CLC INDUSTRIES LIMITED

(Formerly known as SPENTEX INDUSTRIES LIMITED)

September 27, 2018

To,	To,
Listing Department **BSE Limited** 25th Floor, P J Towers, Dalal Street Mumbai 400 001 Stock Code. **521082**	**Manager – Listing Compliances** **National Stock Exchange Of India Ltd.** Exchange Plaza Bandra Kurla Complex Bandra (E), Mumbai-400051 Stock Code: **SPENTEX**

Dear Sir/Madam,

Sub: Submission of Annual Report for the financial year 2017-2018

Ref: Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year 2017-18 duly approved and adopted by the members at the 26th Annual General Meeting held on 27th September, 2018 as per the applicable provisions of the Companies Act, 2013.

Please take the above on record.

Thanking you,

Yours truly,
For **CLC INDUSTRIES LIMITED**
(Formerly known as SPENTEX INDUSTRIES LTD.)

For CLC Industries Limited

BHARAT KAPOOR
COMPANY SECRETARY
Company Secretary

Encl : as above.

Regd. & Corporate Office: A – 60, Okhla Industrial Area, Phase – II, New Delhi – 110020 (India)
Tel: +91-11-46598900, **Fax:** +91-11-2638518, **Email:** info@clcindia.com, www.spentexindustries.com
CIN: L74899DL1991PLC138153

26th Annual Report

2017-2018

Going Beyond Tomorrow...

CLC INDUSTRIES LIMITED

(Formerly known as Spentex Industries Ltd.)

CLC™

BOARD OF DIRECTORS

Mr. Ajay Kumar Choudhary	- Chairman
Mr. Mukund Choudhary	- Managing Director
Mr. Kapil Choudhary	- Deputy Managing Director
Mr. Deepak Diwan	- Independent Director
Mrs. Charul Jain	- Independent Woman Director
Mrs. Shivani Gupta	- Independent Woman Director
Mr. Kapoor Chand Garg	- Independent Director
Mr. Rajinder Kumar Jain	- Nominee Director - Axis Bank

BANKERS / INSTITUTIONS

State Bank of India
Kotak Mahindra Bank
Bank of Baroda
Indusind Bank
Canara Bank
Indian Bank
ICICI Bank Ltd.
IDBI Bank Ltd.
Axis Bank Ltd.
Oriental Bank of Commerce

COMPANY SECRETARY

Mr. Bharat Kapoor

AUDITORS

R. N. Marwah & Co. LLP

REGISTERED & CORPORATE OFFICE

A-60, Okhla Industrial Area
Phase-II, New Delhi-110020
Ph.: 011-26387738, 41614999
Fax : 011-26385181
E-mail : secretarial@clcindia.com

PLANTS

B-1, MIDC, Chincholi - Kondi
Dist. - Solapur, Maharashtra - 413255 (India)

D-48, MIDC, Baramati, Dist. Pune
Maharashtra - 413133 (India)

51-A, Industrial Area, Sector-III, Pithampur
Distt. Dhar, Madhya Pradesh - 454774 (India)

31-A, MIDC Industrial Area, Butibori
Nagpur - 441122, Maharashtra (India)

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BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 26th Annual Report on the business and operation of the Company along with the Audited Financial Statements for the financial year ended at March 31, 2018.

Financial Results

The highlights of the financial results for the year ended 31st March, 2018 are as under:

(Rs in Lakh except EPS)

Particulars	2017-2018		2016-2017	
	Consolidated	Standalone	Consolidated	Standalone
Revenue from operations	47,997.69	47,997.69	78,230.04	78,214.20
Other Income	9,707.09	1127.32	7,905.77	7,904.94
Profit/(Loss) before depreciation, finance costs and Tax (PBDIT) inclusive of other income	5,909.64	(2670.13)	836.99	1,429.25
Finance Costs	1,938.56	877.12	6,246.78	5,084.38
Depreciation and amortization exp.	1,057.63	1,057.63	1,388.73	1,091.90
Profit/(Loss) before Exceptional items, Extraordinary items and tax (PBT)	2,913.45	(4,604.88)	(6,798.52)	(4,747.03)
Exceptional items (expenses)	(14,502.58)	(12,203.82)	(24,125.40)	(2,099.87)
Profit/(Loss) before tax	11,589.13	(16,808.70)	(30,923.92)	(6,846.90)
Tax expenses	(44.13)	(44.13)	-	-
Net Profit/(Loss)	(11,545.00)	(16,764.57)	(30,923.92)	(6,846.90)
EPS	(12.86)	(18.67)	(34.45)	(7.63)

Management Discussion and Analysis Report

Textile Industry

Textile industry plays a pivotal role in providing one of the most basic needs of people-clothing. It is not only second largest employment provider after agriculture, but is one of the critical drivers of Indian economy. Globally, textile industry has seen an unprecedented growth, paving the way for increasing role of Indian Textile companies in the global textile industry.

Global Textile Market Overview

The global textile and apparel industry has grown over the years and is expected to further grow along with growing consumption of textile and apparel products in developing countries and a gradual economic recovery of major developed markets. In 2015, all four BRIC nations appear among the top markets having a cumulative share of approximately 23%, with China leading the pack. Rest all largest markets are developed countries.

Global apparel market size is expected to grow at a CAGR of 4% from US$ 1.6 trillion in 2015 to US$ 2.6 trillion in 2025. It is expected that apparel market size of the countries like India and China will grow at a CAGR of 12% and 10% respectively in coming 10 years whereas the growth rate of other countries will be comparatively very low.

Apparel and Home Textiles are the faster growing traded categories and have shown a growth rate of 5% and 4% respectively in the last 10 years. Fabric and fibre categories have grown at a CAGR of 3% each while the filament and yarn categories have shown a CAGR of only 2% over the same period.

It is expected that the combined apparel market size of China and India will become US$ 795 Bn. by 2025 and surpass the combined market size of USA and Europe, which will be US$ 775 Bn. in 2025. Trends facilitating the growth in India are increasing youth population and high purchasing power, shift from need- based purchase to aspiration- based purchase, growing urbanization increasing the market demand, increased penetration of technology and greater access to internet resulting in significant growth in online retail sales.

Indian Textile Market Overview

The Indian domestic consumption of textile and apparel is valued at US$ 80 bn. in 2015. Within this, apparel retail contributes US$ 59 bn., technical textiles contribute US$ 15 bn. and home textiles contribute US$ 6 bn. The domestic apparel market worth US$ 59 bn. has registered a robust CAGR of 10% since 2005 despite global demand uncertainties. Indian domestic market has performed better than the largest consumption regions like US, EU and Japan, where depressed economic conditions led to lower demand growth. Due to presence of strong fundamentals, the domestic apparel market size of India is expected to reach a level US$ 180 bn. by 2025.

Overview of the Global Trade/Economy

Global textile and apparel trade grew at a rate of 4 % over the last decade to reach a value of US$ 776 bn. in 2015. During the same period, India's export of textile and apparel grew at a comparatively higher rate of 8% to reach an export value of US$ 37 bn. India enjoys the position of being the second largest exporter of textile products to the world, with share of 5% of global trade and potential to increase share significantly in future. Global yarn trade stood at US$ 27 bn in 2015 representing 4% of the total textile and apparel trade of world. In last few years, the global trade of yarn has reduced; however, global yarn trade registered growth at a CAGR of 3% from its value of US$ 21 bn in 2005.

During the year under review, as noted by the World Bank, global economic growth sentiments improved much stronger than expected, with the recovery in investment, manufacturing, and trade which continues, as commodity-exporting developing economies also benefit from firming commodity prices. In its latest India Development Update, the World Bank said India's economy will grow 7.3% in this fiscal year 2018-19. The Government's push towards manufacturing sector and digital economy and "Make in India" initiatives, will further provide the thrust for fuelling economic growth, in times to come.

Overall Company Performance Review

Your Company has integrated Cotton, Polyester & blended Yarn manufacturing facilities in India with a capacity of 2,14,416 spindles and stable customer base with long term mutually beneficial business relationship both in India and abroad. Your company has presence across the entire value chain of cotton and polyester yarn with ability to offer varied products as required by the Indian and global markets.

Business environment for Textile Industry, where your company operates, remained highly volatile in recent past and its adverse impact affected the performance of the company. During the year under review, the operations of your Company were adversely impacted due to combination of macro affairs like legged affect of demonetization, huge disruption in textile industry, post introduction of Goods & Service Tax Act (GST) and poor cash flow. In addition to the above, other factors viz. (a) gap in demand/supply of yarn, (b) Increase in Raw Material Cost and Power tariff, (c) constraints of working capital leading to non optimal utilization of plant capacities, (d) Poor domestic demand and overall subdued sentiments in the business world, and (e) Steep fluctuation in Foreign Currency & Fuel etc. also adversely impacted the performance of the Company.

Your Company's Exports have failed to cheer up due to lack of adequate working capital as well as lack of demand and competition from neighboring countries and also due to huge disparity between spot cotton prices and yarn prices. As a result, there has been significant decline in EBIDTA levels which have resulted in huge financial strain on the Company. Efforts are being continuously made to make the Company withstand such pressures and grow within the highly competitive environment.

Management Perception on Opportunities, Risks, Concern & Outlook

Opportunities & Outlook

Your Company has been taking several initiatives for restructuring of business processes, improving plant efficiency and cost savings which should bear fruits in the future. Your Company has approached the banks/financial institutions to bailout the Company from the present situation, by restructuring its loans and to extend financial assistance to address its requirement of working capital, and other needs. Hopefully, your Company would be successful, to get restructuring of its debts done in due course. With adequate working capital and a strong export base built over the years, your Company will continue to offer market driven quality product mix for progressively improving its operational profile and outcomes.

Your Company is in process of reviewing its strategy and tools to find ways to increase its turnover, reduce its costs and achieve a higher value addition so that it could come out with the positive result in the near future. Management is keeping a close watch on various threats/risks being faced by the company and taking all appropriate steps to improve the performance of the Company.

With due strategic focus on efficient plant operations, cost cutting, close monitoring of operations by management and other administrative & operational initiatives taken by the company, and keeping in view the market trends & the emerging business scenario, your Company is confident of achieving improvement in its operational performance in near future.

Risks and Concerns

Though we welcome implementation of the GST but during the initial period of 2017 -18, Indian economy had to bear the twin shocks i.e after effects of demonetization and the mid-year rollout of the new indirect tax system, by implementing Goods & Services Tax (GST), without putting adequate infrastructure in place, which resulted in reduced cash flow and sluggish sales. The Indian textile sector is also facing major challenges in the form of rising production costs due to increasing, wages, power and interest cost which has an adverse cascading effect on the industry as a whole.

Further due to fluctuating cotton and yarn prices and uncertainties in the foreign exchange market, increase in power cost, introduction of GST and lack of adequate working capital, the EBIDTA levels may remain stagnant during the year. However, your directors and management would take all necessary measures to hedge these risk and increase the EBIDTA levels in coming quarters and with that your Company expects business environment to improve going forward. With the strong domestic consumption trend and initiatives formulated by the company with regard to product mix, waste material control & other related issues, your directors are confident that sales volumes would reasonably shore up with consequent strengthening of the margins in due course. We also hope to get rid of the teething problems which arose out of implementation GST very soon.

Internal Control Systems and Adequacy

The Company has an internal control system, commensurate with the size, scale and complexity of its operations. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the internal audit reports, process owners undertake corrective actions in their respective areas and thereby further strengthen the controls, significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

Human Resources/Industrial Relations

The Company and its management value the talent, commitment and dedication of its employees and acknowledge their contribution. All employees in the Company work as a team and integral part of the family, sharing their ideas and concerns through discussions and intranet network installed across the units. Industrial Relations scenario at all units continues to be healthy and enthusiastic.

Indian Accounting Standards (Ind AS)

The Company has drawn up its accounts for the first time under Indian Accounting Standards (Ind - As) as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards), Rules, 2015, as amended, with the date of transition to Ind-As as 1st April, 2016.

Cautionary Statement

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations or predictions may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in Government regulation, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors, including availability of adequate working capital etc.

Financial Analysis and Performance Review

During the financial year ended at 31st March, 2018, the Company's operations were adversely impacted due to continuing constraints of working capital, leading to non optimal utilization of plant capacities, low production volumes, high power tariff, increase in Fiber/Raw Material cost and delayed realization of Government Revenue, on account of implementation of G.S.T mechanism, being still perfected. The Company's turnover and other income, on standalone basis, for the year under review was Rs. 49,125.01 Lakh as against Rs. 86,119.14 Lakh in the previous year. The Net Loss has been registered at Rs. 16,764.57 Lakh against a net loss of Rs. 6,846.90 Lakh in the previous year. The loss during the year under review has been higher by Rs. 96 Crores due to write-off/ provision made with regard to erosion of its investment made in, its subsidiary, Amit Spinning Industries Limited.

Yarn Manufacturing

During the year under review, the Company on standalone basis has manufactured 30,372.50 MT of yarn as compared to 44,969.66 MT of yarn produced during the previous year. Decrease in Production, has been mainly due to non-availability of adequate working capital, not able to run plants to their optimal capacities and slow progress in restructuring by the Banks, due to their cautious approach under the changed environment.

Subsidiaries

The Company has following three subsidiaries including step down subsidiary, as on March 31, 2018.

(a) M/s Amit Spinning Industries Limited (for which Resolution Plan has been approved by NCLT under IBC, 2016).

(b) M/s Spentex Netherlands B.V. (SNBV, a Netherlands based Subsidiary)

(c) M/s. Schoeller Textile Netherlands B.V. (a Netherlands based step down subsidiary)

There are no associate companies or joint venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("Act").

Amit Spinning Industries Ltd. (ASIL), India: ASIL has its manufacturing facilities at Kolhapur, Maharashtra having a capacity of 30,672 spindles. ASIL's operations remain suspended since 11th August, 2015 due to erosion of its net worth and financial constraints including lack of working capital facility; and the said unit had been closed since 1st July, 2017 after completion of applicable legal formalities.

ASIL, due to its financial constraints, had approached to National Company Law Tribunal ("NCLT") for initiating Corporate Insolvency Resolution Process under Insolvency & Bankruptcy Code, 2016 and Hon'ble NCLT, vide its order dated 1st August, 2017, had admitted the petition and appointed Mr. Parveen Bansal as Resolution Professional. Further, Hon'ble NCLT, Principal Bench, New Delhi has, vide its order dated 31st July, 2018, approved the resolution plan as submitted by the Resolution Applicants, for ASIL. ASIL, consequent to such orders, shall no longer be subsidiary of the Company on implementation of Resolution Plan.

Spentex Netherlands B.V, Netherlands (SNBV) & M/s. Schoeller Textile Netherlands B.V (STNBV):

The Company holds 18,200 ordinary shares in SNBV and remaining 1,800 ordinary shares of SNBV are held by the promoters of the Company. STNBV is wholly owned subsidiary of SNBV. As Schoeller Litvinov k.s., erstwhile step-down subsidiary of the Company had been taken over by secured creditors, accordingly, the Company has made provision of SNBV's investment in Schoeller Litvinov k.s. in its books of accounts.

Consolidated Financial Statements

As stipulated by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations, 2015"**), the Company has prepared Consolidated Financial Statement in accordance with the applicable accounting standards as prescribed under the Companies Act, 2013 ("the Act"). The Consolidated Financial Statement reflects the results of the Company and that of its subsidiaries. As required under Regulation 34 of SEBI Listing Regulations, 2015, the Audited Consolidated Financial Statement together with the Independent Auditors' Report thereon, is annexed and the same forms part of this Report.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries of the Company in Form AOC-1 is attached to the Accounts.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the audited financial statements including consolidated financial statements of the Company and accounts in respect of each of the subsidiary companies are available on website of the Company www.spentex.net. These documents shall also be kept open for inspection during business hours at the Registered Office of the Company on or before ensuing Annual General Meeting. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same.

Share Capital

As on 31st March, 2018, the Company's issued and paid up capital stands Rs. 89,77,20,350/- divided into 8,97,72,035 fully paid up equity shares of Rs. 10/- each. During the year, under review, the Company has not issued any share capital. Further the Company has also not issued any share with differential Voting Rights/Sweat Equity shares/under Stock Option Scheme (ESOS) earlier and during the year. The Company has no scheme or provision of money for purchase of its own shares by employees or by trustees, for the benefit of its employees. Hence the details under rule 16 (4) of Companies (Share Capital and Debentures) Rules, 2014 are not required to be disclosed.

The Company had issued 500 non-convertible debentures of Rs. 10.00 lakh each, however during the year under review, no debenture has been issued. However, the maturity date of redemption of aforesaid NCDs expired on 31st March, 2018 and the Company is in process to seek extension in the redemption of such NCDs till 31st March'2019 or till the restructuring of its debts, as the case may be.

Directors and Key Managerial Personnel

As on 31st March, 2018, the Company had the following Whole-time Key Managerial Personnel (KMPs) in accordance with the provisions of Section 203 of the Companies Act, 2013:

1. Mr. Ajay Kumar Choudhary - Chairman
2. Mr. Mukund Choudhary - Managing Director

3. Mr. Kapil Choudhary - Deputy Managing Director
4. Mr. Yash Jain - Chief Financial Officer

In accordance with the provisions of section 152(6) of the Act and the Articles of Association of the Company, Mr. Ajay Kumar Choudhary (DIN:0051629) retires by rotation at the ensuing Annual General Meeting (AGM), and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Change in Directors or Key Managerial Personnel (KMPs)

During the period under review, the following appointment/re-appointment/cessation have been made in directors/Key Managerial Personnel in terms of provisions of the Companies Act, 2013 read with SEBI Listing Regulations, 2015:

1. Ms. Kamal Kapur, Independent Director and Mr. Samir Kumar Nath, Nominee Director (on behalf of State Bank of India) resigned from the Board of Directors of the Company w.e.f 1st October, 2017 and 1st December, 2017 respectively.
2. Mrs. Charul Jain has been appointed as an Additional Director (Non-Executive and Independent Directors) of the Company w.e.f 29th November, 2017.
3. Mrs. Shivani Gupta and Mr. Kapoor Chand Garg have been appointed as Additional Directors (Non-Executive and Independent Directors) of the Company w.e.f 17th July, 2018.
4. Mr. Rajinder Kumar Jain has been appointed as Nominee Director (representing Axis Bank Ltd) w.e.f 28th May, 2018.
5. Mr. Bharat Kapoor has been appointed as Company Secretary and whole-time Key Managerial Personnel of the Company w.e.f. 28th May, 2018 in place of Mr. Prakash Chandra Thakur, who resigned as Company Secretary of the Company w.e.f 30th December, 2017.
6. Mr. Yash Jain was appointed as Chief Financial Officer of the Company w.e.f 18th December, 2017 and he subsequently resigned from the said position w.e.f 25th June, 2018.

Based on the recommendation of the Nomination and Remuneration Committee at its meeting held on 8th December, 2017, Board of Directors of the Company at its meeting held on 12th February, 2018, has approved the re-appointment of Mr. Kapil Choudhary as Deputy Managing Director of the Company, for a further period of 5 years with effect from 2nd December, 2018 and payment of remuneration to him for a period of three years i.e. April 1, 2018 to 31st March, 2021 in accordance with Schedule V of the Companies Act, 2013 and approval is being sought from the Members vide special resolution at the ensuing Annual General Meeting.

Further, your Board also recommends the appointment of Mrs. Shivani Gupta and Mr. Kapoor Chand Garg as Independent Directors of the Company for a period of three consecutive years from the date of their original appointment in the Company.

None of the Directors are disqualified under Section 164(2) of the Companies Act, 2013.

Number of Meetings of the Board

During the year under review, four meetings of the Board were held. The detailed information of the Board Meetings is mentioned in the Corporate Governance Report which forms part to this report.

Declaration by Independent Directors

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations, 2015.

The non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than getting the sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

Board evaluation

In terms of the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, annual evaluation of the performance of the Board, its committees and of individual directors has been made. The Board and the Nomination and Remuneration Committee reviewed the performance of the individual directors on the basis of laid down criteria.

Independent Directors of the Company had, in their separate meeting held on 12th February, 2018, reviewed the performance of non-independent directors and Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors. Further, the Independent Directors hold unanimous opinion that the Non-Independent Directors as well as the Chairman bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation and have a deep knowledge of industry. They have been performing reasonably well, under the prevailing circumstances.

Nomination and Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The aforesaid Policy is stated in the Corporate Governance Report and is available on the website of the Company www.spentex.net . During the year under review, neither the Managing Director nor the Whole-time Directors of the Company received any remuneration or commission from any of its subsidiaries. Mr. Ajay Kumar Choudhary, Mr. Mukund Choudhary and Mr. Kapil Choudhary, the promoter directors of the Company have not received any remuneration for the period from May, 2017 to March, 2018 from the Company, in view of the financial difficulties being faced by the Company.

Committees of the Board

Currently, the Board has seven committees namely the Audit Committee, the Nomination & Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders Relationship Committee, the Risk Management Committee, Banking Committee and Fund Management Committee respectively.

Audit Committee

Audit Committee of the Board has been constituted as per the SEBI Listing Regulations and section 177 of the Companies Act, 2013. The composition and other details of the Audit Committee are provided in Corporate Governance Report which is part of this Report.

Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of the Board has been constituted and the Company has framed a CSR Policy in compliance with the provisions of the Act and the same is placed on the Company's website www.spentex.net .The composition of committee is disclosed in Corporate Governance Report forming part to this report.

Risk Management

The Board of Directors of the Company has constituted a Risk Management Committee to oversee the risk management plan in the Company. The details of Committee and its terms of reference are set out in the Corporate Governance Report forming part of the Board's Report. The Risk Management Policy has also been hosted on the website of the Company www.spentex.net .

