



No. 1/1, Seth Narayandas Layout-II, Tatabad,
Coimbatore - 641 012. Phone : 2495760, 4378813
E-mail : vetrivelfca@gmail.com

AUDITOR'S REPORT

Date :

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF
M/S.QUANTUM KNITS PRIVATE LIMITED

Report on the Ind AS financial statements

I have audited the accompanying Ind AS financial statements of **M/S.QUANTUM KNITS PRIVATE LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2018, Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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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.

Auditor's Responsibility

My responsibility is to express an opinion on these Ind AS financial statements based on my audit.

In conducting my audit, I have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

I conducted my audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.



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I am also responsible to 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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. My conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

I believe that the audit evidence obtained by me is sufficient and appropriate to provide a basis for my audit opinion on the Ind AS financial statements.

Other Matters

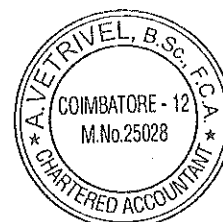
The Ind AS financial statements of the Company for the year ended March 31, 2017 was audited by another auditor who expressed an unmodified opinion on those statements on April 28, 2017. Our opinion is not modified in respect of this matter.

Opinion

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid Ind AS 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 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, I give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



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COIMBATORE**

2. As required by Section 143(3) of the Act, based on my audit 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 including Other Comprehensive Income, 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate Report in "Annexure B". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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, as amended, in my opinion and to the best of our information and according to the explanations given to me:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer note 21 to the Ind AS financial statements;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended March'2018. However amounts as appearing in the audited Ind AS financial statements for the year ended March 31' 2017 have been disclosed.

DATE : 19.04.2018
PLACE : COIMBATORE


A. VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028

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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**M/S.QUANTUM KNITS PRIVATE LIMITED
COIMBATORE**

Annexure "A" to the Independent Auditor's Report for the year ended 31st March 2018

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of my report of even date)

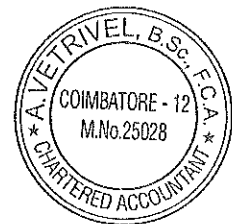
1. In respect of Fixed assets

- a) The company has maintained proper records of the fixed assets showing full particulars including quantitative details and situation of the fixed assets.
- b) Some of the fixed assets were physically verified by the management in accordance with program of verification, which in my opinion provides for the physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to me, no material 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.

2. In respect of inventories:

There is no opening inventory as on 01.04.2017 and closing inventories of the Company as on 31.03.2018.

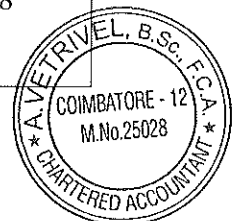
3. According to the information and explanations given to me, the Company has not granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 during the year.
4. In my opinion and according to the information and explanations given to me, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.



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5. In my opinion and according to the information and explanations given to me, the Company has not accepted any deposits covered under section 73 to 76 or any other relevant provisions of the Act. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
6. I have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 as amended and prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. I have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to me, in respect of statutory dues:
- a. The company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, income tax, sales tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax, GST, Cess and any other material statutory dues applicable to it with the appropriate authorities.
- b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Excise Duty, Value Added Tax, GST, Cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- c. Details of dues of Income Tax which have not been deposited as on March'2018 on account of disputes are given below:-

Name of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount Relates	Amount involved (Rs. In lakhs)	Amount unpaid (Rs. In lakhs)
Income Tax Act, 1961	Income Tax	High Court of Madras	2011-12	2430.90	807.48



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8. In my opinion and according to the information and explanations given to me, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has not taken any borrowings from financial institutions or government, and has not issued any debenture during the year.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and in my opinion and according to the information and explanations given to me term loans have been applied by the Company during the year for the purposes for which they were raised.
10. To the best of my knowledge and according to the information and explanations given to me, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The Company is a Private Limited Company and hence the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable to the Company.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
13. In my opinion and according to the information and explanations given to me the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.



