struck off companies during the year.

g) The Company has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.

h) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

26 Ratios as per the Schedule III requirements :

Ratios are not presented as there is no operations during the year

The notes from 1 to 26 are an integral part of these financial statements.

For and on behalf of the Board of Directors

"To be read with my report of even date"


K.P. Ramasamy
Chairman
DIN: 00003736


A. Vetrivel
Chartered Accountant


KPD Sigamani
Director
DIN: 00003744


P. Nataraj
Director
DIN: 00229137

A. VETRIVEL, B.Sc., F.C.A.
CHARTERED ACCOUNTANT
M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
TATABAD, COIMBATORE - 641 012
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Coimbatore
23.04.2022