A detailed note on the composition of the Board and its various committees is provided in the Corporate Governance Report forming part to this Annual Report.

Vigil Mechanism

The Company has framed and implemented a vigil mechanism named as Whistle Blower Policy to deal with instances of fraud and mismanagement, if any, in terms of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015. The details of the Whistle Blower Policy are provided in the Corporate Governance Report and also posted on the website of the Company.

Directors' Responsibility Statement

Pursuant to the requirement of Section 134(3)(c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit and loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Related Party Transactions

In compliance with the provisions of the Act and SEBI Listing Regulations, 2015, all related party transactions are placed before the Audit Committee for prior approval and also before the Board wherever necessary. A prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are of a foreseen and repetitive in nature in terms of Regulation 23(2) of SEBI Listing Regulations, 2015.

During the year under review, all Contracts/arrangements/transactions entered into by the Company with related parties were on an arm's length basis and largely in the ordinary course of business, details of which are provided in the notes to the financial statements. Accordingly, there is no transaction to be reported in Form AOC- 2 in terms of Section 134 of the Act read with Companies (Accounts) Rules, 2014. There were no materially significant related party transactions with related parties during the financial year under review, which may have a potential conflict with the interest of the Company at large.

The policy on Related Party Transactions is available on the Company's website www.spentex.net.

Significant and Material Orders passed by the Regulators or Courts

During the year under review, there are no significant or material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

AUDITORS

Statutory Auditors

Pursuant to Section 139 of the Companies Act, 2013 and rules framed there under, M/s. R. N. Marwah & Co. LLP, Chartered Accountants, (Firm Registration No. 001211N) were appointed as Statutory Auditors of the Company at 25th Annual General Meeting held on 25th September, 2017 for a term of three consecutive years to hold office from the conclusion of 25th Annual General Meeting till conclusion of 28th Annual General Meeting subject to ratification of their appointment at every Annual General Meeting. However, as per Companies Amendment Act, 2017, ratification of the appointment of Statutory Auditors is not mandatory w.e.f 7th May, 2018.

The Company has received a consent and eligibility certificate from M/s R.N. Marwah & Co. LLP, Chartered Accountants for the financial year 2018-19.

Auditors Report

During the year under review, the Statutory Auditors has not found any instances of fraud committed against the Company by its officers or employees and accordingly reporting to the audit committee or Central Government, under Section 143 (12) of the Companies Act, 2013, is not required. The Auditors' Report read with the Notes to Accounts is self-explanatory and does not call for any further explanation under Section 134 of the Companies Act, 2013, except for the responses in respect of some observations as mentioned here in below.

Management's view on Auditor's Observations

Directors' response to the various observations of the auditors made in their report, even though, Management's view has been explained wherever necessary through appropriate notes to accounts, however such views are reproduced hereunder in compliance with the relevant legal requirements:

1. **Auditor's Comment:** The Company has not charged to statement of Profit and loss interest expense of Rs.53,65,22,381/- for the quarter and Rs. 96,10,67,255/- up to previous quarter respectively, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, Auditors are unable to comment on the adequacy of interest and other charges provided for, in the statement of Profit & Loss.

   Management's View: The Company's accounts had become Non performing assets (NPA) with the banks and as per extant applicable guidelines, the lenders have stopped charging interest from the company on their outstanding debts amount from the dates on which their accounts become NPA. Further, company is in advanced discussion with its lenders for a comprehensive deep restructuring and the same is expected to be implemented in current financial year. In view of the above, the Company has not charged to statement of profit and loss account, interest expenses and related other charges.

2. **Auditor's Comment:** The Company's net worth has deteriorated and as of 31st March, 2018, the Company's current liabilities exceeded its total assets by Rs. 3,92,83,09,074/-. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

   Management's View: The Company has approached the banks/financial institutions to bailout the Company from the present situation, by restructuring its loans and to extend financial assistance to address its requirement of working capital, and other needs. Hopefully, the Company would be successful, to get restructuring of its debts done in due course. With adequate working capital and a strong export base built over the years, the Company will continue to offer market driven quality product mix for progressively improving its operational profile and outcomes.

3. **Auditor's Comment:** The Company has made a provision for value of long term Investment amounting to Rs. 20,44,69,921/- in Amit Spinning Industries Limited (ASIL), a subsidiary of the Company and written off recoverable amounting of Rs. 75,57,56,460/- due from above subsidiary. During the year, ASIL moved to National Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT, vide its order dated 01.08.2017, has admitted the ASIL's petition and had appointed Resolution Professional for ASIL. Keeping in view of ongoing proceedings of ASIL in NCLT under the Insolvency and Bankruptcy Code, 2016, Auditors are unable to determine the amount of liability that may arise on account of Corporate Guarantee given on behalf of subsidiary, and compliance of IND-AS 109 in respect to accounting of corporate guarantee.

   Management's View: NCLT vide its order dated 31st July, 2018, has approved the Resolution Plan for ASIL and as per Resolution Plan as approved by NCLT, all the debts of secured lenders will get finally satisfied and extinguished after final payment of the offer as accepted in the approved Resolution Plan and afterwards there will not be any amount left for payment/distribution to employees, creditors and statutory authorities.

4. **Auditor's Comment:** The Company has not allotted shares against the share application amount of Rs. 11,09,50,000/- which was brought in by the promoters in more than one installment under restructuring scheme approved by the Bankers.

   Management's View: Due to non receipt of necessary undertakings/approvals from the Consortium Bank, the company could not issue shares against received share application money and the Company is still awaiting for aforesaid undertakings/approvals.

5. **Auditor's Comment:** The outstanding balance as on 31st March, 2018 in respect of certain trade receivables, trade payables and loans & advances are subject to confirmation/reconciliation and consequential adjustment if any, from the respective parties.

   Management's View: The management, however , does not expect any material variations.

6. **Auditor's Comment:** The Company is required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed methods vide circular no 04/2013 dated February 11, 2013 issued Ministry of Corporate Affairs.

   Management's View: In view of financial difficulties and heavy losses of the Company, the company has applied to Securities & Exchange Board of India (SEBI) seeking exemption for maintaining at least 15% of the amount of its debenture and approval is still awaited.

Cost Auditors

Pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, maintenance of cost records is required by the Company and accordingly, such accounts and records are made and maintained. Mr. Rajesh Goyal, Cost Accountant of M/s. K G Goyal & Associates, Cost Accountants (Firm Registration No.000024) has been appointed as Cost Auditors to carry out audit of the Cost Accounts maintained by the Company for the financial year 2018-19 at a remuneration of Rs. 50,000/-. Remuneration payable to the Cost Auditor is subject to ratification by the members of the Company at the ensuing AGM.

Secretarial Auditor

The Board appointed M/s. Loveneet Handa & Associate, Practicing Company Secretary (having CP No. 10753 & Membership No. 9055) as Secretarial Auditor to conduct secretarial audit for the financial year 2017-2018 pursuant to Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Secretarial Audit Report for the financial year ended March 31, 2018 in Form MR-3 is annexed herewith as Annexure I to this Report in compliance with the provisions of Section 204 of the Companies Act, 2013.

The qualifications/observations/remarks made by the Secretarial Auditors and management's view thereon are given in the aforesaid Report itself.

Internal Auditors

The Company has a dedicated and independent internal Audit Department reporting directly to Audit Committee of the Board. Mr. Prakash Chandra Thakur, Internal Auditor of the Company has resigned w.e.f the closing hours of 30th December, 2017 and Mr. Amresh Kumar Jha has been appointed as Internal Auditor of the Company w.e.f 28th May, 2018.

Internal Financial Control Systems and Adequacy

The Company has in place an adequate system of internal control to ensure that the resources of the Company are used efficiently and effectively, all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly, financial and other data are reliable for preparing financial information and for maintaining accountability of assets. The internal control is supplemented by extensive programme of internal audits, review by management, documented policies, guidelines and procedures. All operating parameters are continuously monitored and controlled.

Extract of the Annual Return

As provided under section 92(3) and 134 (3) (a) of the Companies Act, 2013 the extract of annual return as on the financial year ended 31st March, 2018, in the prescribed Form MGT-9 is placed on the website of the Company www.spentex.net .

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Company has implemented energy conservation initiatives as well as methods and such action has resulted into major savings in energy consumption as well as in cost control. The information as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 is set out in the Annexure - 2 to this Report.

Particulars of Employees

The statement containing particulars of employees as on 31st March, 2018, as required under section 197(12) of the Act read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is given herein under:

Sl. No.	Name	Designation	Remuneration Recieved (Rs.) (Per Month)	Qualification	Exp. In years	Date of Birth	Date of Commencement of the employment	Last employment held by the employee before joining the company
1.	Mr. Ajay Kumar Choudhary	Chairman	4,60,000/-	B.Com	50	30-Oct-1947	5-May-2004	-
2.	Mr. Mukund Choudhary	Managing Director	4,60,000/-	B.Com	25	22-Aug-1971	5-May-2004	-
3.	Mr. Kapil Choudhary	Dy. Managing Director	4,60,000/-	B.Com	25	19-Jun-1973	5-May-2004	-
4.	Mr. Yash Jain*	CFO	4,50,000/-	B.Com & MBA	17	1-Jan-1981	9-Dec-2017	J.M.Financial ARC
5.	Mr. L. N. Kaushik*	President	6,35,984/-	B.Tech (Text),	30	1-Mar-1967	19-May-2006	-
6.	Mr. Pankaj Sharma	Sr. Vice President-Mktg.	3,39,085/-	B.Tech (Textile)	31	8-Jan-1965	1-May-2009	-
7.	Mr. Seemit Bhargava*	Sr. Vice President-Mktg.	3,39,085/-	B.Com	28	11-Oct-1968	23-Mar-2012	Eternit Everest Limited
8.	Mr. Manish Gupta	AVP-Operations	2,26,666/-	B.Sc., B.Tech (Text)	28	31-May-1966	5-Dec-2008	-
9.	Mr. Wasudeo Varade	Sr. General Manager	2,15,000/-	B.Tech (Text)	26	12-Dec-1968	12-Aug-1993	-
10.	Mr. Koushal Madan	GM-MIS	1,87,450/-	ICWA-Inter	23	10-Jan-1971	30-Non-2009	Auro Spining Mills

*As on the date of this report, Mr. Yash Jain, Mr. L.N. Kaushik and Mr. Seemit Bhargava are not associated with the Company.

Mr. Ajay Kumar Choudhary, Mr. Mukund Choudhary and Mr. Kapil Choudhary, being the promoters and executive directors, are related to each other. There has been no increase in the remuneration of directors, CFO and Company Secretary during the financial year 2017-18. There was no employee who received remuneration in excess of limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The Company affirms that remuneration is as per the remuneration policy of the Company.

The detailed statement as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Deposits

The Company has not accepted or renewed any deposit during the year and there are no outstanding and/or overdue deposits as at 31st March, 2018.

Particulars of Loans, Guarantees or Investments

Details of loans, Guarantees and Investments covered under the provision of Section 186 of the Companies Act, 2013 are disclosed in the Financial Statements.

Dividend

In vie of loss suffered by the Company for the financial year ended on 31st March, 2018, your Directors do not recommend payment of any dividend.

Transfer of Reserves

During the year, the Company has not transferred any amount to reserves.

Material changes and commitments affecting the financial position of the Company between the date of Board Report and end of Financial Year

There is no such material change and commitment affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the financial statements relate and the date of the report.

Change in name of the Company

The members of the Company have, by way of postal ballot, approved the Special Resolutions (a) for change of name of the Company from Spentex Industries Limited to CLC Industries Limited and (b) Amendment of Memorandum of Association of the Company to bring contents of MOA in line with draft suggested in Table A of Schedule I to the Companies Act, 2013. The aforesaid resolutions are deemed to have been approved on 19th June, 2018 (last date of The Company (being the last date for receipt of duly filled postal ballot forms and e-voting). The Registrar of Companies, NCT of Delhi & Haryana, has approved the change in name of the Company from Spentex Industries Limited to CLC Industries Limited w.e.f. 19th July, 2018 and issued new Certificate of Incorporation of the Company.

Prevention of Sexual Harassment

To foster a positive workplace environment, free from harassment of any nature, the Company has in place a policy on Prevention of Sexual Harassment of Employees. The Company has complied with provisions relating to constitution of internal complaint committee to address and redress complaints of sexual harassment at the workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year, the Company has not received any complaint on sexual harassment.

Information Technology

Information Technology continues to be an integral part of the Company's business strategy. Recently, the Company has taken proactive technology and compliance software for the purpose of ensuing and monitoring timely regulatory and statutory compliances alongwith system controls in respect of risk and governance. The Company is working on SAP platform integrating all its units located at different places/locations, its business processes, financial parameters, customer transactions and people, effectively on real time basis. Comprehensive security strategies have been framed and the controls have been designed to mitigate the risks and enhanced resistance to cyber-attacks.

Change in the nature of Business

During the year, there is no change in the nature of the business of the company.

Corporate Governance and Management Discussion and Analysis

As stipulated under SEBI Listing Regulations, 2015, a report on Corporate Governance is attached separately as a part of the Annual Report . and Management Discussion and Analysis is included in this Report.

Listing of Shares

Presently Company's shares are listed and traded at the BSE Ltd. and National Stock Exchange of India Ltd.

Conclusion

The Company enjoys leadership position in domestic market with strong competitive advantage in the export segment. However due to sluggish market, shortage of working capital and consequent losses in the recent past, the Company is currently in consolidation mode. We shall, however continue to explore the opportunities to make investments and progress to further strengthen our leadership position, once ongoing debt restructuring by the existing lenders is completed.

Acknowledgements

Your Directors take this opportunity to thank the Financial Institutions, Banks, Central and State Governments authorities, Regulatory authorities, Stock Exchanges, stakeholders, customers and vendors for their continuous support and co-operation, and for the trust reposed by them in the Management. Your Directors also wish to thank all the employees of the Company for their commitment and contributions.

For and on behalf of Board of Directors
Sd/-
Ajay Kumar Choudhary
Chairman
DIN - 00051629

Place: New Delhi
Dated: 14th August, 2018

Annexure 1 to the Directors' Report
Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended On 31st March, 2018
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
CLC Industries Limited
(formerly known as Spentex Industries Limited)
(L74899DL1991PLC138153)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s **CLC Industries Limited** (formerly known as Spentex Industries Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s **CLC Industries Limited** (formerly known as Spentex Industries Limited) as given in Annexure A for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; - N.A.
  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: N.A. and
  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. N.A.
(vi) OTHER APPLICABLE ACTS,
  (a) Factories Act, 1948
  (b) Payment of Wages Act, 1936, and rules made thereunder,
  (c) The Minimum Wages Act, 1948, and rules made thereunder,
  (d) Employees' State Insurance Act, 1948, and rules made thereunder,
  (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
  (f) The Payment of Bonus Act, 1965, and rules made thereunder,
  (g) Payment of Gratuity Act, 1972, and rules made thereunder
  (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
  (i) Food Safety and Standards Act, 2006, and rules made thereunder.
  (j) Environment (Protection) Act, 1986

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd.
3. SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called "SEBI Listing Regulations").

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. However, due to resignation of independent directors during the financial year 2017-18, the composition of the Board of Directors of the Company was short by one Independent Director as on 31st March, 2018 as per the requirements stipulated in SEBI Listing Regulations, but the same was subsequently complied with by the Company by appointing Independent Directors on 17th July, 2018. Accordingly, as on the date of this report, the Composition of the Board of Directors is in accordance with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations.
2. As per the provisions of Companies Act, 2013 read with the rules made thereunder and various Regulations of SEBI Listing Regulations,

the Company has constituted the Risk Management Committee, Stakeholders Relationship Committee, CSR Committee, Audit Committee, Nomination & Remuneration Committee and uploaded the applicable policies at Company's website.

3. All the aforesaid committees are duly constituted as per the provisions of Companies Act, 2013 and SEBI Listing Regulations except the Composition of Nomination & Remuneration Committee, which was not duly constituted as on 31st March, 2018 due to resignation of Non-Executive Independent Directors during the financial year 2017-18 but the same was subsequently complied by the Company as on 18th July, 2018 by appointing Mrs. Shivani Gupta, Non- Executive Independent Director as a member of Nomination & Remuneration Committee in place of Mr. Kapil Choudhary, Executive Director of the Company. Accordingly, as on the date of this report, the Composition of Nomination & Remuneration Committee complies with the provisions of Section 178 of Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.
4. The Company has duly complied with the provisions of Regulation 21 and 22 of SEBI Listing Regulations and Section 177 of Companies Act, 2013 in respect of constitution and composition of Risk Management Committee and formulation of Vigil Mechanism for its Directors and Employees.
5. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
6. The changes in the composition of the Board of Directors, that took place during the period under review, were carried out in compliance with the provisions of the applicable Act/laws.
7. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
8. There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
9. The Company has not paid the Statutory Dues such as EPF (Employee Provident Fund) Dues, ESI (Employee State Insurance) Dues, TDS (Tax Deducted at Source) and TCS (Tax Collected at Source) for the year ended on 31st March, 2018. The Statutory Returns in respect of aforesaid has also not been filed. As per management, the Company is in advanced stage for restructuring of its debts and the aforesaid dues will be paid as and when funds are available with the Company.
10. The Board of Directors of the Company has appointed Key Managerial Personnel and Internal Auditor of the Company as required under Sections 203 and 138 of the Companies Act, 2013 read with the rules made thereunder.
11. In view of the financial difficulties and heavy losses of the Company, the Company has paid part of Annual Listing Fees for the financial year 2017-18 to BSE Limited and the Company has not paid Annual Listing Fees for the financial year 2017-18 to National Stock Exchange of India Ltd.
12. In view of adoption of IND-AS by the Company for the first time w.e.f 1st April, 2017, the Company could submit the Financial Results for the quarter ended 30th June, 2017 on 23rd September, 2017 as against the due date of 14th September, 2017, hence the BSE Ltd. and National Stock Exchange of India Ltd. has imposed SOP (Standard Operating Procedure) Fine for the non compliance of Regulation 33 of SEBI Listing Regulations.

    Further, the Company has submitted its audited financial results for the year ended 31st March, 2018 on 31st May, 2018 instead of due date of 30th May, 2018, in respect of which the National Stock Exchange of India Ltd. has levied a fine of Rs. 5,000/- for non compliance of Regulation 33 of SEBI Listing Regulations.
13. It is stated in the Corporate Governance Report for the quarter ended on 30th June, 2017 that the composition of Board of Directors of the Company is in complaince with the SEBI Listing Regulations however, the composition is not as per regulations due to lack of one independent director, the same has been corrected in the subsequent quarters of the year by stating correct information.
14. The Company has appointed Ms. Charul Jain on its Board as Non- Executive Woman Director w.e.f. 29th November, 2017 by way of circular resolution, however, the same appointment has been noted in the meeting of Nomination and Remuneration Committee held on 08th December, 2017.
15. The Company has served intimation for the adjournment of Board Meeting originally held on 8th December, 2017 however, no intimation has been served for the extension of Trading Window Period as per SEBI (Prohibition of Insider Trading) Regulations, 1992 in respect of adjourned meeting.
16. As per the intimation served to the stock exchanges on 11th October, 2017, the Compliance Officer of the Company has been changed w.e.f. 10th October, 2017, from Mr. B.V.R. Murthy to Mr. Prakash Chandra Thakur.
17. During the year 2015-2016, the Company had received share application money for issuance of 1,10,95,000 equity shares of Rs. 10/- each to Promoters/Promoter Group on preferential basis and the Company had applied to BSE Ltd. and National Stock Exchange of India Ltd. for obtaining in-principal approval for issuance of aforesaid shares. However, due to the non issuance of Non Objection Certificate (NOC) by the Lead Bank of the Company-State Bank of India, the conditions prescribed under Regulation 78 of SEBI (ICDR) Regulations, 2009 could not be fulfilled, therefore, the in-principal approval was not accorded and the Company had to withdraw the application filed before stock exchanges, on 25th July, 2016 and the same was approved by the NSE. Accordingly, the Company has not issued shares against receipt of share application money in compliance with Section 42 of the Companies Act, 2013.
18. The Company is required to deposit/ invest a sum of at least 15% of the amount of the Debentures maturing during the year 2017-2018 in one or more prescribed methods as detailed vide Ministry of Corporate Affairs (MCA) Circular no. 04/2013 dated February 11, 2013. However, the Company has made application to the Securities and Exchange Board of India (SEBI) to provide exemption in this matter.
19. The Company has duly maintained Minutes of the Board Meetings and Annual General Meeting of the Company, held during the Financial Year 2017-2018, in accordance with Section 118 of the Companies Act, 2013 and applicable Secretarial Standards 1 & 2 (SS1 & SS2) issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and there were no specific events / actions having a major bearing on the company's affairs.

For Loveneet Handa & Associates
(Practicing Company Secretary)
Sd/-
Loveneet Handa

New Delhi **FCS NO: 9055**
August 14, 2018 **C.P No: 10753**

Annexure - A

Documents examined/verified while conducting secretarial audit:

(a) Books , Papers, as per Section 2 (12) of Companies Act, 2013,"book and paper" and "book or paper" include books of account, deeds, vouchers, writings, documents, minutes and registers maintained on paper or in electronic form. (Registers Maintained by RTA)

(b) Memorandum of association

(c) Articles of association

(d) Certificate of Incorporation

(e) Audited balance sheet(s)

(f) Statutory Registers maintained by the Company i.e, Register of Members/ Register of Charges/ Register of Directors' Shareholding/ Register of Contract/ Register of Investment etc.

(g) Minutes of the Board meetings, Annual General Meeting, Stakeholders Relationship Committee Meeting, Audit Committee Meeting and Nomination & Remuneration Committee Meeting.