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15. In my opinion and according to the information and explanations given to me, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

DATE : 19.04.2018
PLACE : COIMBATORE


A.VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028

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M.No. 200 / 25028
1/1, SETH NARAYANDAS LAY-OUT-II
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**M/S.QUANTUM KNITS PRIVATE LIMITED
COIMBATORE**

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

I have audited the internal financial controls over financial reporting of **QUANTUM KNITS PRIVATE LIMITED** ("the Company") as of 31.03.2018 in conjunction with my audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 ('ICAI'). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditor's Responsibility

My responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



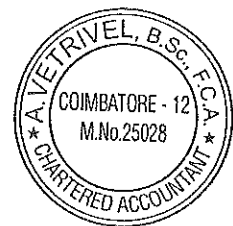
**M/S.QUANTUM KNITS PRIVATE LIMITED
COIMBATORE**

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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.



**M/S.QUANTUM KNITS PRIVATE LIMITED
COIMBATORE**

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In my opinion, to the best of our information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting 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.

**DATE : 19.04.2018
PLACE : COIMBATORE**


**A. VETRIVEL
CHARTERED ACCOUNTANT
MEMBERSHIP NUMBER : 025028**

**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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QUANTUM KNITS PRIVATE LIMITED
BALANCE SHEET AS AT 31.03.2018

	Note	As at 31.03.2018	As at 31.03.2017
		(₹ in Lakhs)	
ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	4	46	49
(b) Other non current assets	5	1,994	2,021
Total non - current assets		2,040	2,070
(2) Current assets			
(a) Financial assets			
(i) Trade receivables	6	-	7
(ii) Cash & cash equivalents	7	16	9
(b) Other current assets	8	1	-
Total current assets		17	16
Total assets		2,057	2,086
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	9	10	10
(b) Other equity	10	2,039	2,067
Total equity		2,049	2,077
(2) Non-current liabilities			
(a) Deferred tax liabilities (Net)	11	8	8
Total non - current liabilities		8	8
(3) Current liabilities			
(a) Other current liabilities	12	-	1
Total current liabilities		-	1
Total equity and liabilities		2,057	2,086
See accompanying notes forming part of the 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.
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Coimbatore
19.04.2018


QUANTUM KNITS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2018

(₹ in Lakhs)

	Note	Year Ended	
		31.03.2018	31.03.2017
I. Revenue from Operations	13	-	408
II. Other Income	14	-	4
III. Total Revenue (I+II)		-	412
IV. Expenses			
Purchase of Stock-in-Trade	15	2	196
Employee Benefits Expense	16	-	53
Finance Costs	17	2	33
Depreciation and Amortization Expenses	4	3	3
Other Expenses	18	27	40
V. Total Expenses		34	325
VI. Profit Before Tax (III-V)		(34)	87
VII. Tax Expenses			
Current Tax			
- Pertaining to current year		-	42
- Pertaining to prior year		(6)	3
Income tax expense		(6)	45
VIII. Profit for the year (VI-VII)		(28)	42
IX. Other Comprehensive Income			
Item that will not be reclassified to profit or loss			
Remeasurement of Actuarial gain / loss on employee defined benefit plans		-	-
X. Total Comprehensive Income for the year (VIII+IX)		(28)	42
Earnings per equity share (EPS)			
Basic and diluted EPS (in ₹)	25	(28)	42
See accompanying notes forming part of the 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