(h) Notice of calling Annual General Meeting along with the explanatory statement.

(i) Copy of documents related to the appointment/Resignation of Statutory Auditor of the company

(j) Copy of Internal Audit Report given by Internal Auditor appointed u/s138 of Companies Act, 2013.

(k) Notices of disclosure of directors' interests in Form No. MBP-1 as well as specific notices received from time to time from the directors and recorded in the minutes of Board meetings.

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE B' and forms an integral part of this report.

ANNEXURE B'

To,

The Members,

CLC INDUSTRIES LIMITED

(formerly known as **Spentex Industries Limited**)

A-60 Okhla Industrial Area,

Phase II, New Delhi-110020

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
8. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
9. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

NOTE: It is stated that compliance of all the applicable provisions of the Companies Act 2013, is the responsibility of the management. Our examination of test check basis was limited to the procedures followed by the company for ensuring the compliance with the provision. We state that such compliance is neither an assurance as to the viability of the company nor the efficiency of effectiveness with which the management has conducted its affairs.

For Loveneet Handa & Associates
(Practicing Company Secretary)
Sd/-

New Delhi — **Loveneet Handa**

August 14, 2018 — **FCS NO: 9055**

C.P No: 10753

Annexure 2 to the Directors' Report

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014 and forming part of the Directors' Report for the year ended March 31, 2018.

A. CONSERVATION OF ENERGY:

During the year under review continuous efforts were being made to ensure optimum utilization of fuel and electricity and reduction of energy costs.

a. Energy conservation measures taken

The Company is continuously taking steps in energy conservation by installing and developing fuel efficient equipment and accessories such as installation of electronic chokes in place of copper chokes resulting in lower consumption of power. Some energy efficient water pumps etc, humidification plant & energy efficient spindles, were installed. The Butibori unit took steps to reduce energy cost by negotiating strongly resulting in significant reduction in energy rates.

b. Relevant data in respect of energy consumption is as below:

	Current Year 2017-18	Previous Year 2016-17
A.Power and Fuel Consumption		
Electricity		
i). Purchased		
- Total Units consumed (KWH)	9,40,25,036	147,779,062
- Total Amount (₹ in Lakh)	6,016.48	8,981.80
Rate/unit (₹.)	6.40	6.08
ii). Own Generation (Through Genset)		
- Units (KWH)	56,120	Nil
- Units per litre of Diesel/Furnace Oil	3.63	Nil
- Cost/Unit (₹)	18.88	Nil
B. Electricity Consumption (Units) Per Kg. of Production of yarn	3.10	3.29

B. TECHNOLOGY ABSORPTION:

RESEARCH & DEVELOPMENT (R&D):

1. Specific areas in which R&D has been carried out by the Company:

   Continuing to identify improvements to processes through properly documented systems to strengthen yarn quality, improve productivity and effective maintenance. The Company has carried out Research & Development for development of new products and for improvement in the production process and quality of products. Due to its R&D efforts, the Company has been able to launch new products e.g. SIRO Yarn, Melange Yarn, Acrylic/Cotton Blended Yarn & Core spun yarn of different fibre mixtures which have been successful in the market.

2. Benefits derived as result of the above R & D

   The Company has been continuously improving the quality of its existing products and entered into new products and also been able to reduce the cost of production for meeting customer requirements and effective resource utilization,

3. Future plan of action:

   Identifying measures to further improve productivity and there by contribution per unit of production. Management is committed to strengthen R&D activities further to improve competitiveness of the Company in times to come.

4. Expenditure on R & D.

a. Capital	Nil
b. Revenue	Nil
c. Total	Nil
d. Total R & D Expenditure as percentage of total turnover	Nil

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

a) Efforts: upgrading machines with technologically advanced accessories and spares.

b) Benefits:, Higher output and improved quality of product

c) Technology imported during the last 5 years: None

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

1. Efforts: Significant exports to various countries round the globe on very competitive prices have brought in foreign exchange to the National Ex-chequer.
2. Earnings and Outgo : Particulars with regard to foreign exchange earnings and outgo appear in Notes to accounts.

For and on behalf of Board of Directors
Sd/-
Ajay Kumar Choudhary
Chairman
DIN - 00051629

Place: New Delhi
Dated: 14th August, 2018

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

(Pursuant to Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. Company's Philosophy on Corporate Governance

The Company's philosophy on Corporate Governance is aimed at conducting business ethically, efficiently and in a transparent manner, fulfilling its corporate responsibilities to various stakeholders retaining and enhancing investor trust. It is based on a firm commitment towards desired accountability, transparency, responsibility and fairness in all aspects of business through effective internal control mechanisms and proactive risk management system for upholding values and ethos of corporate citizenship. The Company is committed to enhance long-term shareholders' value and respect minority rights in addition to complying with all statutory requirements in respect of Corporate Governance.

2. Board of Directors

As on 31st March, 2018, the Board of Directors comprised of five directors including two Non-executive Independent Directors. However, presently, the Board of Directors of the Company comprises of 8 Directors, with an Executive Chairman. Out of the 8 Directors, three directors are Executive Directors constituting 37.5 % and remaining five directors are Non Executive Directors constituting 62.5% of the Board Strength. Out of five non executive directors, four directors are Independent directors including two Woman Directors and one director is Nominee Director (nominated by Axis Trustee Services Pvt. Ltd.).

During the year under review, 4 Board Meetings were held and the maximum time gap between any two meetings did not exceed 120 days (as stipulated by law in force). The respective dates on which Board Meetings were held are 29th May, 2017, 10th August, 2017, 8th December, 2017, and 12th February, 2018.

The names and category of the Directors on the Board, their attendance at the Board Meetings and last Annual General Meeting and number of Directorships and Committees Chairmanships/Memberships of each Director in other companies are as under:

Name of Director	Relationship with each other	No. of Board Meetings Attended	No. of Directorship(s) and Chairmanship(s)/ Membership(s) of Board/Committees of other companies as on 31.03.2018			Attendance at Last AGM
Promoters & Executive Directors:			**Directorship***	**Member****	**Chairperson ****	**Yes/No**
Mr. Ajay Kumar Choudhary (Chairman)	Father of Mr. Mukund Choudhary and Mr. Kapil Choudhary	4	1	-	-	Yes
Mr. Mukund Choudhary (Managing Director)	Son of Mr. Ajay Kumar Choudhary	3	2	-	-	Yes
Mr. Kapil Choudhary (Deputy Managing Director)	Son of Mr. Ajay Kumar Choudhary	4	2	-	-	Yes
Non Executive Independent Directors:						
Mr. Deepak Diwan	No inter-se relation with any director	3	-	-	-	Yes
Mrs. Charul Jain**	No inter-se relation with any director	2	-	-	-	N.A.
Mrs. Shivani Gupta**	No inter-se relation with any director	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Kapoor Chand Garg**	No inter-se relation with any director	N.A.	N.A.	N.A.	N.A.	N.A.
Ms. Kamal Kapur*	No inter-se relation with any director	2	-	-	-	No
Nominee Director						
No inter-se relation with any director	No inter-se relation with any director	NA	NA	NA	NA	NA
Mr. Samir Kumar Nath*	No inter-se relation with any director	2	-	-	-	No

Note:

A. The Directorship(s) held by Directors do not include Alternate Directorships and Directorships of Foreign Companies, Private Limited Companies and Section 8 Companies.

B. In accordance with Regulation 26 of SEBI Listing Regulations, 2015, disclosure includes memberships/chairmanship of only Audit Committees and Stakeholders Relationship Committees of all Indian Public Limited Companies (excluding Spentex Industries Limited). None of the directors of the Company was a member of more than ten committees of Board nor was a chairperson of more than five committee across all listed entities in which he is a director.

1. *Ms. Kamal Kapur, Independent Woman Director and Mr. Samir Kumar Nath, Nominee Director have resigned from the Board of Directors of the Company w.e.f 1st October, 2017 and 1st December, 2017 respectively.
2. **Mrs. Charul Jain, Mrs. Shivani Gupta and Mr. Kapoor Chand Garg are appointed as Non-Executive Independent Directors w.e.f. 29th November, 2017, 17th July, 2018 and 17th July, 2018 respectively.
3. ***Mr. Rajinder Kumar Jain has been appointed as Nominee Director (representing Axis Bank Ltd, a debenture holder of the Company) on the Board of Company w.e.f 28th May, 2018.

Details of shares held by the Non-Executive Directors as on 31st March 2018

Name	No. of shares held	Name	No. of shares held
Mr. Deepak Diwan	Nil	Mrs. Charul Jain	Nil
Mr. Samir Kumar Nath	Nil		

Board Agenda

Meetings are governed and regulated by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are circulated at least seven days prior to the Board meeting.

Information supplied to the Board

1. Annual operating plans of business, Capital budget and updates.
2. Quarterly results of the Company and its operating divisions/manufacturing units, subsidiary and step-down subsidiary companies and business segments.
3. Performance of manufacturing units and functioning of key executives.
4. Performance on Quality Standards
5. Minutes of meetings of audit committee and other committees of the board, and also resolutions passed by circulation.
6. The information on recruitment and remuneration of senior officials just below the Board level, including appointment or removal of the Chief Financial Officer and Company Secretary.
7. Details of joint venture or collaboration agreements entered into.
8. Borrowings, term Loans and Investment of surplus funds as and when happened.
9. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
10. Notices like show cause, demand, penalty, prosecution which are materially important.
11. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
12. Any material default in financial obligations to and by the company and also non-receipt of payments for goods sold by the Company.
13. Significant labor problems and their proposed solutions, significant developments in Human Resources/Industrial Relations front like signing of Wage Agreements etc.
14. Investments in subsidiaries, foreign exchange exposures and steps taken to manage exchange rate movement and adverse exchange ratio etc.
15. Sale of investment/subsidiaries/assets, which are material in nature and is not in normal course of business.
16. Fulfillment of various regulatory and statutory compliances/listing requirements. All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI Listing Regulations or as may be directed by the Board are placed before it.

Post-meeting follow-up mechanism

The Governance processes in the Company include an effective post-meeting follow-up, review and reporting process for decisions taken / pending decisions of the Board and Committees. The draft minutes of the Board and its Committees are circulated to the members for their comments and then the minutes are entered in the minutes book within 30 days of the conclusion of the meeting. Action-taken report on decisions / minutes of the previous meeting(s) is placed at the succeeding meeting of the Board for noting.

Disclosure of Appointment/Re-appointment of Directors at the Annual General Meeting

In terms of Articles of Association of the Company, one-third of the Directors, liable to retire by rotation, shall retire by rotation and, if eligible, seek re-appointment at each Annual General Meeting of Shareholders. Mr. Ajay Kumar Choudhary will retire at the ensuing Annual General Meeting and being eligible seeks for re-appointment. The Board has recommended the re-appointment of Mr. Ajay Kumar Choudhary.

The current term of Mr. Kapil Choudhary would expire on 1st December, 2018 and the Board of Directors at their meeting held on 12th February, 2018 approved the re-appointment of Mr. Kapil Choudhary as Deputy Managing Director for a further period of five years with effect from 2nd December, 2018 to 1st December, 2023 subject to the approval of the members. Mrs. Charul Jain, Mrs. Shivani Gupta and Mr. Kapoor Chand Garg are appointed as Additional Directors - Non-Executive Independent Directors of the Company w.e.f 29th November, 2017, 17th July, 2018 and 17th July, 2018 respectively, who holds office till the date of conclusion of forthcoming Annual General Meeting of the Company. Mr. Rajinder Kumar Jain has been appointed as Nominee Director (representing Axis Bank Limited, a debenture holder of the Company) w.e.f 28th May, 2018.

As per Regulation 36 of SEBI Listing Regulations, 2015, the brief details of the directors proposed to be appointed/re-appointed/ continued are given in the notice of 26th Annual General Meeting.

Independent Directors' Meeting

In compliance with Regulation 25 of SEBI Listing Regulations, 2015, during the year under review, the Independent Directors met on 12th February, 2018, inter alia to discuss:

1. The performance of non-independent directors and the Board as a whole;
2. To review the roles played by the promoter directors and other key managerial personnel on the Board in the functioning of the Company.
3. To assess the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

All the independent directors attended the above meeting.

Code of Conduct for Independent Directors

Pursuant to the provisions of Sub section (6) of Section 149 read with schedule IV of the Companies Act, 2013 and Regulation 17 of SEBI Listing Regulations, 2015, a "Code of Conduct" has been approved for Independent Directors reflecting underlying core values, commitment of personal integrity, respect for the individual, transparency, fairness, accountability, etc being some of the pursuits for achieving desired excellence in Corporate governance of the Company. The code is available on the website of the Company www.spentex.net

Familiarization Programme for Independent Directors

Pursuant to Regulation 25 of SEBI Listing Regulations, 2015, the Company has in place a system to familiarize the Independent Directors about the Company, their roles, rights, responsibilities in the company, nature of the business and the on-going events relating to the Company. The Company has formulated a policy on familiarization programme for Independent Directors. The Policy is available on the website of the Company www.spentex.net.

The Company sends a formal invitation to new appointees to join the Board of the Company, on receipt of acceptance from the appointee, detailed information is provided along with letter of appointment i.e. functions of the Board, duties and responsibilities of director and compliances to be fulfilled under Companies Act, SEBI Listing Regulations and other relevant regulations. The Chairman and Managing Director also have one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries' operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters.

3. Audit Committee

The Audit Committee of the Board, inter alia, provides reassurance to the Board on the existence of an effective internal control environment that ensures:

- efficiency and effectiveness of operations,
- safeguarding of assets and adequacy of provisions for all liabilities;
- reliability of financial and other management information and adequacy of disclosures;
- compliance with all relevant statutes.

The Audit Committee consists of two Non-Executive Independent Directors and one Executive Director.

During the year under review, due to resignation of Ms. Kamal Kapur (Independent Director) - one of the member of the committee, Board of Directors, by way of circular resolution dated 30th November, 2017, re-constituted Audit Committee by appointing Mrs. Charul Jain in place of Ms. Kamal Kapur as member of Audit Committee. Accordingly, as on 31st March, 2018, Audit Committee comprised of Mr. Deepak Diwan (Chairman), Mrs. Charul Jain and Mr. Kapil Choudhary members of Audit Committee.

Subsequently, the Board of Directors has, by way of circular resolution dated 18th July, 2018 re-constituted the Audit Committee by appointing Mrs. Shivani Gupta in place of Mrs. Charul Jain and accordingly, as on the date of this report, Audit Committee comprises of two Non-Executive Independent Directors namely Mr. Deepak Diwan (Chairman), Mrs. Shivani Gupta and one Executive Director namely Mr. Kapil Choudhary.

The composition of the committee fulfills the requirements as prescribed under Section 177 of the Companies Act, 2013 and Regulations 18 of SEBI Listing Regulations, 2015.

The Audit Committee members have the requisite accounting and financial management expertise. Statutory Auditors and Internal Auditor are invitees at the meetings of Audit Committee. The Company Secretary acts as Secretary to the Audit Committee.

The terms of reference / powers of the Audit Committee include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Review and recommend the Revenue budgets and Capital budgets followed by updates from time to time.
3. Recommendation for the appointment/re-appointment, remuneration and terms of appointment of the Statutory Auditors, Cost Auditor and the fixation of audit fees.
4. Reviewing the efficiency and effectiveness of internal audit function, adequacy of the internal control systems and other services rendered by the statutory auditors.
5. Reviewing the functioning and weaknesses, if any, observed by the internal auditors, management opinion on such weaknesses and solutions from time to time.
6. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval with particular reference to (a) matters required to be included in directors responsibility statement as per clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, (b) changes in accounting policies and practices,(c) major accounting entries involving estimates based on the exercise of judgment by management, (d) significant adjustment made in the financial statements arising out of audit findings, (e) compliances with listing and other legal requirements relating to financial statements; (f) disclosure of related party transactions and (g) modified opinion(s) in the draft audit report.
7. Reviewing, with the management, the quarterly financial results before submitting it to the Board for approval.
8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. approval or any subsequent modification of transactions of the listed entity with related parties;
10. scrutiny of inter-corporate loans and investments;
11. valuation of undertakings or assets of the company, wherever it is necessary;
12. evaluation of internal financial controls and risk management systems;
13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. discussion with internal auditors on any significant findings and follow up there on;
16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
18. To look into the reasons for any default/delay, if any, in the payment to the Lenders/Bankers/Financial Institutions, Debenture holder, Creditors and Shareholders (in case of dividend declaration).
19. Reviewing the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

During the year under review, 4 Audit Committee Meetings were held on 29th May, 2017, 10th August, 2017, 8th December, 2017, and 12th February, 2018.

The details of attendance of each member at the Audit Committee Meetings during the year 2017-18 are as follows:

Name of the Member	No. of Audit Committee Meetings Attended
Mr. Deepak Diwan (Chairman)	4
Mr. Kapil Choudhary	4
Ms. Kamal Kapur*	2
Mrs. Charul Jain**	2

* Ms. Kamal Kapur, Independent Director has resigned from the Board of Directors of the Company w.e.f 1st October, 2017.

** Mrs. Charul Jain has been appointed as member of Audit Committee w.e.f 30th November, 2017.

Related Party Transactions

Pursuant to Regulation 23 of SEBI Listing Regulations, 2015, the Company has in place a policy on materiality of Related Party Transactions. The Policy is available on the website of the Company www.spentex.net.

Pursuant to Regulation 23 of SEBI Listing Regulations, 2015 read with Section 188 of the Companies Act, 2013, all material Related Party Transactions are placed before the Audit Committee on quarterly basis and as per nature of the transactions there was no need to seek approval of the shareholders of the Company as such related party transactions are under the limit/exempted from such approval(s). The Audit Committee has granted omnibus approval for Related Party Transactions on yearly basis as per the particulars placed before the Committee.

4. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board, inter alia, reviews/recommends to the Board, the appointment and remuneration package of Executive / Non-Executive / Independent Directors and the senior most personnel i.e. one level below the Board of Directors on the basis of performance and defined criteria/HR Policies.

During the year under review, consequent to resignation of Ms. Kamal Kapur (Independent Director) - one of the members of the committee, Board of Directors, by way of circular resolution dated 30th November, 2017, re-constituted Nomination & Remuneration Committee by appointing Mrs. Charul Jain in place of Ms. Kamal Kapur as member of Nomination & Remuneration Committee. Accordingly, as on 31st March, 2018, Nomination & Remuneration Committee comprised of Mr. Deepak Diwan (Chairman), Mrs. Charul Jain and Mr. Kapil Choudhary members of the Committee.

Subsequently, the Board of Directors has, by way of circular resolution dated 18th July, 2018 re-constituted the Nomination & Remuneration Committee by inducting Mrs. Shivani Gupta in place of Mr. Kapil Choudhary and accordingly, as on the date of this report, Nomination & Remuneration Committee comprises of all Non-Executive Independent Directors namely Mr. Deepak Diwan (Chairman), Mrs. Shivani Gupta and Mrs. Charul Jain.

Hence, the Composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, two Nomination and Remuneration Committee Meeting were held on 10th August, 2017 and 8th December, 2017. All the members of the Committee attended the meeting.

The terms of reference of the Committee include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Leadership development.
7. Overseeing performance appraisal system.
8. Such other matters as may be decided by the committee from time to time.

The Remuneration of Executive Directors is in accordance with Schedule V of the Companies Act, 2013 and approved by members of the Company. The Company does not have any ESOP Scheme.

Details of remuneration/sitting fees paid to Directors for the financial year 2017-18 are as under:

(₹ In Lakh)

Name of Director	Sitting Fee for Board Meeting(s)	Sitting Fee for Nomination and Remuneration Committee Meeting(s)	Sitting Fee for Audit Committee Meeting(s)	Salaries and Perquisites p.a. #	Total
Executive Directors					
Mr. Ajay Kumar Choudhary	-	-	-	4.60	4.60
Mr. Mukund Choudhary	-	-	-	4.60	4.60
Mr. Kapil Choudhary	-	-	-	4.60	4.60

(₹ In Lakh)

Name of Director	Sitting Fee for Board Meeting(s)	Sitting Fee for Nomination and Remuneration Committee Meeting(s)	Sitting Fee for Audit Committee Meeting(s)	Salaries and Perquisites p.a. #	Total
Non Executive/ Independent Directors					
Mr. Deepak Diwan	0.60	0.15	0.60	-	1.35
Mrs. Charul Jain**	0.22	-	0.10	-	0.32
Ms. Kamal Kapur*	0.40	0.15	0.30	-	0.85
Nominee Director:					
Mr. Samir Kumar Nath	0.40	-	-	-	0.40

Executive Directors have voluntarily requested the Company not to pay remuneration for the period from May, 2017 to March, 2018 keeping in mind the financial difficulties being faced by the Company.

1. *Ms. Kamal Kapur, Independent Woman Director and Mr. Samir Kumar Nath, Nominee Director have resigned from the Board of Directors of the Company w.e.f 1st October, 2017 and 1st December, 2017 respectively.
2. **Mrs. Charul Jain was appointed as Non-Executive Independent Directors w.e.f. 29th November, 2017.

Performance Evaluation

In terms of the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of Board Committees. As required under SEBI Listing Regulations, 2015, the Company has formulated a policy on Appointment and Evaluation of Board of Directors, Key Managerial Personnel & Senior Management Personnel as defined under the Companies Act' 2013. The criteria for performance evaluation of directors has been laid down in the aforesaid policies and approved by Nomination and Remuneration Committee. The policies are available on the website of the Company www.spentex.net.

5. Stakeholders Relationship Committee:

The Company has constituted a Stakeholders Relationship Committee to ensure timely services to the members/shareholders and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the investors. It is also empowered to approve transfer, transmission and transposition of shares, issue duplicate share certificates, etc. from time to time. The Stakeholders Relationship Committee comprises of three members viz. Mr. Deepak Diwan (Chairman) - Non-executive and Independent Director, Mr. Mukund Choudhary and Mr. Kapil Choudhary - Executive Directors of the Company.