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Coimbatore
19.04.2018

QUANTUM KNITS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2018

PARTICULARS	Year Ended 31.03.2018	Year Ended 31.03.2017
	(₹ in Lakhs)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year	(28)	42
Adjustments for:		
Income Tax Expenses recognised in the statement of profit and loss	(6)	45
Depreciation and amortisation expense	3	3
Finance Costs	2	33
Operating profit before Working Capital changes	(29)	123
Changes in Working Capital:		
Adjustments For (Increase) / Decrease in Operating Assets:		
Trade Receivables	7	986
Other Current Assets	(1)	12
Other Non Current Assets	27	(200)
Other Financial Assets	-	4
Adjustments for Increase / (Decrease) in Operating Liabilities:		
Borrowings	-	(879)
Trade Payables	-	(21)
Other Current Liabilities	(1)	(6)
Cash Generated by Operations	3	19
Net Income Tax (Paid)	6	(171)
Net Cash Generated by Operating Activities	(A) 9	(152)
Net Cash flow Used In Investing Activities	(B) -	-
CASH FLOW FROM FINANCING ACTIVITIES		
Finance Costs Paid	(2)	(33)
Net Cash flow used in Financing Activities	(C) (2)	(33)
Net Increase in Cash and Cash Equivalents	(A+B+C) 7	(185)
Add: Opening Cash and Cash Equivalents	9	194
Closing Cash and Cash Equivalents (Refer Note No 7)	16	9
Closing Cash and Cash Equivalents Comprises		
(a) Balance with Banks:		
i) In Current Accounts	16	9
	16	9
See accompanying notes forming part of the 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

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Coimbatore
19.04.2018

QUANTUM KNITS PRIVATE LIMITED

Statement of changes in Equity for the year ended March 31, 2018

a. Equity Share Capital

(₹ in Lakhs)

Balance as at April 01, 2016	10
Changes during the year	-
Balance as at March 31, 2017	10
Changes during the year	-
Balance as at March 31, 2018	<u>10</u>

b. Other Equity

(₹ in Lakhs)

Particulars	Securities Premium Reserve	Capital Reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at April 01, 2016	-	-	130	1,895	2,025
Profit for the year	-	-	-	42	42
Balance as at March 31, 2017	-	-	130	1,937	2,067
Profit for the year	-	-	-	(28)	(28)
Balance as at March 31, 2018	-	-	130	1,909	2,039

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

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19.04.2018

1 Company Overview

Quantum Knits Private Limited 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.

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 March 31, 2018 (including comparatives) are authorised by the Board on April 19, 2018.

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.

Assumptions and estimation uncertainties:

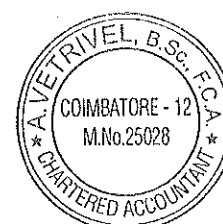
Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different from these estimates.

(i) Recognition of deferred tax assets:

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues. (also refer Note 11)

(ii) 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 3)



(iii) 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 3).

(iv) Inventories:

Management has carefully estimated the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by market-driven changes (also refer Note 3).

(v) Impairment of financial assets - refer Note 3

E MEASUREMENT OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. The inputs used to measure the fair value of assets or a liability fall into different levels of the fair value hierarchy. Accordingly, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the low level input that is significant to the entire measurement.

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer Note 36). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

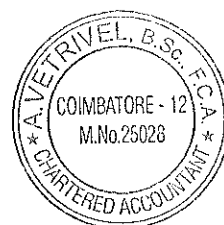
F CURRENT AND NON-CURRENT CLASSIFICATION

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) INVENTORIES

Inventories are valued at lower of cost and net realizable value including necessary provision for obsolescence. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses. The comparison of cost and net realisable value is made on an item by item basis. The cost of raw materials, components, consumable stores and spare parts are determined using first-in first-out / specific identification method. and includes freight, taxes and duties, net of duty credits wherever applicable, and any other expense incurred in bringing them to their present location and condition. Work-in-progress and finished goods include conversion costs in addition to the landed cost of raw materials. Finished goods, including stock in trade and work-in-progress are valued at lower of cost and net realisable value. Cost includes all direct costs including excise duty and applicable manufacturing overheads incurred in bringing them to their present location and condition.



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) before extraordinary items and tax 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, value added 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.

Depreciation:

Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment as prescribed under Schedule II of Companies Act, 2013, except in respect of certain assets, where useful life is different from those prescribed under Schedule II. Freehold land is not depreciated.

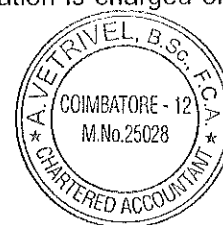
Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated on technical assessment on straight line method, in accordance with Part A of Schedule II to the Companies Act, 2013.