The Committee members meet from time to time, inter alia, to look into redressal of shareholders' grievances such as transfer, transmission, dematerialization of shares, issue of duplicate share certificates besides supervising the mechanism of investor grievance redressal to ensure cordial investor relations.

During the year under review, 4 committee meetings were held on 4th April, 2017, 5th July, 2017, 5th October, 2017 and 5th January, 2018. All the members of the Committee attended the meetings.

The details of attendance of each member at the Stakeholders Relationship Committee Meetings during the year 2017-18 are as follows:

Name of the Director	No. of Stakeholders Relationship Committee Meetings Attended
Mr. Deepak Diwan (Chairman)	4
Mr. Mukund Choudhary	4
Mr. Kapil Choudhary	4

During the year under review, the Company has not received any complaint from the investors through SEBI SCORE Platform, however, the Company has received 10 complaints directly from investors and the same were redressed. There was no complaint pending as on 31st March 2018. Presently, Mr. Bharat Kapoor, Company Secretary is the compliance officer of the Company.

6. Banking Committee

The Banking Committee of the Board, inter alia, authorizes company officials to execute/sign various documents/cheques for availing various credit facilities/term loan provided by the Banks from time to time. The Board of Directors review the various credit facilities sanctioned/restructured by Banks from time to time and confirm the minutes approved by the Banking Committee in the succeeding Board Meeting.

Committee comprises of Mr. Deepak Diwan (Chairman), Mr. Mukund Choudhary and Mr. Kapil Choudhary, as members of the Committee.

During the year, 8 Committee meetings were held on 5th May, 2017, 8th June, 2017, 3rd August, 2017, 12th October, 2017, 24th November, 2017, 11th December, 2017, 11th January, 2018 and 23rd February, 2018.

The details of attendance of each member at the Banking Committee Meetings during the year 2017-18 are as follows:

Name of the Director	No. of Banking Committee Meetings Attended
Mr. Mukund Choudhary	8
Mr. Kapil Choudhary	8
Mr. Deepak Diwan	8

7. Corporate Social Responsibility Committee

In accordance with the provisions of Section 135 of the Companies Act, 2013, and the relevant rules, the Corporate Social Responsibility (CSR) Committee of the Board has been constituted and the Company has framed a CSR Policy in compliance with the provisions of the Act and the same is placed on the Company's website www.spentex.net . The CSR Policy lays down areas of activities, thrust area, types of projects, programs, modes of undertaking projects/ programs, resources etc. The committee consists of three members viz. Mr. Deepak Diwan, an Independent Director as Chairman of the Committee, Mr. Mukund Choudhary, Managing Director and Mr. Kapil Choudhary, Dy. Managing Director as members of the Committee. During the year, no meeting of the committee is held.

8. Risk Management Committee

The Board of Directors of the Company has constituted a Risk Management Committee and defined its roles and responsibilities. Due to resignation of Mr. Krishan Gopal Goel, CFO w.e.f 30th June, 2017, the Board of Directors at its Meeting held on 10th August, 2017, has re-constituted the Risk Management Committee comprising Mr. Mukund Choudhary (Chairman), Mr. Kapil Choudhary, Executive Directors and Mr. Kamal Kant Goyal, Manager - Banking of the Company. No Risk Management Committee meeting was held during the year.

The Company has in place a Risk Management Policy including inter alia Risk Management and Risk Mitigation Procedures relating to various aspects of the operations of the company. The Policy is available on the website of the Company at www.spentex.net

9. Fund Management Committee

Due to resignation of Mr. Krishan Gopal Goel, CFO w.e.f 30th June, 2017, the Board of Directors at its Meeting held on 10th August, 2017, has re-constituted the Fund Management Committee comprising Mr. Mukund Choudhary (Chairman), Mr. Kapil Choudhary, Executive Directors and Mr. Kamal Kant Goyal, Manager - Banking of the Company.

Every day the Fund Management Committee is meeting with senior executives of the Company and reviewing day to day fund positions and its utilization.

10. Subsidiary Companies

The Company does not have a "material subsidiary" in accordance with Regulation 16 of SEBI Listing Regulations, 2015. However as required under the aforesaid Regulation, the Company has formulated a policy for determining "Material Subsidiary" policy which is placed on the website of the Company. www.spentex.net.

11. Vigil Mechanism/Whistle Blower Policy:

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, 2015, the company has formulated a Whistle Blower Policy for vigil mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. Head of Internal Audit Team assists the Chairman of Audit Committee to resolve the queries/ complaints received under said policy. During the year under review, the Company has not received any complaint.

This mechanism provides for adequate safeguards against victimization of director(s)/ employee(s), if any, who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Audit Committee. The policy is uploaded on the website of the Company at www.spentex.net.

12. Code for prevention of insider-trading practices

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the company has made a comprehensive code of conduct with a view to regulate trading in the equity shares of the Company by its Directors, management and other designated employees. The code lays down guidelines, which guides them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violation(s), if any. The trading window is closed during the time of declaration of results, dividend and material events from time to time pursuant to listing provisions.

13. General Body Meetings

(A) Annual General Meetings:

Details of last three Annual General Meetings (AGM) of the Company alongwith Special Resolutions passed there at are as under:

AGM	LOCATION	DATE & TIME	SPECIAL RESOLUTION PASSED
23rd AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	30th September, 2015 3:30 P.M.	1. To seek approval from Central Government in respect of payment of remuneration to Mr. Ajay Kumar Choudhary, Chairman. 2. To seek approval from Central Government in respect of payment of remuneration to Mr. Kapil Choudhary, Deputy Managing Director. 3. To seek Central Government approval in respect of payment of remuneration to Mr. Sitaram Parthasarathy, Director - Works. 4. To Issue 1,10,95,000 equity shares/convertible securities/share warrants convertible within 18 months in one or more tranches from the date of allotment of such warrants at a price of Rs. 10/- each to promoters/promoter group on Preferential Basis subject to requisite approval from concerned authorities.
24th AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	27th September, 2016 11:00 A.M.	1. Approval for the payment of remuneration to Mr. Mukund Choudhary, Managing Director for a period of 3 years w.e.f 1st April, 2016. 2. Approval for the payment of remuneration to Mr. Amrit Agrawal, Director Finance effective from 1st April, 2016 till the completion of his term.
25th AGM	Bipin Chandra Pal Memorial Trust Auditorium, A-81, Chittaranjan Park, New Delhi 110 019	25th September, 2017 10:30 A.M.	1. Re-appointment of Mr. Ajay Kumar Choudhary as Chairman of the Company for a period of three years as well as fixation of remuneration payable to him.

(B) Postal Ballot

No special resolution was passed through Postal Ballot during 2017-18.

14. Means of Communication

- The quarterly/half yearly/annual financial results and press releases on significant developments in the Company are submitted to the Stock Exchanges immediately after approval of the Board so as to enable the stock exchanges to put the information on their websites and communicate to their members. The Company also posts/uploads the requisite information on its website www.spentex.net .
- The quarterly/half-yearly/annual financial results are published in Financial Express (English) & Jansatta (Hindi) language newspapers and the same are also displayed on the Company's website www.spentex.net. The Company's website also displays all official news releases.
- All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are filed electronically through NEAPS and BSE Listing Centre.
- No presentation has been made to institutional investors or to the analysts.
- The Management Discussions and Analysis is included in Board’s Report.

15. Code of Conduct

In accordance with the Regulation 17 of SEBI Listing Regulations, 2015, the Company has adopted the Code of Conduct and ethics for Directors, Senior Management and the designated employees of the Company who have affirmed the compliance with the Code. The Code has also been posted on the company's website www.spentex.net . The declaration in respect of compliance with Regulation 26 of SEBI Listing Regulations, 2015 is given below:

To,

The Shareholders of CLC Industries Limited (Formerly known as Spentex Industries Limited)

Sub: **Declaration on Compliance with Code of Conduct as required under Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

Dear Sirs,

I hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the code of conduct as adopted by the Board of Directors for the year ended 31st March, 2018 in terms of Schedule V (Part D) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Sd/-
Mukund Choudhary
Managing Director

Place: New Delhi
Date: August 14, 2018

16. Compliance

a. Mandatory Requirements:

The Company is fully compliant with the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

b. Adoption of Non-Mandatory Requirements:

Further, the Company has also complied with the non-mandatory requirement. Although it is not mandatory for the Company, yet three Committees of Board, namely Risk Management Committee, Fund Management Committee and Banking Committee are in place, to expedite, focused decision making, in the related areas. Details of all the above mentioned committees have been provided in this report.

17. Disclosures

- The disclosures relating to related party transactions of material nature are made in the financial statements.
- The Company has complied with all applicable provisions of the SEBI Listing Regulations and other SEBI Regulations wherever applicable. During the year under review, the Un-audited Financial Results for the quarter ended 30th June, 2017 and Audited financial Results for the year ended 31st March, 2018 were not submitted within the time as stipulated in SEBI Listing Regulations, 2015 and consequently, BSE Limited and National Stock Exchange of India Limited have imposed fine on account of such delayed submission. In addition to this, the Composition of the Board and Nomination & Remuneration Committee of the Board were not in accordance with SEBI Listing Regulations, 2015 due to resignation of Non-Executive / Independent Directors during the year under review. However, as on the date of this report, the Composition of the Board is in accordance with SEBI Listing Regulations, 2015. However, there are no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to Capital Markets, during the last three years.
- Pursuant to SEBI Listing Regulations, 2015, the Company has designated E-mail ID secretarial@clcindia.com exclusively for the purpose of registering complaints/queries by investors. Pursuant to circular no CIR/OIAE/2/2011 dated June 3, 2011 issued by SEBI, the investors' complaints are processed in a centralized web based complaints redress system 'SCORES'.
- The Company is not dealing in commodities and hence disclosure relating to commodity price risks and commodity hedging activities is not required.
- Adoption of discretionary requirements of SEBI Listing Regulations is being reviewed by the Company from time to time.
- As per Green Initiative introduced by the Ministry of Corporate Affairs vide its circular No. 18/2011 dated 29th April, 2011, members are requested to intimate their e-mail address to the Company to facilitate the Company to send Annual Reports and other reports/notices through e-mail.

18. General Shareholder information

- The 26th Annual General Meeting will be held at Bipin Chandra Pal Memorial Bhavan, A - 81, Chittaranjan Park, New Delhi - 110019 on 27th September, 2018 at 10.30 A.M.
- Financial Calendar (Tentative) :

Financial Year	**:**	**1st April, 2018 to 31st March, 2019**
Financial reporting for the Quarter ending June 30, 2018	:	on 14th August, 2018
Financial reporting for the Quarter ending September 30, 2018	:	on or before 15th November, 2018
Financial reporting for the Quarter ending December 31, 2018	:	on or before 15th February, 2019
Annual Results for the Year ending March 31, 2019	:	on or before 30th May, 2019

- Date of Book closure : Saturday, the 22nd September, 2018 to Thursday, the 27th September, 2018 (both days inclusive)
- Dividend Payment Date : Not Applicable
- Listing of Equity Shares on Stock Exchanges: BSE Ltd., Mumbai (scrip code = 521082) and National Stock Exchange of India Ltd. Mumbai (scrip code = SPENTEX).
- Due to financial crises, the Company has yet to pay the Annual Listing Fee to BSE & NSE for the year 2017-18 & 2018-19 and Annual Custody Fee to NSDL for the financial year 2018-19. The management is in process to pay the same in due course.
- ISIN No. INE376C01020
- Market Price Data : High/Low during each month in last financial year 2017-18 at BSE & NSE:

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
BSE												
High	4.25	4.20	5.65	5.23	4.89	4.24	4.21	5.89	6.15	10.55	6.62	5.88
Low	3.40	2.91	3.05	3.67	3.62	3.60	3.20	3.30	4.56	6.00	5.05	3.80
NSE												
High	4.20	4.30	5.60	5.15	4.85	4.25	4.20	5.80	6.10	10.40	6.45	5.90
Low	3.35	2.90	3.10	3.80	3.50	3.50	3.30	3.20	4.55	6.00	5.15	3.80

- Registrars and Transfer Agents: M/s RCMC Share Registry Pvt. Ltd., B-25/1, First Floor, Okhla Industrial Area Phase 2, New Delhi-110020. Ph. No: 011-26387320, 26387321 and Fax No: 011-26387322; Email id: mdnair@rcmcdelhi.com
- Share Transfer System: The Company's shares are compulsorily traded in dematerialised mode. Share in physical mode lodged for transfer are processed and returned to the shareholders within the stipulated time subject to completion of documents in all respects.

- Members are requested to convert their physical holdings to demat/electronic form through any of the registered Depository Participants (DPs) to avoid the hassles involved in dealing in physical shares such as possibility of loss, mutilation, etc. and also to ensure safe and speedy transaction in respect of the shares held. Further, members are requested to update their email id, PAN and bank details with the Company/RTA/Depository Participants.
- The Company has not issued any depository receipts or convertible instruments during the year 2017-18 and there is no outstanding GDR/ADR/Warrants or any other convertible instrument.
- Debenture Trustee - Axis Trustee Services Pvt. Ltd for Axis Bank, a debenture holder of the Company.

19. Distribution of shareholding as on 31st March 2018:

Shareholding of nominal value of Rs.	No. of shareholders	Percentage	No. of shares	Percentage
1 to 5,000	31,966	87.83	28,68,551	3.20
5,001 to 10,000	1,836	5.04	15,82,740	1.76
10,001 to 20,000	979	2.69	15,84,069	1.76
20,001 to 30,000	440	1.21	11,56,250	1.29
30,001 to 40,000	195	0.54	7,16,671	0.80
40,001 to 50,000	256	0.70	12,38,645	1.38
50,001 to 1,00,000	342	0.94	26,84,496	2.99
1,00,001 and above	383	1.05	7,79,40,613	86.82
Total	**36,397**	**100.00**	**8,97,72,035**	**100.00**
Physical Mode			**11,22,439**	**1.25**
Electronic Mode			**8,86,49,596**	**98.75**

20. Shareholding Pattern as on 31st March 2018:

Sl. No.	Particulars	No. of shares	%
1	Promoter & Promoter Group	3,77,97,226	42.10
2	Bodies Corporate	78,71,562	8.77
3	Mutual Funds	21,207	0.02
4	Banks/Financial Institutions/UTI	2,241	0.00
5	Foreign Company	1,92,52,650	21.45
6	Foreign Institutional Investors	2,717	0.01
7	NRIs	4,16,483	0.46
8	Trust	43,095	0.05
9	Indian Public & Others	2,43,64,854	27.14
	Total	**8,97,72,035**	**100.00**

- Plant Location(s):
  1. D-48, MIDC, Baramati, District. Pune, Maharashtra 413133
  2. B-1, MIDC, Chincholi - Kondi, Dist. Solapur, Maharashtra 413255
  3. 31-A, MIDC Industrial Area, Butibori, Nagpur, Maharashtra 441122
  4. 51-A, Industrial Area, Sector III, Pithampur, Madhya Pradesh 454774
- Address for Correspondence :

1. Registered Office Address : A-60, Okhla Industrial Area, Phase II, New Delhi 110 020
Ph. 011 - 26387738, 46598900, Fax: 011 - 2638 5181.
Email: secretarial@clcindia.com

2. Registrars & Transfer Agents: RCMC Share Registry Pvt. Ltd.,
B-25/1, First Floor, Okhla Industrial Area Phase 2, New Delhi-110020.
Contact Person Mr. Rakesh Kumar, E-mail : mdnair@rcmcdelhi.com
Phone No: 011-26387320, 26387321. Fax: 011-26387322.

3. Compliance Officer Mr. Bharat Kapoor, Company Secretary
Ph. 011 - 26387738, 46598900, Fax: 011 - 26385181.
Email: bharatk@clcindia.com; secretarial@clcindia.com

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION
{Pursuant to Regulation 17(8) of SEBI Listing Regulations, 2015}

To,
The Board of Directors
CLC Industries Limited
(Formerly known as SPENTEX INDUSTRIES LIMITED)

Sub: CEO/CFO Certificate

We, Mukund Choudhary, Managing Director and Yash Jain, Chief Financial Officer, to the best of our knowledge and belief, certify that:

(a) We have reviewed the financial statements and the cash flow statement for the year ended 31st March, 2018 and that to the best of our knowledge and belief:

  (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

  (2) these statements together present a true and fair view of the Company's affairs, and are in compliance with the existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditor and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee;

  (i) significant changes in internal control over financial reporting during the year.

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware, if any, and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	Sd/-
Place: New Delhi	**Mukund Choudhary**	**Yash Jain**
Date: May 31, 2018	Managing Director	Chief Financial Officer

Certificate on Corporate Governance
(Pursuant to Clause E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Members of **CLC Industries Limited (Formerly known as SPENTEX INDUSTRIES LIMITED)**

We have examined the compliance of conditions of Corporate Governance by CLC INDUSTRIES LIMITED ('the Company'), for the financial year ended March 31, 2018, as stipulated in Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.
- In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the year ended March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Loveneet Handa & Associates**
(Practicing Company Secretary)
Sd/-
Loveneet Handa
FCS NO: 9055
C.P No: 10753

New Delhi
August 14, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Spentex Industries Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Spentex Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information, (hereinafter referred to as "Ind AS Financial Statements").

Management's Responsibility for the Standalone 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 standalone Ind AS financial statements that give a true and fair view of the (state of affairs) financial position, profit or loss (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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 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 standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion/qualified audit opinion/adverse audit opinion on the standalone Ind AS financial statements.

Basis for Qualified Opinion

We draw attention to:

a. Note No. 48 of the standalone financial statements which indicates that the Company has not charged to statement of Profit and loss interest expense of Rs. 53,65,22,381/- for the year and Rs. 96,10,67,255/- up to previous year respectively, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss.

   We further report that, had the observation made by us in paragraphs (a) is considered, the loss before tax for the year ended March 31, 2018, would have been Rs. 2,21,73,92,340 as against the reported figure of Rs. 1,68,08,69,959 and Interest Accrued and due on Borrowing understated by Rs. 1,49,75,89,636/-.

Material Uncertainty Related to Going Concern

We draw attention to Note 47 of the standalone financial statements, which indicates that the Company's net worth has deteriorated and as of March 31, 2018, the Company's current liabilities exceeded its total assets by Rs. 3,92,83,09,074/-. As stated in said note, these events or conditions, along with other matters as set forth in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid standalone 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 including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2018, its loss (financial performance including other comprehensive income) its cash flows and changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to the following matter in the notes to the standalone Ind AS financial statements:

a) Note no. 46 of the Standalone financial for the year ended March 31, 2018 wherein the company has made a provision for value of long term investments amounting to Rs.20,44,69,921/- in Amit Spinning Industries Limited (ASIL), Subsidiary of the Company and written off recoverable amounting of Rs. 75,57,56,460 due from above subsidiary. During the year the ASIL moved to National

Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT vide order dated 01.08.2017 has admitted the ASIL's petition and had appointed Resolution Professional for ASIL keeping in view of ongoing proceedings of ASIL in National Company Law Tribunal under Insolvency and Bankruptcy code. Further we are unable to determine the amount of liability that may arise on account of Corporate Guarantee given on behalf of subsidiary, and compliance of IND-AS 109 in respect to accounting of corporate guarantee.

b) Note no. 15 to the standalone financial for the year ended March 31, 2018, wherein the Company has not allotted shares against share application amount of Rs.11,09,50,000/- which was brought in by the promoters in more than one installment under the restructuring scheme approved by the Bankers of the Company. However, the Company has not complied with the provision of Section 42 of the Companies Act, 2013 for the reason stated in the said note.

c) Note no. 51 to the standalone financial for the year ended March 31, 2018, regarding balances of parties under the head trade receivable, trade payable and loans & advances which are subject to confirmation, reconciliation and consequential adjustments if any.

d) Note no. 49 the Company is Required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed methods vide circular no.04/2013 dated February 11,2013 issued by Ministry of Corporate Affairs .However, the Company has not complied with the requirement of the said circular.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 May 29, 2017 and May 27, 2016 respectively expressed an qualified opinion on those standalone Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

(1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

(2) As required by Section 143(3) of the Act, we report that:

   a. We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The Balance Sheet, the Statement of Profit and Loss, Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   d. Except for the possible effects of the matter described in the basis of Qualified opinion paragraph above, In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. The matter described under the Emphasis of Matter/Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   f. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

   g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, we give our separate Report in "Annexure 2".

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer note no. 35.

      ii. The Company did not have any long-term contracts including derivative contracts.Hence, the question of any material foreseeable losses does not arise;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For RN Marwah& Co. LLP
Chartered Accountants
Firm Registration No.:001211N/N500019

(Sunil Narwal)
Partner
Membership No.: 511190

Place: New Delhi
Date: May 31, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Spentex Industries Limited on the standalone financial statements for the year ended March 31, 2018]

i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, fixed assets have not been physically verified by the management. Hence, discrepancies if any cannot be ascertained.

(c) The Title deeds of all Immovable properties (which are included under the head 'Property Plant and equipment) are held with lenders and original title deeds are not available for verification.

(ii) The inventory has not been physically verified by the management during the year and in respect of inventory lying with third parties, these have not been confirmed by them.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3 (iii)(a), 3 (iii)(b) and 3 (iii)(c) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the company has not granted any loans, investments,guarantees within the provisions of section 185 and 186 of the Companies act 2013. Accordingly, paragraph 3 (iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.

(vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii) (a) The Company is not regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, Value added Tax, Excise duty, Service tax, Goods and service tax, customs duty, cess and any other material statutory dues applicable to it, and there have been serious delays in a large number of cases.

AND

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income tax, Value added tax, Excise duty, Service tax, Goods and service tax, customs duty, cess and any other material statutory dues applicable to it, which were outstanding, at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount	Period to which the amount relates	Due Date	Date of Payment
Employees Provident Fund and Miscellaneous Provisions Act,1952	Provident fund & Interest payable	53,184,009 & 4,361,151 27,463,275 & 210,155	April 2016 to march 2017 April 2017 to 30 September 2017	15th of the next month to which amount relates	**Unpaid till date**
Employees State Insurance Act,1948	Employees State Insurance & Interest Payable	10,562,872 & 757,314 7,342,888 & 41,748	April 2016 to march 2017 April 2017 to 30 September 2017	15th of the next month to which amount relates	**Unpaid till date**
The Income Tax Act, 1961	TDS and TCS & Interest Payable	19,477,833 & 2,094,410 5,987,169 & 1,844,605	April 2016 to march 2017 April 2017 to 30 September 2017	7th of the next month to which amount relates	**Unpaid till date**

Professional Tax Act,1975	Professional Tax & Interest Payable	3,327,817 & 424,407 1,141,812	April 2016 to march 2017 April 2017 to 30 September 2017	30th of the next month to which amount relates	**Unpaid till date**
Finance Act 1994	Service Tax & Interest Payable	1,851,896 & 1,044,648	April 2016 to March 2017	6th of the next month to which amount relates	**Unpaid till date**

(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, service tax, value added tax, customs duty, excise duty on account of any dispute, are as follows:

Name of the statute	**Nature of dues**	**Amount Disputed**	**Amount paid under protest**	**Period to which the amount relates**	**Forum where dispute is pending**
The Income Tax Act,1961	Income Tax	10,875,657	3,981,354	Rs.68,94,303 for A.Y 2003-04 And 39,81,354 for A.Y 2001-02	Income Tax Tribunal Delhi-Rs.3,981,354 High Court-Rs.6,894,303
The Income Tax Act,1961	Income Tax	27,095,747	2,000,000	Rs.83,15,813 for A.Y 2003-04 Rs.78,31,285 for A.Y 2005-06 Rs.1,09,58,649 for A.Y 2006-07	High Court-New Delhi
The MP Commercial Tax Act,1994	Sales Tax	164,195	128,195	1996-97	First Appellate Authority
The MP Commercial Tax Act,1994	Sales Tax	815,157	815,157	2009-10	MP Commercial Tax Appellate Board Bhopal
The MP Commercial Tax Act,1994	Sales Tax	1,970,233	0	2001-03 2009-10	Assessing Authority Indore
The MP Commercial Tax Act,1994	Sales Tax	455,160	113,795	2013-14	First Appellate Authority
The MP Commercial Tax Act,1994	Sales Tax	375,803	105,250	2010-11	MP Commercial Tax Appellate Board Bhopal
Entry Tax Act,1976	Entry Tax	1,538,453	414,844	1992-97	Assessing Authority Bhopal
Maharashtra Value Added Tax Act,2002	Sales Tax Demand	532,870	200,000	2004-05	Deputy Commissioner, Nagpur
The Central Sales tax Act,1956	Sales Tax Demand	2,999,290	1,000,000	2004-05	Deputy Commissioner Nagpur
The Central Sales tax Act,1956	Sales Tax	502,012	125,560	2014-15	First Appellate Authority
The Central Sales tax Act,1956	Sales Tax	1,217,972	304,500	2014-15	First Appellate Authority
The Central Sales tax Act,1956	Entry tax	994,728	248,710	2014-15	First Appellate Authority

The Central Sales tax Act,1956	Professional Tax	593,703	0	2008-09	First Appellate Authority
Maharashtra Value Added Tax Act,2002	Sales Tax Demand	36,062,378	0	2012-13	Joint Commissioner Appeal, Pune
The Central Sales tax Act,1956	Sales Tax Demand	52,437,641	0	2012-13	Joint Commissioner Appeal, Pune
Finance Act,1994	Service Tax	280,282	0	2005-06	Customs, Excise& Service Tax Appellate Tribunal, New Delhi
Finance Act,1994	Excise	1,079,549	107,955	2009-10 to 2010-11	Customs, Excise& Service Tax Appellate Tribunal, New Delhi
The M.P. Commercial Tax Act, 1994	Sales Tax	248,323	24,850	2015-16	First Appellate Authority
The M.P. Commercial Tax Act, 1994	Sales Tax	179,859	0	2015-16	First Appellate Authority
The Central Excise Act,1944	Excise	81,924	3,072	2011-12	Commissioner (Appeals),Central Excise, Bhopal
The Central Excise Act,1944	Excise Demand	10,806,176	0	June-99 to Dec-01	Custom, Excise& Service Tax Appellate Tribunal, Mumbai
The Central Excise Act,1944	Excise	72,771,071	0	Aug-04 to Apr-07	Deputy Commissioner of central excise, Nagpur- Rs.77,371 Commssioner, Central Excise,Nagpur- Rs.72,693,700
The Central Excise Act,1944	Excise	168,812	0	Apr-00 to Mar-04	Commissioner (Appeals),Central Excise, Indore
The Central Excise Act,1944	Excise	867,691	0	Apr-03 to July 2015	Customs, Excise& Service Tax Appellate Tribunal, New Delhi-Rs.81,195 Commissioner (Appeals)- Rs.786,496

The Central Excise Act,1944	Excise	333,101	67,597	Apr-03 to Oct-13	Customs, Excise& Service Tax Appellate Tribunal,Nagpur-Rs.117,762 Deputy Commissioner, Central Excise,Nagpur-Rs.215,339
The Central Excise Act,1944	Excise	5,269,616	673,329	2002-03 to 2010-11	Customs, Excise & Service Tax Appellate Tribunal, Nagpur - Rs. 2,565,854/- Additional Commissioner of Central Excise, Nagpur - Rs.2,551,564 Deputy Commissioner of Central Excise, Nagpur-Rs.152,198
The Central Excise Act,1944	Excise	53,291,002	13,322,751	Mar-04 to Feb-07	High Court, Indore

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institution(s), bank(s), government(s) or dues to debenture holder(s) except as mentioned below:

Particulars	Amount of default as at March 31, 2018 (Rs.)	Period of Default	Remarks
i) **Name of the lenders:**			
1. Axis Bank Ltd. (Long Term Borrowing)	29,442,905	NPA as on 31.03.2018	
2. Bank of Baroda (Long Term Borrowing)	77,186,000	NPA as on 31.03.2018	
3. Canara Bank (Long Term Borrowing)	38,270,687	NPA as on 31.03.2018	
4. IDBI Bank Ltd (Long Term Borrowing)	36,396,217	NPA as on 31.03.2018	
5. Indian Bank (Short Term Borrowing)	137,653,728	NPA as on 31.03.2018	
6. Indian Bank (Long Term Borrowing)	185,165,657	NPA as on 31.03.2018	
7. ING Vysa Bank Ltd. (Long Term Borrowing)	147,613,684	NPA as on 31.03.2018	
8. ING Vysa Bank (Short Term Borrowing)	157,242,752	NPA as on 31.03.2018	
9. Oriental Bank of Commerce (Short Term Borrowing)	641,506,294	NPA as on 31.03.2018	
10. Oriental Bank of Commerce (Long Term Borrowing)	338,079,786	NPA as on 31.03.2018	
11. EARC Trust (Long Term Borrowing)	354,100,000	NPA as on 31.03.2018	
12. IndusInd Bank (Long Term Borrowing)	22,151,355	NPA as on 31.03.2018	
13. State Bank Of India (Long Term Borrowing)	876,502,047	NPA as on 31.03.2018	
14. State Bank Of India (Short Term Borrowing)	1,738,458,583	NPA as on 31.03.2018	
ii) Debentures (including interest)	112,214,310	NPA as on 31.03.2018	
Total	**4,89,19,84,005**		

Interest not provided in the books is 536,522,381

(ix) The Company has neither raised money by way of public issue offer nor has obtained any term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) According to the information and explanations given to us, managerial Remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of Act, where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.

(xv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xvi) According to the information and explanation given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For RN Marwah & Co LLP
Chartered Accountants
ICAI Firm Registration No. 01211N/N50001199119

Sunil Narwal
Partner
Membership No. 511190

Date: May 31, 2018
Place: New Delhi

Annexure 2 to Independent Auditors' Report

Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Spentex Industries Limited on the standalone* financial statements for the year ended March 31, 2018.

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")

We have audited the internal financial controls over financial reporting of Spentex Industries Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

The Company did not have an appropriate internal control system for obtaining confirmation from certain parties included under the head trade receivables, trade payables, loans & advances and other current liabilities and its reconciliation/ consequential adjustments, if any.

The Company's internal financial controls were not operating effectively in respect of the above which may potentially impact the results of the company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 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 ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018 standalone financial statements of the Company, and these material weaknesses have affect our opinion on the standalone financial statements of the Company and we have accordingly issued a qualified opinion on the standalone financial statements.

For RN Marwah& Co. LLP
Chartered Accountants
Firm Registration No. 00121N/N500019

Sunil Narwal
Partner
Membership No. 511190

Place: New Delhi
Date: May 31, 2018

Standalone Balance Sheet

(Amount in Rs.)

S. No.	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	ASSETS				
1	**Non-current assets**				
	(a) Property, plant and equipment	2	1,627,563,552	1,727,737,372	1,826,692,836
	(b) Capital work-in-progress		3,601	2,338,342	1,402,897
	(c) Intangible assets		-	-	-
	(d) Financial Assets				
	(i) Investments	3	51,394	204,607,955	774,894,083
	(ii) Loans	4	95,684,423	61,501,615	40,845,580
	(iii) Others	5	19,925,475	117,464,651	117,955,373
	(e) Deferred tax assets (net)		-	17,600,000	17,600,000
	(f) Other non-current assets	6	340,045,883	1,026,080,170	1,144,532,480
	Total Non current assets (A)		**2,083,274,328**	**3,157,330,105**	**3,923,923,249**
2	**Current assets**				
	(a) Inventories	7	235,544,029	550,993,139	452,246,981
	(b) **Financial Assets**				
	(i) Trade receivables	8	95,884,400	377,283,284	485,747,930
	(ii) Cash and cash equivalents	9	19,735,978	10,720,091	20,651,630
	(iii) Bank balances other than (ii) above	10	712,300	-	29,280,000
	(iv) Loans	11	5,806,996	3,966,181	1,958,111
	(v) Others	12	160,714,915	140,991,845	208,319,969
	(c) Current Tax Assets (Net)		7,465,672	-	-
	(d) Other current assets	13	36,327,678	39,783,068	96,022,490
	Total current assets (B)		**562,191,968**	**1,123,737,608**	**1,294,227,111**
	Non-current assets classified as held for sale		10,286,183	1,830,104	2,581,970
	Total current assets (C)		**10,286,183**	**1,830,104**	**2,581,970**
	Total (A+B+C)		**2,655,752,479**	**4,282,897,817**	**5,220,732,330**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	14	897,720,350	897,720,350	897,720,350
	(b) Other Equity	15	(5,271,137,517)	(3,561,617,098)	(2,876,926,623)
	Total Equity (A)		**(4,373,417,167)**	**(2,663,896,748)**	**(1,979,206,273)**
	LIABILITIES				
1	**Non-current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	16	311,700,000	354,100,000	1,738,665,345
	(ii) Other financial liabilities	17	6,686,736	2,165,630	1,896,740
	(b) Provisions	18	126,721,356	93,235,307	75,106,845
	Total Non-current liabilities (B)		**445,108,092**	**449,500,937**	**1,815,668,930**
2	**Current liabilities**				
	(a) Financial Liabilities				
	(i) Borrowings	19	4,935,577,564	4,874,751,704	3,869,240,445
	(ii) Trade Payables	20	622,647,789	841,415,217	584,296,124
	(iii) Other financial liabilities	21	762,380,307	564,943,140	770,049,821
	(b) Other current liabilities	22	213,450,438	162,378,402	121,343,896
	(c) Provisions	23	50,005,456	53,805,165	39,339,387
	Total Current liabilities (C)		**6,584,061,554**	**6,497,293,628**	**5,384,269,673**
	Total Equity and Liabilities (A+B+C)		**2,655,752,479**	**4,282,897,817**	**5,220,732,330**

The Accompanying notes form an integral Part of the financial Statement
This is the Standalone Balance sheet referred to in our report of even date.

For R N Marwah & Co LLP Firm Reg. No:- 00121N/N500019	For and on behalf of the Board of Directors	
Chartered Accountants	Mukund Choudhary	Managing Director
Sunil Narwal Partner	Kapil Choudhary	Deputy Managing Director
Membership No:- 511190	Bharat Kapoor	Company Secretary
Place:- New Delhi Date :- May 31, 2018	Yash Jain	CFO

Statement of Profit and Loss

(Amount in Rs.)

S. No.	Particulars	Note No.	For Year Ended March 31, 2018	For Year Ended March 31, 2017
	Income			
I	Revenue from operations	24	4,799,768,949	7,821,419,799
II	Other Income	25	112,732,096	790,493,975
III	**Total Income (I+II)**		**4,912,501,045**	**8,611,913,774**
IV	**Expenses**			
	Cost of raw material consumed	26	3,203,073,038	5,673,471,155
	Purchase of Stock in Trade	27	2,645,338	26,086,235
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	28	224,697,490	(19,789,681)
	Excise Duty on sale		2,392,701	16,229,458
	Employee benefits expense	29	732,441,923	927,955,150
	Finance Costs	30	87,711,674	508,437,773
	Depreciation and amortization expense	31	105,763,079	109,190,491
	Other expenses	32	1,014,263,503	1,845,036,122
	Total expenses (IV)		**5,372,988,746**	**9,086,616,703**
V	**Profit /(Loss) before exceptional Items and Tax (III-IV)**		**(460,487,701)**	**(474,702,929)**
VI	Expenses of exceptional nature	33	1,220,382,258	570,335,118
VII	Income of exceptional nature	34		360,348,272
VII	**Profit/(loss) before,extraordinary items and tax (V-VI)**		**(1,680,869,959)**	**(684,689,775)**
VIII	**Tax Expenses**			
	(1) Current Tax		-	-
	(2) Mat Credit Entitlement Excess Provision Written Back		(4,412,914)	-
	(3) Deferred Tax		-	-
	Total Tax Expenses		(4,412,914)	-
IX	**Profit /Loss for the period (VII-VIII)**		**(1,676,457,045)**	**(684,689,775)**
X	**Other comprehensive income**			
A	Items that will be reclassified to profit or loss		-	-
B	Items that will not be reclassified to profit or loss			
	Changes in fair value of FVTOCI equity instruments		(11,071)	(6,650)
	Actuarial (gain)/loss on remeasurement of defined benefit plan		23,802,299	12,368,481
	Other comprehensive income for the period (net of tax)		23,791,229	12,361,831
XI	**Total comprehensive income for the period (IX+X)**		**(1,700,248,274)**	**(697,051,606)**
	Paid up Equity Share Capital Face value of Rs. 10 each (No. of Shares)		89,772,035	89,772,035
	Earnings per share (of INR 10 each):			
	(a) Basic		(18.67)	(7.63)
	(a) Diluted		(18.67)	(7.63)

The Accompanying notes form an integral Part of the financial Statement
This is the Standalone Statement of Profit & Loss referred to in our report of even date.

For R N Marwah & Co LLP
Firm Reg. No:- 00121N/N500019
Chartered Accountants

Sunil Narwal
Partner
Membership No:- 511190

Place:- New Delhi
Date :- May 31, 2018

For and on behalf of the Board of Directors

Mukund Choudhary — Managing Director

Kapil Choudhary — Deputy Managing Director

Bharat Kapoor — Company Secretary

Yash Jain — CFO

Statement of Changes in Equity

(Amount in Rs.)

A. Equity Share Capital

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
At the beginning of the year	897,720,350	897,720,350	897,720,350
Changes in Equity Share capital during the year	-	-	-
At the end of the year	**897,720,350**	**897,720,350**	**897,720,350**

B. Other Equity

Particulars	Reserves and Surplus									Toal
	Securities Premium Reserve	General Reserves	Capital Reserve	Profit on Restructure	Share Forfei-ture Reserve	Debenture Redemp-tion Reserve	Share Application Money Pending Allotment	FVTOCI reserve - equity instru-ments	Retained Earnings	
Balance as at April 01, 2016	**1,028,273,822**	**28,186,801**	**138,231,706**	**2,358,587**	**7,179,250**	**170,360,578**	**110,950,000**	**704**	**(4,362,468,070)**	**(2,876,926,623)**
Profit/ (Loss) for the year (1)								-	(684,697,126)	
Other Comprehensive Income/(loss) (2)								6,650		
Total Comprehensive Income/ (loss) (1+2)				**-**	**-**	**-**	**-**	**6,650**	**(684,697,126)**	**(684,690,476)**
Dividends including tax thereon										-
Transfer to general reserve										-
Balance as at March 31, 2017	1,028,273,822	28,186,801	138,231,706	2,358,587	7,179,250	170,360,578	110,950,000	7,354	(5,047,165,196)	(3,561,617,098)
Profit/ (Loss) for the year (1)		**(5,150)**						**11,071**	(1,709,526,339)	
Other Comprehensive Income / (loss) (2)										
Trasfer to Capital Reserve			**9,537,837**	**(2,358,587)**	**(7,179,250)**					
Total Comprehensive Income/ (loss) (1+2)	**-**	**(5,150)**	**9,537,837**	**(2,358,587)**	**(7,179,250)**	**-**	**-**	**11,071**	**(1,709,526,339)**	**(1,709,520,419)**
Balance as at March 31, 2018	**1,028,273,822**	**28,176,501**	**147,769,543**	**-**	**-**	**170,360,578**	**110,950,000**	**18,424**	**(6,756,691,535)**	**(5,271,137,517)**

The Accompanying notes form an integral Part of the financial Statement
This is the Standalone Balance sheet referred to in our report of even date.

For R N Marwah & Co LLP
Firm Reg. No:- 00121N/N500019
Chartered Accountants

Sunil Narwal
Partner
Membership No:- 511190

Place:- New Delhi
Date :- May 31, 2018

For and on behalf of the Board of Directors

Mukund Choudhary — Managing Director

Kapil Choudhary — Deputy Managing Director

Bharat Kapoor — Company Secretary

Yash Jain — CFO

Statement of Cash Flow

(Amount in Rs.)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Cash Flow from Operating activities		
Profit before tax	(1,680,869,959)	(684,689,775)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and impairment of property, plant and equipment	105,763,079	109,190,491
Prior period depreciation	-	(5,296,880)
Unrealised Exchange Fluctuation (net)	2,115,678	(12,710,945)
Exceptional Item (Net)	-	(7,313,018)
Investment Writen Off	204,453,153	50,000
Balances With Subsidary W/off	95,950,582	56,650,287
Liabilities no longer required written back	(89,137,160)	(68,485,505)
Loss/(Gain) on disposal of property, plant and equipment	(327,317)	(633,042)
Finance income (including fair value change in financial instruments)	(11,382,938)	(8,677,924)
Finance costs (including fair value change in financial instruments)	87,711,674	508,437,773
Dividend Received	(3,120)	(3,120)
Cash Flow from Operating activities before changes in Working Capital	**(1,285,726,328)**	**(113,481,658)**
Working capital adjustments:		
Decrease /(Increase) in inventories	315,449,110	(103,390,688)
Decrease /(Increase) in Trade Receivables	279,283,206	(44,794,632)
Decrease/(Increase) in Other Finacial Current Assets	(22,276,185)	183,072,005
Decrease in Other Current Assets	4,668,984	63,136,421
Decrease in Other Non Current Assets	667,436,644	(1,108,188)
Increase in Other financial liabilities	282,639,356	298,780,874
Increase in Other current liabilities	51,072,036	
Increase in Porvision	1,046,948	16,174,897
Decrease in trade and other payables	(218,675,088)	315,378,594
Increase/(Decrease) in working Capital	**1,360,645,011**	**727,249,284**
Income tax paid	7,465,672	-
Net Increase/(Decrease) in Cash from Operating activities	**67,453,009**	**613,767,626**
Cash Flow from Investing activities		
Proceeds from sale of property, plant and equipment	1,010,485	8,337,302
Purchase of property, plant and equipment	(1,922,852)	(13,102,711)
Purchase of Investment		(92,340)
Proceed from sales of Investment	-	-
Amount deposited as security Deposit	-	-
Proceed from Sale of Financial Instruments	375,000	-
Interest Received	11,382,938	9,946,010
Dividend Received	3,120	3,120
Net Increase/(Decrease) in Cash from investing activities	**10,848,691**	**5,091,381**
Cash Flow from Financing activities		
Proceeds from Borrowings-Net	142,253,179	0
Repayment of Borrowings	(123,827,320)	(143,426,329)
Interest paid	(87,711,674)	(485,364,217)
Net cash flows from/(used in) financing activities	**(69,285,814)**	**(628,790,546)**
Net increase in cash and cash equivalents	9,015,887	(9,931,539)
Cash and cash equivalents at the beginning of the year	10,720,091	20,651,630
Cash and cash equivalents at year end	**19,735,978**	**10,720,091**

The Accompanying notes form an integral Part of the financial Statement
This is the Cash Flow Statement referred to in our report of even date.

For R N Marwah & Co LLP	For and on behalf of the Board of Directors	
Firm Reg. No:- 00121N/N500019		
Chartered Accountants	Mukund Choudhary	Managing Director
Sunil Narwal	Kapil Choudhary	Deputy Managing Director
Partner		
Membership No:- 511190	Bharat Kapoor	Company Secretary
Place:- New Delhi		
Date :- May 31, 2018	Yash Jain	CFO

Notes to the standalone financial statements for the year ended March 31, 2018

Background

Spentex Industries Limited (the Company) is a company limited by shares, incorporated and domiciled in India. The Company is engaged in the manufacturing and trading of Yarn etc. The Company sells its products in India as well as various other global markets.