The estimated useful life of the property, plant and equipment followed by the Company is furnished below:

Factory Building	~ 30 Years
Non Factory Building	~ 60 Years
Plant & Equipments	~ 10-20 Years
Electricals	~ 14 Years
Computers & accessories	~ 3 Years
Furniture's & fixtures	~ 10 Years
Vehicles	~ 8-10 Years
Windmill	~ 12 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if necessary, for each reporting period.

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



E) REVENUE RECOGNITION

Revenue from sale of goods is recognized when the significant risks and rewards of ownership is transferred. The Company has considered the detailed criteria for the recognition of revenue from the sale of goods and from rendering of services set out in Ind AS 18 "Revenue" and in particular transfer of risks and rewards of ownership of the goods and flow of economic benefits associated with the transaction. Revenue from sales is stated net of discounts, rebates and taxes.

Revenue from sale of services is recognised when related services are rendered.

F) OTHER INCOME

Interest income is recognised using effective interest rate method. Interest income on overdue receivables is recognized only when there is a certainty of receipt.

Export incentives are accounted in the year of exports based on eligibility and expected amount on realisation.

G) FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in other comprehensive income :

- equity investments at fair value through other comprehensive income
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective ; and
- qualifying cash flow hedges to the extent that the hedges are effective.

H) FINANCIAL INSTRUMENTS

(i) Initial Recognition

Trade receivables are initially recognised when they are originated.

All other financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value if the transaction do not contain significant financing component.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, debt instruments at fair value through other comprehensive income (FVTOCI), equity instruments at FVTOCI or fair value through profit and loss account (FVTPL), non derivative financial liabilities at amortised cost or FVTPL and derivative financial instruments (under the category of financial assets or financial liabilities) at FVTPL.

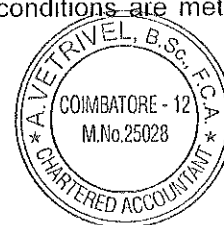
The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

(ii) Classification and subsequent measurement

a) Non-derivative financial assets

Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met and is not designated as at FVTPL :



- (a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Debt instruments at FVTOCI

A debt instrument shall be measured at fair value through other comprehensive income if both of the following conditions are met and is not designated as at FVTPL:

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVTOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

b) Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.



(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in foreign exchange rates on foreign currency assets or liabilities and forecasted cash flows denominated in foreign currencies. The counterparty for these contracts is generally a bank.

Derivatives are recognized and measured at fair value. Attributable transaction costs are recognized in statement of profit and loss. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit and loss.

I) GOVERNMENT GRANTS, SUBSIDIES AND EXPORT INCENTIVES

Government grants relating to income are deferred and recognised in the statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating income.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

J) 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.

K) EMPLOYEE BENEFITS

(a) Short Term

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(b) Long Term Post Employment

Post Employment Benefits comprise of Provident Fund, Employees State Insurance and Gratuity which are accounted for as follows:

Provident Fund & Employee State Insurance

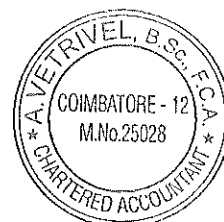
Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

L) BORROWING COSTS

Borrowing cost directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.



M) 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.

N) INCOME TAXES

Income tax expense represents current and deferred 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.

i) Current tax

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.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

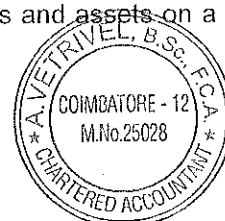
Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interest are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by same tax authority on same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or its tax assets and liabilities will be realised simultaneously.



iii) Recognition

Current and deferred tax are recognised in profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

O) 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.

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).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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.

P) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions:

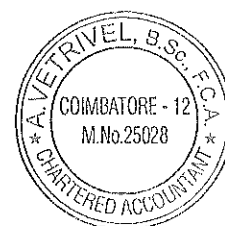
A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected 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

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.