Note 1 : Significant Accounting Policies

1.01 Basis of preparation

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2017, the entity prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the entity has prepared in accordance with Ind AS. Refer to note 1.25 for information on how the entity has adopted Ind AS.

The separate financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Defined benefit plans
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

1.02 Current versus non-current classification

The entity presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The entity classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The entity has identified twelve months as its operating cycle.

1.03 Fair value measurement

The Company measures financial instruments, such as investments (other than equity investments in Subsidiaries, Joint Ventures and Associates) and derivatives at fair values at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the entity.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable,

For assets and liabilities that are recognised in the financial statements on a recurring basis, the entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.04 Foreign Currency Transactions

The separate financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. The outstanding liabilities/ receivables are translated at the year end rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising on translation or settlement are recognized in the Statement of Profit and Loss as per the requirements of Ind AS 21.

1.05 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

For all debt instruments measured amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the entity estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

Export Incentives

Income from export incentives such as duty drawback etc. are recognised on accrual basis.

Dividend

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.06 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions are complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the entity receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial instruments.

1.07 Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.08 Property, plant and equipment

Property, plant and equipment have been measured at cost at the date of transition to Ind AS.

Assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress is stated at cost, less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the 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 entity and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. When significant parts of plant and equipment are required to be replaced at intervals, the entity depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. Refer to note 1.23 regarding significant accounting judgements, estimates and assumptions.

Depreciation

Depreciation on all fixed assets situated at manufacturing locations is provided on the straight line method on a pro-rata basis at the rates determined on the basis of useful lives of the respective assets as provided by Schedule II to the Companies Act, 2013. The useful lives for the various fixed assets situated at manufacturing locations are as follows:

Description – Manufacturing locations	Useful lives (in years)
Factory Building	30
Building (Other than factory building) RCC frame structure	60
Building (Other than factory building) other than RCC frame structure	30
Plant and Machinery	25
Office Equipments	5
Computers	3
Furniture and Fixtures	10
Vehicles	8

Depreciation for all fixed assets at locations other than at manuufacturing units is provided on written down value method.

Cost of leasehold land and leasehold improvements are amortised over the period of lease.

On additions costing less than Rs.5000, depreciation is provided at 100% in the year of addition.

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

1.09 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Software are amortised over a period of five years on straight line method.

1.10 Non-current Assets Classified as Held for Disposal:

Assets which are available for immediate sale and its sale must be highly probable are classified as “Assets held for Disposal”. Such assets or group of assets are presented separately in the Balance Sheet, in the line “Assets held for Disposal”. Once classified as held for disposal, such assets are no longer amortised or depreciated. Such assets are stated at the lower of carrying amount and fair value less costs to sell.

1.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.12 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.13 Inventories

Inventories are valued at the lower of cost and net realisable value.“Cost of finished goods and work -in- process includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. The cost in respect of raw materials is determined under the specific identification of cost method.“The cost in respect of work-in-progress, finished goods and stores and spares is determined using the weighted average cost method and includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, where applicable. “Waste is valued at estimated net realizable value.

1.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Entity as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the entity is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the entity’s general policy on the borrowing costs (See note 1.11). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the entity will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

As on transition date, the entity has newly classified a land lease as a finance lease and has recognised such asset and liability at fair value with differential being recognised in retained earnings.

Operating lease rentals are charged off to the Statement of Profit and Loss.

1.15 Impairment of non-financial assets

At each reporting date, the entity reviews the carrying amount of it's assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or entity's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the entity has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability and Contingent Assets

Contingent liabilities are not recognized but are disclosed where possibility of any outflow in settlement is remote.“Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.17 Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet since the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and pension fund

Gratuity obligations

The Company operates a defined benefit gratuity plan for employees. The Company has obtained group gratuity scheme policies from Life Insurance Corporation of India to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the Balance Sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the Statement of Profit and Loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Company makes contribution to statutory provident fund and pension funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.18 Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the Company's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of the entity over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

1.19 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of Profit and Loss.

A. Financial Assets

Subsequent measurement

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument

Financial assets measured at amortised cost:

A financial asset is measured at amortised cost if both the following conditions are met:

a). The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b). Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

Equity investments in Subsidiaries, Associates and Joint ventures are out of scope of Ind AS 109 and hence, the Company has accounted for its investment in Subsidiaries, Associates and Joint Ventures at cost. All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The entity makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category."For financial assets, as per Ind AS 109, the Company recognises 12–month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition."The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

B. Financial liabilities

Subsequent measurement

- Financial liabilities are subsequently measured at amortised cost using the EIR method.
- Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Reclassification of financial assets

The entity recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The entity's senior management determines change in the business model as a result of external or internal changes which are significant to the entity's operations. Such changes are evident to external parties. A change in the business model occurs when the entity either begins or ceases to perform an activity that is significant to its operations. If the entity reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The entity does not restate any previously recognised gains, losses (including impairment gains or losses).

C. Offsetting of financial instruments

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

1.21 Derivative financial instruments

The entity uses derivative financial instruments, such as forward currency contracts, interest rate swaps and to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.22 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.23 Significant accounting judgements, estimates and assumptions

The preparation of the separate financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilites, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The entity based its assumptions and estimates on parameters available when the separate financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the entity. Such changes are reflected in the assumptions when they occur.

a) Impairment reviews

At each reporting date, the entity reviews the carrying amount of its non-financial assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

b) Allowance for uncollectible accounts receivable and advances

Trade receivables and certain financial assets do not carry any interest unlike other interest bearing financials assets viz intercorporate deposits. Such financial assets are stated at their carrying value as reduced by impairment losses determined in accordance with expected credit loss. Allowance as per expected credit loss model is based on simplified approach which is based on historicals observed default rates and changed as per forward-looking estimates. In case of trade receivables entity uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables which is also based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The actual loss could differ from the estimate made by the management.

c) Taxes

The entity is subject to income tax laws as applicable in India. Significant judgement is required in determining the provision for taxes as the tax treatment is often by its nature complex, and cannot be finally determined until a formal resolution has been reached with the relevant tax authority which may take several years to conclude. Amounts provided are accrued based on management's interpretation of country specific tax laws and the likelihood of settlement. The entity recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the entity.

d) Pension and post-retirement benefits

The cost of defined benefit plans viz. gratuity, provident fund, leave encashment, etc. are determined using actuarial assumptions. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.Further details about defined benefit plans are given in note no. 37.

e) Useful Lives of Property, Plant and Equipment:

The Company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/ component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

f) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources.

1.24 RECENT ACCOUNTING DEVELOPMENTS

Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and Ind AS 115- Revenue from Contract with Customers:.' The amendments are applicable to the Company from April 1, 2018.

Amendment to Ind AS 7:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The standard permits two possible methods of transition:• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

1.25 First time adoption of Ind-AS

These financial statements, for the year ended 31 March 2018, are the first the entity has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, the entity prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the entity has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the entity's opening Balance Sheet was prepared as at 1 April 2016, the entity's date of transition to Ind AS. This note explains the principal adjustments made by the entity in restating its Indian GAAP financial statements, including the Balance Sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The entity has applied the following exemptions:

i) Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, Associates and Joint Ventures which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. The entity did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the entity has tested goodwill for impairment at the date of transition to Ind AS, accordingly goodwill has been impaired.

ii) Property, plant and equipment

An entity may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its cost and use that cost as its deemed cost at that date.

Accordingly property, plant and equipments have been measured at cost as on transition date and the same has been considered as deemed cost at that date.

iii) Intangible Assets

Where there is no change in its functional currency on the date of transition to Ind AS, a first-time adopter to Ind AS may elect to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Since there is no change in the functional currency, the entity has elected to continue with the carrying value for all of its intangible assets (except Goodwill) as recognised in its Indian GAAP financial as deemed cost at the transition date.

iv) Long Term Foreign Currency Monetary Items

A first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

Entity has opted not to continue with the existing policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items. Accordingly the unamortised amount has been charged to retained earnings as on transition date.

v) Investments

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amount in its separate opening Ind AS Balance Sheet

(a) cost determined in accordance with Ind AS 27; or

(b) deemed cost. The deemed cost of such an investment shall be its:

(i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

(ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

Accordingly the entity has adopted to (a) as deemed cost at the entity's date of transition to Ind AS.

vi) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the entity has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

vii) Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation.

- Impairment of financial assets based on expected credit loss model

The estimates used by the entity to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

viii) i) Reconciliation of Equity as previously reported under previous Indian GAAP to Ind AS for the year ended

(Amount in Rs.)

Equity reconciliation	**March 31, 2017**	**April 1, 2016**
Reserves & surplus	(3,672,564,038)	(2,987,877,327)
Share application money pending allotment	110,950,000	110,950,000
Other Equity as Per IGAAP	(3,561,614,038)	(2,876,927,327)
Change in Fair Value of Equity Investment (FVTOCI) (Gain)	4	704
Changes in Profit due to adoption of Ind AS	(3,064)	-
Shareholders Equity as per Ind-AS as on 31-March	**(3,561,617,098)**	**(2,876,926,623)**

ii) Effect of Ind AS adoption on total comprehensive income for the year ended March 31, 2017

Profit reconciliation	**March 31, 2017**	**April 1, 2016**
Profit/(Loss) as per IGAAP as on	(684,686,711)	(809,111,870)
Increase in revenue due to CIF SalesReversal	(911,705)	-
Interest Booked /Amortisation of Reclassification of Leasehold Land as prepaid Expenses	921,419	-
Reclassification of Expention to OCI	12,361,831	(2,733,094)
Change in Fair Value of Equity Investment (FVTOCI) (Gain)	(6,650)	-
Net profit before OCI as per Ind AS	(672,327,944)	(811,844,964)
Acturial (gain)/loss on employees defined benefits plan recognised in other comprehensive income		
Change in Fair Value of Equity Investment (FVTOCI) (Gain)		
Other comprehensive income net of income tax	12,361,831	(2,733,094)
Total comprehensive income as reported under Ind-AS	(684,689,775)	(809,111,870)

***Refer Note 1.25(ix)**

ix) Principal difference between Ind AS and Indian GAAP Measurement and recognition difference

I. Property, Plant and Equipment (PPE)

a) Measurement

The entity has elected to measure Property, Plant and Equipment at cost on transition date. Differential amount between carrying value and fair value has been recognised against retained earnings.

b) Depreciation of property, plant and equipment

As mentioned above, At the date of transition to Ind AS, The entity has elected to measure Property, Plant and Equipment at fair value, resulting into differential depreciation being recognised in the Statement of Profit and Loss from the year 2015-16, over the remaining useful life of the PPE.

c) Long Term Foreign Currency Monetary Items

Under Indian GAAP, foreign exchange differences arising from translation of long-term foreign currency monetary items were capitalised into the carrying value of fixed assets where these were taken to purchase fixed asset.

Under Ind-AS entity has opted not to continue with the existing policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items and follow treatment as per Ind AS 21. Accordingly the unamortised amounts on transitional date and as at March 31, 2017 have been charged to retained earnings.

II. Intangible Assets

Under Ind-AS, goodwill is not subject to amortisation but is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Accordingly, during the year 2016-17, Amortisation has been reversed in the Statement of Profit and Loss.

Goodwill has been impaired as at the transition date.

III. Financial instruments

Derivative financial instruments

Under Indian GAAP, derivative contracts are measured at fair value at each Balance Sheet date to the extent of any reduction in fair value, and the loss on valuation is recognised in the Statement of Profit and Loss."A gain on valuation is only recognised by the entity if it represents the subsequent reversal of an earlier loss.

The fair value of forward foreign exchange contracts is recognised under Ind AS, and was not recognised under Indian GAAP. entity did not had any outstanding forward contracts on 1 April 2016, however there were certain forward contracts outstanding on 31 March 2017. The same was recognised on mark to market basis with a corresponding debit/ credit in Statement of Profit and Loss.

IV. Proposed dividend

Under Indian GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the entity (on approval of Shareholders in a general meeting) or paid.

In the case of the entity, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31 March 2016 recorded for dividend has been derecognised against retained earnings on 1 April 2016. The proposed dividend for the year ended on 31 March 2017 of recognized under Indian GAAP has also been derecognised with a corresponding impact in the retained earnings. Subsequently recognised at the time of distribution.

V. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the entity has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

VI. Financial assets

Under Indian GAAP, the entity has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL Model). Due to ECL model, the entity impaired its trade receivable/loans which has been eliminated against retained earnings.

VII. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the entity recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

VIII. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to the Statement of Profit and Loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

IX. Sale of Goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss. Thus sale of goods under Ind AS has increased with a corresponding increase in other expense.

The entity has concluded that it is the principal in all of its revenue arrangements with tie up units since it is the primary obligor in all the revenue arrangements.

X. Other comprehensive income

Under Indian GAAP, the entity has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to that as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Note 2 : Property, plant and equipment

(Amount in Rs)

Particulars	Tangible Assets							Intangible Assets		
	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicle	Goodwill	Software	Toal
Gross block										
At 1st April 2016	3,890,843	24,144,986	1,192,838,430	4,984,609,822	87,809,806	43,355,002	35,137,760	108,910,417	34,083,867	6,514,780,932
Additions	-	-	937,910	9,536,737	1,031,890	576,729	84,000	-	-	12,167,266
Disposals	-	-	-	15,819,338	266,710	45,000	5,156,674	-	-	21,287,722
Trf to Prepaid		-								-
At 31st March 2017	**3,890,843**	**24,144,986**	**1,193,776,340**	**4,978,327,222**	**88,574,985**	**43,886,731**	**30,065,086**	**108,910,417**	**34,083,867**	**6,505,660,477**
Additions	-	-	170,989	2,262,787	860,817	-	963,000	-	-	4,257,593
Trf from Prepaid		890,925								890,925
Disposals	-	-	-	1,231,008	137,380	40,000	8,612,156	**108,910,417**	-	118,930,961
At 31st March 2018	**3,890,843**	**25,035,911**	**1,193,947,329**	**4,979,359,001**	**89,298,422**	**43,846,731**	**22,415,930**	**-**	**34,083,867**	**6,391,878,034**
Depreciation										
At 1st April 2016	-	5,082,351	545,045,667	3,842,874,123	83,901,437	38,394,304	29,795,929	108,910,417	34,083,867	4,688,088,095
Charge for the year	-	632,023	41,078,630	61,557,947	1,274,184	2,157,443	1,382,077	-	-	108,082,304
Disposals	-	-		8,041,543	140,016	25,004	4,743,852	-	-	12,950,415
Prior Period Depreciation	-	(73,295)	(9,973)	(2,964,803)	(2,217,315)	(31,494)	-	-	-	(5,296,880)
Trf to Prepaid		-								-
At 31st March 2017	**-**	**5,641,079**	**586,114,324**	**3,893,425,724**	**82,818,290**	**40,495,249**	**26,434,154**	**108,910,417**	**34,083,867**	**4,777,923,104**
Charge for the year	-	614,494	40,615,306	60,863,670	971,807	657,410	916,483	-	-	104,639,170
Disposals	-			1,093,672	107,529	21,758	8,114,416	108,910,417	-	118,247,792
Prior Period Depreciation								-	-	-
At 31st March 2018	**-**	**6,255,573**	**626,729,631**	**3,953,195,722**	**83,682,567**	**41,130,901**	**19,236,221**	**-**	**34,083,867**	**4,764,314,482**
Net Block										
At 31st March. 2017	**3,890,843**	**18,503,907**	**607,662,016**	**1,084,901,497**	**5,756,696**	**3,391,482**	**3,630,932**	**-**	**-**	**1,727,737,372**
At 31st March. 2018	**3,890,843**	**18,780,338**	**567,217,698**	**1,026,163,279**	**5,615,855**	**2,715,830**	**3,179,709**	**-**	**-**	**1,627,563,552**

Note 3 : Non- Current Assets

Financial Assets Investment	**Nos.**	**As at March 31, 2018**	**Nos.**	**As at March 31, 2017**	**Nos.**	**As at April 1, 2016**
(Investments at Cost)						
(a) In subsidiaries (Trade & Quoted)						
Amit Spinning Industries Limited *	20,981,077	204,469,921	20,981,077	204,469,921	20,981,077	204,469,921
(Equity Shares of Rs. 5/- each, fully paid up)						
Less:- Provision /Impairment		(204,469,921)				
Spentex Netherlands B .V.		-	18,200	561,011,339	18,200	561,011,339
(Face value Euro 1/- each, fully paid)						
Less:- Provision for Long Term Investment				(561,011,339)		
Spentex Mauritius P Ltd		-	2	90	2	90
(Face value US Dollar 1/- each, fully paid)						
Less:- Provision for Long Term Investment				(90)		(90)
Spentex Tashkent Toytepa LLC#		-		9,323,779		9,323,779
Less:- Provision for Long Term Investment				(9,323,779)		
(Investments FVTOCI)						
(b) In others (Trade & Quoted)						
Sentinel Tea and Exports Limited	100	9,930	100	6,760	100	2,600
Summit Securities Limited	10	7,901	10	5,371	10	2,881
(Investments FVTPL)						
(c) In others (Non Trade & Unquoted)						
Equity Shares of Rs. 20/- each fully paid up of The Baramati Co-operative Bank Limited	1300	26,000	1300	26,000	1300	26,000
Equity Shares of Rs. 50/- each fully paid up of The Sadguru Jangli Maharaj Co-operative Bank Ltd.					1,000	50,000
Equity Shares of Rs. 0.19/- each fully paid up of OPGS Power Gujarat Private Limited	-	-	486,000	92,340	-	-
Equity Shares of Rs. 10/-each fully paid up of Spencer & Co. Limited	200	7,563	200	7,563	200	7,563
Total		**51,394**		**204,607,955**		**774,894,083**

(Amount in Rs.)

Aggregate amount of quoted investments and market value thereof	204,487,752	204,482,052	204,475,402
Aggregate amount of unquoted investments; and	33,563	570,461,111	570,418,771
Aggregate amount of impairment in value of investments.	(204,469,921)	(570,335,208)	(90)
Total	**51,394**	**204,607,955**	**774,894,083**

* refer note no.46

#The Company has participating interest of 0.82% in Charter capital of Spentex Tashkent Toytepa, LLC

Note 4

Loans (Non- Current)	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Unsecured, considered good			
Security deposit paid	95,684,423	61,501,615	40,845,580
Total	**95,684,423**	**61,501,615**	**40,845,580**

Note 5

Other non-current financial assets			
Bank deposits with more than 12 months maturity	-	712,300	712,300
Advance to employees	172,225	673,519	-
Security deposit	11,877,908	12,252,908	12,252,993
Claim Receivable	7,306,793	7,306,793	8,087,793
Interest accrued on loan to others	568,549	96,519,131	96,902,287
Total	**19,925,475**	**117,464,651**	**117,955,373**

Note 6

Other non-current assets			
Advances other than capital advances			
Advances to subsidiaries (Unsecured, Considered Good)			
Amit Spinning Industries Limited	-	320,128,019	320,128,019
Spentex (Netherlands) B.V.	-	95,070,902	95,070,902
Less: Provision for doubtful advances	-	(95,070,902)	-
Balances with government authorities			
- Considered good	48,084,557	118,055,346	116,618,650
Advance against expenses	253,407,960	89,169,266	97,527,702
Advance to trade payable			
- Considered good	38,553,366	498,727,539	515,187,207
- Considered doubtful	-	167,395,327	167,395,327
Less: Provision for doubtful advance		(167,395,327)	(167,395,327)
Total	**340,045,883**	**1,026,080,170**	**1,144,532,480**

Current assets

Note 7 Inventories

Raw Material	59,978,650	150,999,826	67,922,482
Work-in-progress	67,374,417	117,985,877	131,201,115
Finished goods (Stock in trade)	166,870	882,238	2,323,960
Finished goods (Manufactured)	81,175,233	249,595,851	215,329,223
Stores, Spares Parts & Packing Material	15,201,436	17,357,176	19,524,733
Packing material	5,741,040	5,974,681	5,760,178
Waste	5,906,383	8,197,490	10,185,290
Total	**235,544,029**	**550,993,139**	**452,246,981**

Financial assets - current

Note 8 Trade receivables

Unsecured, Considered Good Unless Otherwise Stated	95,884,400	377,283,284	485,747,930
Unsecured, Considered Doubtful	-	116,879,978	25,994,539
	95,884,400	494,163,261	511,742,468
Less: Loss Allowance	-	(116,879,978)	(25,994,539)
	95,884,400	**377,283,284**	**485,747,930**

(Amount in Rs.)

Note 9 Cash and cash equivalents	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks			
On current accounts	19,275,767	9,805,393	18,860,158
Cash on hand	460,211	914,698	1,791,472
Total	**19,735,978**	**10,720,091**	**20,651,630**
Note 10 Other bank balances			
Bank deposits with less than 12 months maturity*	712,300	-	29,280,000
Total	**712,300**	**-**	**29,280,000**
* Bank Deposit include amount deposited under protest and not free for Use.			
Note 11 Loans			
Security Deposit	5,806,996	3,966,181	1,958,111
Total	**5,806,996**	**3,966,181**	**1,958,111**
Note 12 Other financial assets			
Interest Accrued on Fixed deposit	118,293	44,282	1,122,279
Balances with government authorities			
- Considered good	110,213,928	112,790,072	154,094,348
- Considered doubtful	1,189,759	1,189,759	-
Less: Provision for doubtful advances	(1,189,759)	(1,189,759)	-
Claim Receivable	50,382,694	28,157,491	53,103,342
Total	**160,714,915**	**140,991,845**	**208,319,969**
Note 13 Other current assets			
Advance against expenses	-	10,743,347	14,129,781
Advance to employees	854,128	1,455,942	8,130,542
Export incentive	25,579,299	17,335,963	59,234,147
Prepaid Expenses	9,839,261	10,247,816	14,528,020
Advance to trade payable	54,990	-	-
Total	**36,327,678**	**39,783,068**	**96,022,490**

Note 14 Share Capital

Authorised	**No of Shares**	**Amount**	**No of Shares**	**Amount**	**No of Shares**	**Amount**
Equity shares of Rs. 10/- each	114000000	1140000000	114000000	1140000000	114000000	1140000000
Redeemable preference shares of Rs. 10/- each	-	70,000,000	-	70,000,000	-	70,000,000
		1,210,000,000		**1,210,000,000**		**1,210,000,000**
Issued, Subscribed and Paid up Equity shares of Rs. 10 each, fully paid up	89,772,035	897,720,350	89,772,035	897,720,350	89,772,035	897,720,350
		897,720,350		**897,720,350**		**897,720,350**

(A) The company has only one class of equity share having a par value of Rs. 10/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(B) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	**As at March 31, 2018**		**As at March 31, 2017**		**As at April 01, 2016**	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity shares outstanding at the beginning of the year	89,772,035	897,720,350	89,772,035	897,720,350	89,772,035	897,720,350
Add: Equity shares issued during the year	-	-	-	-	-	-
Equity shares outstanding at the end of the year	89,772,035	897,720,350	89,772,035	897,720,350	89,772,035	897,720,350

(C) List of shareholders holding more than 5% of the aggregate share in the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
VCIGPM Ltd. (Citigroup Venture Capital International Growth Partnership Mauritius Ltd)	19,252,650	21.45	19,252,650	21.45	19,252,650	21.45
CLC Technologies Private Limited	18,300,000	20.38	18,300,000	20.38	18,300,000	20.38
Mukund Choudhary	5,273,083	5.87	5,273,083	5.87	5,273,083	5.87
Kapil Choudhary	5,228,530	5.82	5,228,530	5.82	5,228,530	5.82

(Amount in Rs.)

Note 15 Other equity	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Retained earnings	(5,056,432,191)	(4,350,106,940)	(3,553,356,200)
Profit /(Loss) for the year	(1,700,259,344)	(697,058,256)	(809,111,870)
FVTOCI reserve - equity instruments	18,424	7,354	704
Securities premium reserve	1,028,273,822	1,028,273,822	1,028,273,822
Share Application Money Pending Allotment*	110,950,000	110,950,000	110,950,000
General reserve	28,181,651	28,186,801	28,186,801
Debenture Redemption Reserve	170,360,578	170,360,578	170,360,578
Share Forfeiture Reserve	-	7,179,250	7,179,250
Profit on Restructure	-	2,358,587	2,358,587
Capital Reserve	147,769,543	138,231,706	138,231,706
Total	**(5,271,137,517)**	**(3,561,617,098)**	**(2,876,926,623)**

*The Company has not allotted shares against this amount which was brought in by the promoters in more than one instalment under restructuring scheme approved by the Bankers. Due to pending necessary approvals and directions for allotment of shares, the Company has not complied with the provisions of Section 42 of the Companies Act, 2013.

Financial liabilities - Non Current

Note 16 Borrowings

Secured			
(a) Debentures			
Redeemable Non-Convertible Debentures	112,214,310	112,131,490	155,888,356
Term Loans			
Term loan from bank (Refer Note no. 48)	1,771,056,982	1,775,391,283	2,472,696,238
Term Loan from Other	311,700,000	354,100,000	
Unsecured			
From related parties (Refer Note no. 39)*	44,070,996	49,900,001	49,900,001
Less-Amount disclosed under the head Financial liabilities (current)" (Note-19)	1,927,342,289	1,937,422,775	939,819,250
Total	**311,700,000**	**354,100,000**	**1,738,665,345**

* Inclue invocation of Pledge by ICICI Bank over Nill(Pervious Year 1,25,33,334) equity shares held by the Promoters of the company.

Nature of security

(a) Debentures

Non convertible debenture

Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Mukund Choudhary and Sh. Kapil Choudhary. These Debentures are further secured by second pari-passu charge on entire current assets of the Company. These debentures are also secured by pledge of Rs. 29,683,420 shares of the company held by promoters and further secured by collateral security of property at 1st Floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Repayment terms, amount and period of default

Amounting to Rs. 112,214,310 (previous year Rs. 112,131,490) repayable in 24 quarterly instalments commencing from June, 2012. An amount of Rs.112,214,310 (previous year Rs. 29,113,732) was due for payment as on 31.03.2018 is yet to be paid. For repayment schedule refer table below

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Term loan from bank

(a) Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured bypersonal guarantees of Sh. Ajay Choudhary, Sh. MukundChoudhary and Sh. Kapil Choudhary and third party guaranteeof Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire current assets of theCompany. These loan are also secured by pledge of 29,683,420 shares of the company held by promoters and further securedby collateral security of property at 1st Floor, 7, Padmini Enclave,Hauz Khas, New Delhi. 8,113,806 (P.Y. 8,113,806) shares of promoters have also been pledged on exclusive basis for an amount of 332,700,000(332,700,000), Further secured by third charge on all the movable and immovable assets of the Company.

Amounting to Rs. 514,747,404 (previous year Rs. 527,321,695) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs. 517,447,404 (previous year Rs. 517,447,404) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to Rs. 208,886,327 (previous year Rs. 208,886,327) repayable in 20 quarterly installments commencing from June, 2012. An amount of Rs. 208,886,327 (previous year Rs. 208,886,327) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to Rs. 332,700,000 (previous year Rs. 332,700,000) repayable in 15 quarterly installments commencing from December, 2017. An amount of Rs.17,500,000 (previous year Nil) existed on 31.03.2018, which ranges from 1 to 106 days till 31.03.2018, is yet to be paid.For repayment schedule refer table no. 3 below.

Term Loan Repayment schedule Table No. 1

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Term Loan Repayment schedule Table No. 2

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17
Principal (%)	14	16	20	20	30
ROI (%)	10	12	13	14	14

Term Loan Repayment schedule Table No. 3

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
Principal (%)	5.26	12.02	12.02	12.02	58.68
ROI (%)	8.5	8.5	8.5	8.5	8.5

(b) Funded Interest Term Loan

Secured by first pari-passu charge on all the fixed assets of the Company, both present and future. The loan is further secured by second pari-passu charge on entire on entire current assets of the Company and additionally secured by personal guarantee of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary . The loan is also secured by pledge of 29,683,420 shares of the Company on pari-passu basis. Loan amounting to Rs. 44,456,848 (44,456,848) is further secured by collateral security of property at 1st Floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Amounting to Rs. 15,378,904 (previous year Rs. 15,378,904) repayable in 2018. There is no default in repayment of loan existing as on 31.03.2018.

Amounting to Rs. 21,400,000 (previous year 21,400,000) repayable in 15 quarterly installments commencing from December, 2017. An amount of Rs. 11,00,000 (previous year Rs. Nil) existed on 31.03.2018, which ranges from 1 to 106 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to Rs. 44,456,848 (previous year Rs. 44,456,848) repayable in 16 quarterly instalments commencing from June, 2012. An amount of Rs. 44,456,848 (previous year Rs. 44,456,848) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no.2 below.

Funded Interest Term Loan Repayment schedule Table No. 1

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
Principal (%)	5.14	11.21	11.21	11.21	61.23
ROI (%)	8.5	8.5	8.5	8.5	8.5

Funded Interest Term Loan Repayment schedule Table No. 2

Particulars	FY 13	FY 14	FY 15	FY 16
Principal (%)	15	25	25	35
ROI (%)	10	10	10	10

(c) Working Capital Term Loans

Secured by first pari-passu charge on entire current assets of the Company both present and future and additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire fixed assets of the Company. These loans are also secured by pledge of 29,683,420 shares of the Company and further secured by collateral security on the property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Amounting to Rs. 153,729,754 (previous year Rs. 153,729,754) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs. 153,729,754 (previous year Rs. 153,729,754) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to Rs. 280,198,922 (previous year Rs 280,198,922) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs 280,198,922 (previous year Rs 280,198,922) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to Rs. 307,264,355 (previous year Rs. 307,264,355) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs. 307,264,355 (previous year Rs. 307,264,355) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 3 below.

Repayment schedule Table No. 1

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Repayment schedule Table No. 2

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	10	11	11	11	12

Repayment schedule Table No. 3

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	20	20	20
ROI (%)	14.5	18	18	18	18	18.25

(d) Corporate Loan

Secured by first pari-passu charge on the entire current assets of the Company including receivables. Additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by collateral security on entire fixed assets of the Company, also secured by pledge of 29,683,420 shares of the Company and collateral security on the property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Amounting to Rs. 177,022,612 (previous year Rs. 183,674,612) repayable in 18 quarterly installments commencing from June, 2015. An amount of Rs. 145,964,697 (previous year Rs. 155,445,780) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no.1 below.

Amounting to Rs. 26,971,857 (previous year Rs. 26,971,857) repayable in 18 quarterly installments commencing from September, 2015. An amount of Rs. 26,971,857 (previous year Rs. 26,971,857) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to Nil (previous year Rs. 27,508,010) repayable in 09 monthly installments commencing from May, 2016.Entire amount paid during the Year ended 31st March 2018. For repayment schedule refer table no. 3 below.

Repayment schedule Table No. 1

Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
Principal (%)	22.22	22.22	22.22	22.22	11.12
ROI (%)	13.50%	13.50%	13.50%	13.50%	13.50%

Repayment schedule Table No. 2

Particulars	**FY 15**	**FY 16**	**FY 17**	**FY 18**	**FY 19**	**FY 20**
Principal (%)	5.56	22.24	22.24	22.24	22.24	5.56
ROI (%)	13.50%	13.50%	13.50%	13.50%	13.50%	13.50%

Repayment schedule Table No. 3

Particulars	**FY 17**
Principal (%)	100
ROI (%)	12.50%

(Amount in Rs.)

	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**
Note 17 Other financial liabilities			
Security Deposit	6,686,736	2,165,630	1,896,740
Total	**6,686,736**	**2,165,630**	**1,896,740**
Note 18 Provisions			
Provision for gratuity *	106,880,703	75,504,818	65,291,541
Provision for leave encashment	19,840,653	17,730,489	9,815,304
Total	**126,721,356**	**93,235,307**	**75,106,845**
* Refer note 37.			
Financial Liabilities - Current			
Note19 Borrowings			
Secured			
From banks :-Repayable on demand*	4,748,948,004	4,792,732,913	3,834,830,524
Unsecured			
From Others (Unsecured)#	20,000,000	14,095,313	34,409,921
Inter corporate deposits (repayable on demand)	166,629,560	67,923,479	-
Total	**4,935,577,564**	**4,874,751,704**	**3,869,240,445**

Nature of Security

Working Capital Loans from Banks are secured by first pari-passu charge on entire current assets, long term loan and advances and other non current assets of the Company. These loans are further secured by second pari-passu charge on entire fixed assets, both present and future and personal guarantee of the promoters. These loans, are also secured by pledge of promoters' shares (29,683,420 nos.) on pari-passu basis.

* The short term borrowing from banks have generally remained overdue during the substantial part of the financial year. The overdue amount as at March 31, 2018 was 2,76,84,56,668 (2,71,35,36,433). The director has given unsecured loan of Rs. 2,00,00,000 which was subsequently returned back by the company through cheque, however the said cheque was not presented till the date of signing of financials.

#Refer note no. 39

Note 20 Trade Payables			
Total outstanding dues of micro enterprises and small enterprises#	-	-	-
Trade payables (including acceptances) - Due of other than micro and small enterprises	622,647,789	841,415,217	584,296,124
Total	**622,647,789**	**841,415,217**	**584,296,124**

The Company has not received information from suppliers or service providers, whether they are covered under Micro, Small and Medium Enterprises (Development) Act, 2006 and hence it has not been possible to ascertain the required information relating to amounts unpaid, if any, as at year end together with interest paid or payable to them.

Note 21 Other financial liabilities			
Creditors for capital expenditure			
Current maturities of long-term borrowings			
Interest accrued and due on borrowings	51,749,649	10,524,769	384,325,583
Employee Benefits Payables	118,273,387	86,450,109	61,342,292
Other payables	592,357,271	467,968,261	324,381,946
Total	**762,380,307**	**564,943,139**	**770,049,821**

(Amount in Rs.)

Note 22 Other current Liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	25,118,491	19,184,114	52,129,539
Statutory dues	188,331,947	143,194,288	69,214,357
	-		
Total	**213,450,438**	**162,378,402**	**121,343,896**

Note 23 Provision

Provision for bonus	24,086,785	23,978,831	17,434,035
Provision for Ex-gratia	12,417,420	8,637,127	5,368,289
Provision for leave encashment	2,500,517	2,234,573	3,597,171
Provision for Gratuity	11,000,734	7,771,360	2,891,884
Provision for Income Tax (Net of Advance tax)	-	11,183,274	10,048,008
Total	**50,005,456**	**53,805,165**	**39,339,387**

Note 24 Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Manufacture goods	4,764,622,183	7,744,282,001
Traded goods	3,768,981	30,376,060
Export Incentive	79,031,694	83,247,728
	4,847,422,858	**7,857,905,789**
Less: Discount	47,653,909	36,485,990
Net revenue from operations	**4,799,768,949**	**7,821,419,799**

Note 25 Other Income

Interest Received	11,382,938	8,677,924
Profit on sale of Fixed Assets (net)	327,317	626,392
Commission income	3,547,700	101,894
Sale of Scrap	2,026,259	1,685,105
Rental income	63,000	105,000
Liabilities / Provisions no longer required written back	80,681,081	68,485,505
Exchange difference	12,005,974	8,104,788
Other non-operating income	2,697,827	702,707,367
Total other income	**112,732,096**	**790,493,975**

Note 26 Cost of raw material and components consumed

Raw Material		
Opening inventory	150,999,826	67,922,484
Purchases	3,112,051,862	5,756,548,497
Closing inventory	59,978,650	150,999,826
Cost of raw material consumed	**3,203,073,038**	**5,673,471,155**
Additional disclosures regarding cost of material consumed:		
Cotton	1,023,051,990	4,075,470,325
Polyester staple fiber	1,363,294,658	1,345,642,705
Viscose staple fiber	208,728	198,533,019
Others	816,517,662	53,825,106
	3,203,073,038	**5,673,471,155**

Additional disclosures regarding closing inventory of Raw Material:

Cotton	42,719,679	32,252,047
Polyester staple fiber	13,629,588	28,225,894
Viscose staple fiber	-	208,728
Others	3,629,383	90,313,157
	59,978,650	**150,999,826**

(Amount in Rs.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Note 27 Purchase of Traded Goods		
Cotton yarn	31,983	46,981
Clothes	2,613,355	26,039,254
	2,645,338	**26,086,235**
Note 28 (Increase)/Decrease in inventories		
Opening inventory		
Finished goods:		
(a) Manufactured	249,595,851	215,329,223
(b) Traded	882,238	2,323,960
Work in progress	117,985,877	131,201,115
Cotton waste	8,197,490	10,185,290
	376,661,456	**359,039,588**
Less: Closing inventory		
Finished goods:		
(a) Manufactured	81,175,233	249,595,851
(b) Traded	166,870	882,238
Work in progress	67,374,417	117,985,877
Cotton waste	5,906,383	8,197,490
	154,622,904	**376,661,456**
Inventory Written Off		726,091
Sub Total	222,038,552	(18,347,959)
Excise duty on increase / (decrease) in inventories	2,658,938	(1,441,723)
(Increase) /decrease in inventory	**224,697,490**	**(19,789,682)**
Note 29 Employee benefit expenses		
Salaries wages and bonus	590,468,428	742,653,484
Contribution to provident and other funds	59,415,508	65,878,888
Leave Encahment	3,729,441	11,203,747
Gratuity expense	14,360,271	20,876,293
Staff welfare expenses	64,468,275	87,342,738
Total employee benefit expenses	**732,441,923**	**927,955,150**
Note 30 Finance costs		
Interest on Non convertible debentures	16,741,092	17,752,010
Interest (Others)	22,224,721	63,371,813
Interest on Term Loans	35,641,159	400,917,874
Interest on bill discounting	9,800,908	12,466,226
Interest on Working Capital loan	91,741	2,057,708
Bank & other finance Charges	3,212,053	11,872,142
Total finance costs	**87,711,674**	**508,437,773**
Note 31 Depreciation and amortization expense		
Depreciation of Tangible assets	104,024,676	107,450,281
Amortization of Tangible assets	1,738,403	1,740,210
Amortization of Lease hold	1,123,909	1,108,187
Total depreciation and amortization expense	**105,763,079**	**109,190,491**
Note 32 Other expenses		
Manufacturing Expenses :		
Consumption of stores and spares	66,442,308	130,970,075
Power and fuel Expenses	583,696,389	915,282,873
Repairs and Maintenance (Machinery)	9,022,626	16,148,439
Repairs and Maintenance (Buildings)	1,396,928	2,121,891
Repairs and Maintenance (Others)	7,816,489	12,312,981
Entry Tax /Toll Tax	30,043	53,294
Subtotal (A)	**668,404,783**	**1,076,889,553**

(Amount in Rs.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Selling & Distribution Expenses :		
Freight Outward and Clearing Charges	73,380,340	105,977,142
Packing Material Expenses.	72,948,731	120,186,869
Business Promotion Expenses	3,168,989	4,561,688
Advertisement & Publicity Expenses	176,199	158,562
Commission	5,480,801	19,240,089
Sample Expenses	72,877	196,159
Export Sale Expense	721,550	2,949,057
Other Selling & Distribution Expenses	26,767,092	28,090,168
Subtotal (B)	**182,716,579**	**281,359,734**
Administrative & General Expenses :		
Rent (Including Lease Rental)	4,608,436	5,625,652
Insurance	4,832,189	5,363,185
Communication Expenses	4,460,330	7,510,873
Printing and Stationery	1,508,545	2,986,496
Legal and Professional Charges	40,695,231	22,557,252
Director Sitting Fees	298,204	582,204
Foreign Office Expenses	3,652,621	4,952,823
Payment to Auditors	2,377,805	2,176,574
Rates and taxes	4,497,709	6,207,661
Travelling & Conveyance Expenses	39,893,887	52,535,635
Filing Fees	786	47,323
Licence Fees	1,506,159	1,516,029
Membership & Subscription	1,027,299	1,217,212
Vehicle Running & Maintenance Expenses	5,174,027	5,649,732
Security Charges	8,715,368	9,310,814
Computer Running & Maintenance Expenses	441,121	754,551
Books & Periodicals	50,769	43,541
ISO Expenses	176,715	289,121
Secreatarial Expenses	722,467	773,382
Subcontracting Charges	4,405,003	31,765,316
Service Tax Reversal	-	27,946,550
Miscellaneous Expenses	5,239,879	9,263,483
Bad debts written off	28,857,591	116,587,340
Prior Period Items (net)	-	19,402,897
Provision for impairment of trade receivables & Investment	-	151,721,189
Subtotal (C)	**163,142,141**	**486,786,835**
Total other expenses	**1,014,263,503**	**1,845,036,122**

Note 33 Expenses of exceptional nature

Provision made for diminution in value of Investment	204,469,921	570,335,118
Receivable from ASIL Written-off	755,794,386	-
Carrying cost, insurance & trade premium etc on cotton	260,117,951	-
	1,220,382,258	**570,335,118**

Note 34 Income of exceptional nature

Interest written back	-	360,348,272
	-	360,348,272

(Amount in Rs.)

Note 35 Contingent liabilities not provided for in respect of: Contingent Liabilities Not Provided For:	March 31, 2018	March 31, 2017	April 1, 2016
(a) Demands from income tax authorities under appeal	37,981,404	37,971,404	74,375,239
(b) Demands from sales tax authorities under appeal	100,659,595	100,659,595	9,481,297
(c) Show cause notices/demands raised by excise/customs department (including applicable penalties), not acknowledged as debts"	148,490,339	148,490,339	278,670,396
(d) Show cause notices/demands raised by MP Government / MPEB department,not acknowledged as debts"	125,056,000	162,143,222	125,056,000
(e) Claims against the company not acknowledged as debts	293,300,000	812,891,366	731,186,818
(f) Guarantees and letters of credit issued on behalf of the company, outstanding at the year end	640,290	59,279,455	70,779,455
(g) Bills Discounted with banks on behalf of the company, outstanding at the year end.	31,910,156	7,123,000	68,778,805
(h) Corporate Guarantee given to IREDA for loan to M/s Himalayan Crest Power Private Limited	130,428,748	145,290,136	153,382,019
(i) Corporate Guarantee given to AXIS Bank Ltd.& UCO Bank for loan to M/s Amit Spinning Industries Limited"	294,302,104	294,302,104	339,949,639
(j) Corporate Guarantee given to CVCI for investment in Spentex (Netherlands) B.V. For F.Y. 2016-17 USD 2,000,000 (For F.Y. 2016-16) USD 2,000,000)*	-	129,710,000	1,325,000,000
(k) Corporate Guarantee given to SBI - Tokyo Branch for loan to Spentex (Netherlands) B.V for FY 2016-17 USD 22,009,732 (for FY 2015-16 USD 21,427,318)**	-	1,427,441,169	1,419,559,818
Total	**1,162,768,636**	**3,325,301,790**	**4,596,219,486**

*Under tha Guarantee Agreement Spentex Industries Limited ,the guarantor, guaranteed the performance and execution of the obligation of the Spentex Subsidiaries, SNBV and others under the Investment Agreement in consideration of the Investor (CVCI) undertaking the obligation upon it under the Investment Agreement. In terms of clause 25.18 of Investment Agreement, the guarantee had to be renewed every year, however since all the needful compliance intended as per the Investment Agreement had been fulfilled in the first year itself i.e in 2006-07, therefore over the period for many year, neither Guarantee was renewed nor its renewal at any time was demanded by the CVCI, as the Guarantee of late, has become Infructuous, since its purpose has been fulfilled."