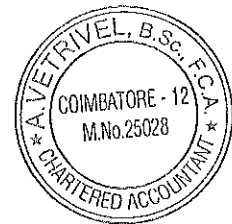
NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standard - Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 on Revenue, Ind AS 11 on Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. This standard is effective from annual periods beginning on or after April 1, 2018 and will be applied accordingly. In this regard, the Company is in process of carrying out assessment of potential impact on adoption of Ind AS 115 on accounting policies followed and accordingly impact on its financial statements on initial application of this standard is not reasonably estimable at present.

Amendment to existing standard - Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment to Ind AS 21 clarifies on accounting of transactions that include receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. In this regard, the Company is in the process of carrying out its assessment of potential impact on adoption of this amendment on accounting policies followed in its financial statements.

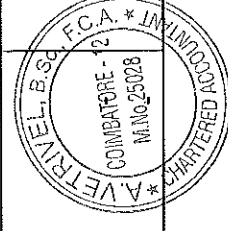


QUANTUM KNITS PRIVATE LIMITED

4. PROPERTY, PLANT AND EQUIPMENT

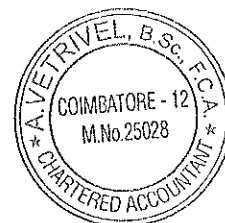
(₹ in Lakhs)

Particulars	Property, Plant & Equipment							
	Freehold Land	Factory Building	Non-factory Building	Plant and Equipment	Electricals	Furniture and Fixture	Computers and accessories	Vehicles
Gross carrying amount								
As at 01.04.2016	-	-	-	52	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-
As at 31.03.2017	-	-	-	52	-	-	-	-
Additions	-	-	-	-	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-
As at 31.03.2018	-	-	-	52	-	-	-	-
Accumulated Depreciation								
As at 01.04.2016	-	-	-	-	-	-	-	-
Depreciation Expense	-	-	-	3	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-
As at 31.03.2017	-	-	-	3	-	-	-	-
Depreciation Expense	-	-	-	3	-	-	-	-
Disposals / adjustments	-	-	-	-	-	-	-	-
As at 31.03.2018	-	-	-	6	-	-	-	-
Net carrying amount								
As at 31.03.2017	-	-	-	49	-	-	-	-
As at 31.03.2018	-	-	-	46	-	-	-	-



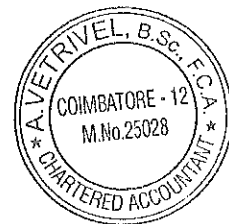
QUANTUM KNITS PRIVATE LIMITED
Notes forming part of the Financial Statements

		As at	
		31.03.2018	31.03.2017
		(₹ in Lakhs)	
5 OTHERS NON CURRENT ASSETS			
Advances other than capital advances			
Advance for Purchases	1976	2020	
Advance Tax	-	1	
Refund Due from Income Tax	18	-	
	1,994	2,021	
FINANCIAL ASSETS			
6 TRADE RECEIVABLES			
Unsecured and Considered good			
Trade Receivables	-	7	
	-	7	
7 CASH AND CASH EQUIVALENTS			
Cash on Hand	-	-	
Balance with Banks			
i) In Current Accounts	16	9	
	16	9	
<p>During the previous year, the Company had specified bank notes and other denomination notes. As defined in the MCA notification G.S.R. 308 (E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:</p>			
(in ₹)			
Particulars	SBN	Other Notes	Total
Closing cash on hand as on 08.11.2016	1,16,000	265	1,16,265
Add : Permitted receipts	-	2,48,000	2,48,000
Less : Permitted payments	-	-	-
Less : Amount deposited in Banks	1,16,000	-	1,16,000
Closing cash on hand as on 30.12.2016	-	2,48,265	2,48,265
8 OTHER CURRENT ASSETS			
Balances with Government Authorities			
GST Credit Receivable		1	-
		1	-



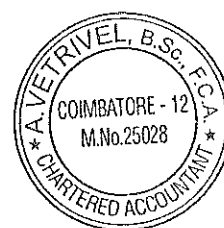
QUANTUM KNITS PRIVATE LIMITED
Notes forming part of the Financial Statements

		As at	
		31.03.2018	31.03.2017
		(₹ in Lakhs)	
9 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	
9.1	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 company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the 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.		
9.2	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 31.03.2018	For the Year Ended 31.03.2017
	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.		
9.3	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

		As at	
		31.03.2018	31.03.2017
		(` in Lakhs)	
10	OTHER EQUITY		
	General Reserve		
	Opening Balance	130	130
	Add: Transfer from Surplus in the Statement of Profit and Loss	-	-
	Closing Balance (A)	130	130
<p>The General reserve is used from time to time to transfer profits from retained earnings for appropriations purposes. 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 be reclassified subsequently to profit or loss.</p>			
	Retained Earnings		
	Opening Balance	1,937	1,895
	Add: Profit for the year	(28)	42
	Closing Balance (B)	1,909	1,937
<p>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.</p>			
	Total (A+B)	2,039	2,067
11	DEFERRED TAX LIABILITIES		
	Deferred Tax Liabilities	8	8
	Deferred Tax Assets	-	-
	Net deferred tax liabilities	8	8
	CURRENT LIABILITY		
12	OTHER CURRENT LIABILITIES		
	Advance from Customers	-	1
		-	1



QUANTUM KNITS PRIVATE LIMITED

Notes Forming part of the Financial Statements

(₹ in Lakhs)

		Year Ended	
		31.03.2018	31.03.2017
13	REVENUE FROM OPERATIONS		
	Sale of Products	-	301
	Other Operating Revenues	-	107
	Revenue from Operations (Gross)	-	408
13.1	Sale of Products		
	Garment	-	301
		-	301
13.2	Other Operating Revenues		
	Export Incentives	-	107
		-	107
14	OTHER INCOME		
	Miscellaneous Income	-	4
		-	4
15	PURCHASE OF STOCK IN TRADE		
	a) Opening Stock		
	Yarn and Fabric	-	-
		-	-
	b) Add: Purchases and Production Expenses		
	Yarn, Fabric and Garments	-	187
	Production Expenses	2	9
		2	196
	c) Less : Closing Stock		
	Yarn and Fabric	-	-
		-	-
		2	196

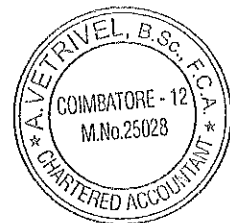


QUANTUM KNITS PRIVATE LIMITED

Notes Forming part of the Financial Statements

(₹ in Lakhs)

		Year Ended	
		31.03.2018	31.03.2017
16	EMPLOYEE BENEFITS EXPENSE		
	Salaries, wages and bonus	-	52
	Contribution to provident and other funds	-	1
		-	53
17	FINANCE COSTS		
	Interest expense on financial liabilities measured at amortised cost		
	Working Capital Loans	-	11
	Others	2	22
		2	33
18	OTHER EXPENSES		
	Administration Expenses		
	Professional Fees	3	3
	Rates and Taxes	(4)	-
	Payment to Auditors (Refer Note 20)	1	3
	Expenditure on Corporate Social Responsibility (CSR) (Refer Note 23)	27	28
	General Expenses	-	3
	Selling Expenses		
	Freight & Forwarding	-	3
		27	40



QUANTUM KNITS PRIVATE LIMITED
Notes forming part of the Financial Statements

19 INCOME TAX

(₹ in Lakhs)

Particulars	2017-18	2016-17
Income tax recognised in profit or loss		
Current tax		
Current income tax charge	-	42
Adjustment in respect of current income tax of prior years	(6)	3
Mat Credit entitlement	-	-
	(6)	45
Deferred tax		
In respect of current year	-	-
Total	(6)	45

19.1 Reconciliation with effective tax rate

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

Particulars	Effective Tax Rate		Amount	
	2017-18	2016-17	2017-18	2016-17
Profit before tax			(34)	87
Tax using the Company's domestic tax rate	0.00%	34.61%	-	30
Effect of deductions under Chapter VI-A of the Income Tax Act, 1961	0.00%	-5.75%	-	(5)
Effect of non-deductible expenses and others	0.00%	19.54%	-	17
	0.00%	48.40%	-	42
Adjustments recognised in the current year in relation to the current tax of prior years	-17.65%	3.45%	(6)	3
Income tax recognised in profit or loss	-17.65%	51.85%	(6)	45

20 Payment to Auditor

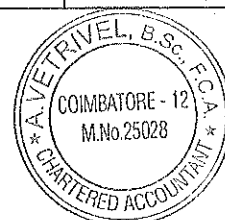
(₹ in Lakhs)

Particulars	2017-18	2016-17
Audit Fees	1	3
Expenses (incl. Service Tax)	-	-
Total	1	3

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

(₹ in Lakhs)

Particulars	As at 31 March, 2018	As at 31 March, 2017
Contingent Liabilities :		
(a) Disputed Liabilities in Appeal:		
(i) Income Tax demands	807	2,050



QUANTUM KNITS PRIVATE LIMITED

Notes forming part of the Financial Statements

22 Micro, Small and Medium Enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 28, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number in accordance with the Micro, Small and Medium Development Act, 2006. In this regard, the Company had circulated letters to suppliers about their coverage under the said Act. Since there was no response from suppliers, necessary disclosures as required under section 22 of the Micro, Small and Medium Development Act, 2006 have not been made in these financial statements. Further, in view of the Management, the impact of interest, if any that may be payable in accordance with the provisions of this Act is not expected to be material. The Company has not received any claim for interest from any such supplier as at the balance sheet date.

23 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 ₹ 27 Lakhs (Pr.Yr. ₹ 28 Lakhs). Amount spent during the year on CSR activities (included in note 26 of the Statement of Profit & Loss) as under:

Particulars	(₹ in Lakhs)	
	For the year Ended	
	31.03.2018	31.03.2017
Promotion of Education	27	28
Total	27	28



QUANTUM KNITS PRIVATE LIMITED
Notes forming part of the Financial Statements

24 Related Party disclosures

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

24.1 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)
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 K.P.R.Charities M/s K.P.R.Sugar Mill Limited

24.2

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 31/03/2018
Purchase of Goods	- (187)	- -	- (187)
CSR Contribution	27 (28)	- -	27 (28)
Amount Receivable	1,976 (2,020)	- -	1,976 (2,020)
Amount Payable	- -	- (1)	- (1)

Note: Figures in brackets relates to the previous year

24.3 Details of transactions with related parties

a. Purchase of goods

(₹ in Lakhs)

Name	2017-18	2016-17
M/s.K.P.R.Sugar Mill Limited	-	187

b. CSR Contribution

(₹ in Lakhs)

Name	2017-18	2016-17
M/s.K.P.R.Charities	27	28



QUANTUM KNITS PRIVATE LIMITED
Notes forming part of the Financial Statements

c. Amount Receivable (₹ in Lakhs)		
Name	2017-18	2016-17
M/s.K.P.R. Sugar Mill Limited	1,976	2,020

d. Amount Payable (₹ in Lakhs)		
Name	2017-18	2016-17
M/s.K.P.R. Mill Limited	-	1

25 Earnings Per Share (EPS)

Particulars	2017-18	2016-17
Profit for the year attributable to equity shareholders	(28)	42
Weighted average number of Shares	1,00,000	1,00,000
Face Value Per Share (₹)	10	10
Earnings Per Share (₹) - Basic and Diluted	(28.00)	42.00

26 Segment Reporting

The Company is mainly engaged in the business of garments. Considering the nature of business and financial reporting of the Company, the Company has only one business segment viz; textile as reportable segment. The Company operates in Domestic and Export segments geographically. The sales and assets for both is separately given, but due to the nature of business the liabilities and expenses for these activities cannot be bifurcated separately.

(₹ in Lakhs)

26.1 Geographic Segment	Sales		Receivables	
	2017-18	2016-17	2017-18	2016-17
Domestic	-	301	-	-
Total	-	301	-	-

26.2 Information about major Customers

Name of the customer	% of Sales	
	2017-18	2016-17
Decathlon Sports India Pvt Ltd	-	65.27

27 Previous Year's Figures

The previous year figures have been regrouped / reclassified wherever necessary to conform to current year's classification.

The notes from 1 to 27 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