**The company believes that the corporate guarantee issued to SBI Tokyo is 'Open Ended' as it does not specify period of its validity, and the same has been issued in violation of RBI AP (DIR Series) Circular No.29 dated March 27, 2006, which prohibits issuing of any such 'open ended' Guarantee. Hence the Guarantee being deficient, is invalid corporate guarantee and therefore, no longer enforceable, as per RBI norm. Further, ODI Form Part II specifying the amount, date of issuance of corporate guarantee, and validity period, containing confirmation certificate by the Authorised Dealer bank that the remittance (issuance of guarantee) has been allowed under the Automatic Route, was not filed by the Authorised dealer bank (SBI) with the RBI. Accordingly, all the requisite terms and conditions of issuing a guarantee by the Company under the automatic route were not fulfilled by the Authorised Dealer. Hence the corporate guarantee vis-a-vis SBI Tokyo is invalid as on date.

The amount shown in the items (a) to (e) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. The amount shown in items (f) to (l) represent guarantees given and bills discounted in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of beneficiaries fulfilling their ordinary commercial obligations

Note 36

In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

Note 37 EMPLOYEE BENEFIT PLAN (i) Post Retirement Employee Benefits	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended April 1, 2016
Gratuity	117,881,438	83,276,178	68,183,425
Leave Encashment	22,341,170	19,965,062	13,412,475

(a) Defined Contribution Plans:

The Company has defined contribution plans for post retirement employment benefits namely Provident Fund and Employee State Insurance Scheme. Expenses for the same is being charged to statement of profit and loss for the year.

(b) Defined Benefit Plans:

The liability for gratuity is determined on the basis of an actuarial valuation, using the projected unit credit (PUC) method at the end of the year. Gains and losses arising out of actuarial valuations are recognised in the statement of profit and loss for the year. Liabilities for compensated absences which is a defined benefit plan are determined based on independent year end actuarial valuation and the resulting charge is being accounted in statement of profit and loss.

(ii) Other Employee Benefits

Other employee benefits are accounted for on accrual basis.

A. Components of Employer Expense

(Amount in Rs.)

Particulars	**2017-18 Gratuity Funded**	**2016-17 Gratuity Funded**	**2015-16 Gratuity Funded**
Current service cost	11,433,267	9,205,933	8,422,865
Interest cost	8,119,040	7,275,939	7,084,554
Curtailment cost/(credit)	-		
Settlement cost/(credit)	-		
Return on plan assets	(1,440,641)	-452,920	(2,332,642)
Past service cost	1,458,083		
	19,569,749	**16,028,952**	**13,174,777**

The Gratuity and Leave encashment expenses have been recognized in "Employee benefits expense" under note no. 29 of financial statement.

B. Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2018

Particulars	**2017-18 Gratuity Funded**	**2016-17 Gratuity Funded**	**2015-16 Gratuity Funded**
Present Value of DBO at the beginning of year	104,761,808	97,012,520	88,556,917
Current service cost	11,433,267	9,205,933	8,462,865
Past Service Cost	1,458,083	-	-
Interest cost	8,119,040	7,275,939	7,084,554
Actuarial (gains)/losses	22,455,555	6,558,543	1,292,151
Benefits paid	(14,306,463)	(11,549,570)	(8,383,967)
Present value of DBO at the end of year	**133,921,290**	**108,503,365**	**97,012,520**

C. Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2018

Particulars	**2017-18 Gratuity Funded**	**2016-17 Gratuity Funded**	**2016-17 Gratuity Funded**
Present value of defined benefit obligation	133,921,290	104,761,808	97,012,520
Fair value on plan assets	16,039,851	21,485,630	28,829,095
Status [surplus/(deficit)]	(117,881,439)	(83,276,178)	(68,183,425)
Net Asset/(Liability) recognized in Balance Sheet	**(117,881,439)**	**(83,276,178)**	**(68,183,425)**

D. Experience Adjustment

Particulars	**2017-18 Gratuity Funded**	**2016-17 Gratuity Funded**	**2015-16 Gratuity Funded**
Present value of defined benefit obligation	133,921,290	104,761,808	97,012,520
Fair value on plan assets	16,039,851	21,485,630	28,829,095
Status [surplus/(deficit)]	(117,881,439)	(83,276,178)	(68,183,425)
Experience adjustment on plan liabilities loss / (gain)	(13,500,179)	1,730,951	223,585
Experience adjustment on plan assets (loss) / gain	61,440.00	(196,551)	74,909

(Amount in Rs.)

	2014-15 Gratuity Funded	2013-14 Gratuity Funded
Present value of defined benefit obligation	88,556,917	77,804,171
Fair value on plan assets	29,394,613	283,723,112
Status [surplus/(deficit)]	(59,162,304)	(49,431,860)
Experience adjustment on plan liabilities loss / (gain)	81,708	12,358,049
Experience adjustment on plan assets (loss) / gain	(531,948)	(136,618)

E. Change in Fair Value of Assets during the Year Ended March 31, 2018

Particulars	2017-18 Gratuity	2016-17 Gratuity	2015-16 Gratuity
Plan assets at the beginning of year	21,485,630	28,829,095	29,394,613
Acquisition adjustment for plan assets	100,000	(405,335)	92,340
Expected return on plan assets	1,440,641	2,117,342	2,332,642
Actuarial gains/(losses)	(146,322)	(182,111)	113,883
Actual company contribution	(30,897)	957,005	523,904
Benefits paid	(6,809,201)	(9,830,365)	(3,628,287)
Plan Assets at the end of year	**16,039,851**	**21,485,631**	**28,829,095**

F. Current & Non –current liabilities as at March 31, 2018

Particulars	2017-18 Gratuity	2016-17 Gratuity	2016-17 Gratuity
Current liabilities	11,000,734	7,771,360	2,891,884
Non-current liabilities	106,880,703	75,504,818	65,291,541
Total of Current & Non –current liabilities	**117,881,438**	**83,276,178**	**68,183,425**

G. Actuarial Assumptions

Particulars	2017-18 Gratuity	2016-17 Gratuity	2016-17 Gratuity
Discount Rate (%)	7.75%	8.00%	8.00%
Expected Return on Plan Assets (%)	7.75%	8.00%	8.00%
Annual increase in salary cost (%)	5.00%	2.50%	2.50%

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

H. Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

Note 38 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the entity's performance based on only one segment i.e. manufacturing and trading in Domesic & Outside India.

DESCRIPTION	REVENUE (Rs.)	ASSETS (Rs.)
Domestic	3,571,898,183	2,557,565,981
	(6,145,698,467)	(3,573,953,418)
Outside India	1,227,870,766	98,186,497
	(1,675,721,332)	(708,944,399)
Current Year	**4,799,768,949**	**2,655,752,478**
Previous Year	**(7,821,419,799)**	**(4,282,897,817)**

Note. 39 Related party disclosure (Designation, Relationship also to be mentioed)

(1) Related parties and their relationship :

I Key Management personnel :

Mr. Ajay Kumar Choudhary(Chairman & Whole time Director)

Mr. Mukund Choudhary(Managing Director)

Mr. Kapil Choudhary(Deputy Managing Director)

Mr. Amrit Agrawal(Director) (Resigned with effect from 27th January, 2017)

Mr. Krishan Gopal Goyal (CFO) (Date of Joining 30th January 2017 Resigned with effect from 30th June, 2017)

Mr. Yash Jain (CFO)

II Relatives of Key Management personnel :

Mr. Raghav Choudhary (Son of Managing Director)

Mr. Bharat Hari Choudhary (Son of Managing Director)

Ms. Vanshika Choudhary (Daughter of Managing Director)

Mr. Madhav Choudhary (Son of Deputy Managing Director)

Mr. Aakash Agrawal (Son of Mr. Amrit Agrawal)(Ceased to be a related party w .e .f. 27th January, 2017)

III Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise :

(i) Himalayan Crest Power Pvt. Limited

(ii) CLC & Sons (P) Limited

(iii) CLC Technologies Private Limited

(iv) Chhindwara Infrastructure Private Limited

(v) CLC Power Limited

(vi) CLC Enterprises Limited

(vii) CLC Textile Park Private Limited

(viii) Sasi Power Private Limited

(Amount in Rs.)

	Particulars	**2017-18**	**2016-17**
1	Key Management Personnel		
i)	Mr. Ajay Kumar Choudhary(Chairman & Whole time Director)		
	Salary and Allowances	410,714	6,000,000
	Contribution to Provident and other Funds.	49,286	720,000
	Value of benefits, calculated as per Income Tax Rules	-	-
ii)	Mr. Mukund Choudhary(Managing Director)		
	Salary and Allowances	410,714	6,000,000
	Contribution to Provident and other Funds.	49,286	720,000
	Value of benefits, calculated as per Income Tax Rules	-	-
iii)	Mr. Kapil Choudhary(Deputy Managing Director)		
	Salary and Allowances	410,714	6,000,000
	Contribution to Provident and other Funds.	49,286	720,000
	Value of benefits, calculated as per Income Tax Rules	-	-
iv)	Mr. Amrit Agrawal		
	Salary and Allowances	-	4,822,258
	Contribution to Provident and other Funds.	-	577,210
	Value of benefits, calculated as per Income Tax Rules	-	1,201,570
v)	Mr. Krishan Gopal Goyal (CFO)		
	Salary and Allowances	468,477	329,720
	Contribution to Provident and other Funds.		
	Value of benefits, calculated as per Income Tax Rules	431,523	290,280
vi)	Mr. Yash Jain (CFO)		-
	Salary and Allowances	1,375,161	
	Contribution to Provident and other Funds.	7,200	
	Value of benefits, calculated as per Income Tax Rules	243,445	

(Amount in Rs.)

Particulars		2017-18	2016-17
2	Relatives of Key Management personnel :		
	Scholarship		
	Mr. Madhav Choudhary	-	6,000
	Mr. Aakash Agrawal	-	6,000
	Mr. Bharat Hari Choudhary	6,000	7,000
	Total	**6,000**	**19,000**
3	Directors' sitting fees		
i)	Mr. D.P. Singh	-	126,694
ii)	Mr. Deepak Diwan	135,000	106,959
iii)	Mr. Kamal Kapur	88,918	83,429
iv)	Mr. R.K. Thapliyal	-	36,959
v)	Mr. Samir Kumar Nath	42,286	82,286
vi)	Mr. Shyamal Ghosh	-	145,877
vii)	Miss. Charul Jain	32,000	-
	Total	**298,204**	**582,204**
4	Reimbursement of Expenses		
i)	M/s Amit Spinning Industries Limited	2,291,513	24,553,796
ii)	Chindwara Infrastructure Pvt. Ltd.	1,831,815	-
	Total	**4,123,328**	**24,553,796**
5	Unsecured loan taken		
	Mr. Ajay Kumar Choudhary	8,000,000	-
	Total	8,000,000	-
6	Guarantees outstanding at year end		
i)	M/s Amit Spinning Industries Limited	294,302,104	294,302,104
ii)	M/s Himalayan Crest Power Pvt. Limited	130,428,748	145,290,136
iii)	M/s Spentex Netherlands B.V	-	1,557,151,169
	Total	**424,730,852**	**1,996,743,409**
7	Year end receivable from		
i)	M/s Amit Spinning Industries Limited	1,025,287	756,792,989
ii)	M/s Himalayan Crest Power Pvt. Limited	-	56,650,287
iii)	M/s Spentex Netherlands B.V	-	95,070,902
	Total	**1,025,287**	**908,514,178**
8	Year end payable to		
i)	Mr. Ajay Kumar Choudhary	21,521,600	13,521,600
ii)	Mr. Mukund Choudhary	13,470,183	18,770,184
iii)	Mr. Kapil Choudhary	7,579,213	17,608,219
	Total	**42,570,996**	**49,900,003**

Note 40 Earning per share	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year (Amount in INR)	(18.67)	(7.63)
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	(18.67)	(7.63)
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	(1,676,457,045)	(684,689,775)
Profit attributable to equity holders adjusted for the effect of dilution	(1,676,457,045)	(684,689,775)
Weighted average number of Equity shares for basic EPS	89,772,035	89,772,035
Weighted average number of Equity shares adjusted for the effect of dilution	89,772,035	89,772,035

(Amount in Rs.)

Note 41 Earnings in foreign exchange during the year (on accrual basis):	For the year ended March 31, 2018	For the year ended March 31, 2017
F.O.B. value of goods exported	1,170,222,187	1,530,856,070
Note 42 Expenditure in Foreign currency (on accrual basis)		
Travelling	1,488,157	3,894,784
Commission	2,726,712	10,201,139
Claim paid on export sales	721,550	2,949,057
Legal & professional	1,612,500	3,104,062
Other expenses	4,118,191	4,952,823
Total	**35,768,975**	**25,101,865**

Note 43 Exposure in Foreign currency

The entity uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

Details of foreign currency exposure of the Company :

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:						
Export Receivables (USD)	1,339,029	85,960,084	5,753,710	294,077,626	7,217,410	394,294,887
Export Receivables (EURO)			5,633,471	357,502,740	5,653,850	359,126,088
Advance from Customers (US$)	385,068	25,327,972	648,880	43,105,572	749,823	49,071,524
Import Payable(USD)	-	-	3,306	211,833	-	
Import Payable(CHF)	-	-	80	5,302	-	-
Import Payable(EURO)	-	-	11,532	856,587	-	-
Import Payable(JPY)	-	-	373,320	203,459	**-**	**-**

Note 44 Financial Instruments

A- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. "instrument carried at fair value" appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

	Fair value			Carrying value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets measured at fair value through OCI						
Investments						
Equity shares						
Sentinel Tea and Exports Limited	9,930	6,760	2,600	9,930	6,760	2,600
Summit Securities Limited	7,901	5,371	2,881	7,901	5,371	2,881
	17,831	**12,131**	**5,481**	**17,831**	**12,131**	**5,481**

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
March 31, 2018		
Investment		
Equity share	17,831	33,563
Total	17,831	33,563
March 31, 2017		
Investment		
Equity share	12,131	204,595,824
Total	12,131	204,595,824
April 1, 2016		
Investment		
Equity share	5,481	774,888,602
Total	5,481	774,888,602

There have been no transfer between level 1, level 2 and level 3 during the period.

(Amount in Rs.)

Note 45 CIF value of import.

Description	Current Year	Previous Year
Raw materials	-	6,547,723
Stores and spares & components	4,049,135	13,398,991
Total	4,049,135	19,946,714

Note 46

Expenses of exceptional nature comprise of provision for diminution in the value of investment in the subsidiary Amit Spinning Industries Limited (ASIL) Rs. .204,469,921 and write off of Rs. 755,756,460 recoverable from the subsidiary ASIL. The same has been so accounted for keeping in view the ongoing proceedings of Amit Spinning Industries Limited (ASIL) in National Company Law Tribunal (NCLT) under the Insolvency and Bankrupcy Code (IBC),2016. The company ASIL has filed its petition before NCLT and Resolution professional has been appointed as per IBC,2016 . Keeping in view of the above no adjustment was made for corporate guarantee given by Spentex industries Limited to ASIL.Further provison made for inventory carrying cost of Rs. 260,118,000/- for which reconciliation with the parties are pending.

Note 47

As on March 31, 2018, the accumulated losses of the Company had exceeded its net worth. The financials of the company has been prepared on going concern basis as the management believe that the accumulated losses would be wipped-off and the profitability improved and the net worth will turn positive once financial restructuring is carried out by the lenders and requisite working capital is raised. Company is in advance stage of this financial resolution and is quite hopeful that within the next financial year the same will be carried out.

Note 48

The Company's accounts had become Non performing assets (NPA) with majority of the banks and due to this reason, the majority of lenders stopped charging interest from the company on their outstanding debts amount from the dates on which their accounts become NPA. The company is in advance stage of discussion with the lenders to settle their dues through Assets Reconstruction Companies by the lenders or otherwise. In view of the above, the company has not charged to statement of profit and loss account interest expenses of Rs. 53,65,22,381and related penal interest and other charges for the year, if any, in respect of delay in repayment of borrowings from the banks. Further, Liability for interest expenses of Rs. 1,49,75,89,636 till March 31, 2018 has not been accounted for.

Note 49

The Company is required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed methods vide circular no.04/2013 dated February 11,2013 issued by Ministry of Corporate Affairs .However, the Company has not complied with the requirement of the said circular.

Note 50

Due to working capital crunch, Baramati unit was shut down during the year. Management of the company is confident of restarting the unit within next financial year once financial restructuring is carried out by lenders and additional working capital is raised. this shut down is temporary in nature, hence no impairment testing was done.

Note 51

The outstanding balance as on 31st March, 2018 in respect of certain trade receivables, trade payables and loans & advances are subject to confirmation/reconciliation and consequential adjustment if any, from the respective parties. The management, however, does not expect any material variations.

Note 52 Income Tax

The major components of Income Tax expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Income Tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	(4,412,914)	-
Total (A)	(4,412,914)	-
Deferred Tax:		
Relating to origination and reversal of temporary differences	-	-
Total (B)	-	-
OCI section		
Deferred tax related to items recognised in OCI during the year:	-	-
Net loss/(gain) on re-measurements of defined benefit plans	-	-
Income tax charged to OCI	-	-
Reconciliation of tax expense and the accounting profit multiplied by India’s domestic tax rate for:-		
Mat Credit Entitlement Excess Provision Written Back	(4,412,914)	-
Total (C)	(4,412,914)	
Total (A)+ (B)+ (C)	-	-

Amount in Rupees

Accounting profit before tax	(1,680,869,959)	(684,689,775)
Income tax calculated at India's statutory Income Tax Rate	-	-
Total	-	-

Deferred tax			
Deferred tax relates to the following:			
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(174,739,224)	(178,544,324)	(179,589,019)
Provision created under Expected credit loss	450,253,235	1,262,347,968	1,128,552,734
Tax holiday units			
Mat credit entitlement		17,600,000	
Net deferred tax assets/(liabilities)	275,514,012	1,101,403,644	948,963,715

Note:- The Company has not recognized above Deferred Tax assets on account of prudence.

In the previous year MAT credit entitlement was appearing by Rs. 1,76,00000 and it had shown under deferred tax assets

Reflected in the balance sheet as follows:			
Deferred tax assets (continuing operations)	-	17,600,000	17,600,000
Deferred tax liabilities (continuing operations)	-	-	-
Mat credit entitlement	-	-	-
Deferred tax Assets (net)	-	17,600,000	17,600,000

Reconciliation of deferred tax liabilities (net):			
Opening balance	17,600,000	17,600,000	17,600,000
Tax income/(expense) during the year recognised in profit or loss	-	-	-
Tax income/(expense) during the year recognised in OCI	-	-	-
Change in MAT Credit	17,600,000		
Closing balance	-	17,600,000	17,600,000
The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority			
Amount of MAT credit available which can be set off against future taxable profits where group is required to pay taxes in accordance with normal provisions of Income Tax Act 1961.	-	17,600,000	17,600,000

Note: The Company has not recognized above Deferred Tax assets on account of prudence.

Note 53

For the year ended March 31, 2018, the holding Company has initiated the process of compliance with the transfer pricing“regulations for which the prescribed certificate of the accountant will be obtained. The management is of the opinion that the transactions are arms length price. Hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and the provision for taxation.

Note 54 Financial risk management objectives and policies

The entity's principal financial liabilities comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The entity's principal financial assets include loans, investment in preference shares & equity shares, trade and other receivables, and cash and cash equivalents that are derived directly from its operations.

The entity's business activities are exposed to a variety of financial risks, namely market risks, credit risk, Comodity Risk and liquidity risk. The entity's senior management has the overall responsibility for establishing and governing the entity's risk management framework. The entity has constituted a Risk Management Committee, which is responsible for developing and monitoring the entity's risk management policies. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the entity.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.“The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.“The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2018."The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions. "The following assumptions have been made in calculating the sensitivity analysis:"The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity's exposure to the risk of changes in market interest rates relates primarily to the entity's long-term debt obligations with floating interest rates.

Interest rate sensitivity:

The Company does not have any floting rate of interest on financial assets and liabilities . Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

(ii) Foreign currency risk

The Indian National Rupee is the entity's most significant currency. As a consequence, the entity's results are presented in Indian National Rupee and exposures are managed against Indian National Rupee accordingly. The entity has limited foreign currency exposure which are mainly on account ECB loan, import and exports. import and export have short recovery cycle and counter each other reducing the foreign currency risk.

Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the entity's profit before tax due to changes in the fair value of foreign currency exposure.

Amount in Rupees

Sensitivity to risk	**March 31, 2018**		**March 31, 2017**		**April 1, 2016**	
Increase/ (decrease) in Currency rate (USD)	2.75%	-2.75%	2.75%	-2.75%	2.75%	-2.75%
Effect on profit before tax increase/ (decrease)	26,234	(26,234)	284,627	(284,627)	333,340	(333,340)

(iii) Commodity price risk

The entity is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of cotton/Polyster Yarn require a continuous supply of Cotton/PSF. Due to the significantly increased volatility of the price of the Cotton/PSF, the Entity also entered into various purchase contracts for Cotton/PSF/VSF (for which there is an active market). ."The Entity's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation."Based on a 12-month forecast of the required Cotton/PSF/VSF supply, the Entity hedges the purchase price using forward commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

The following table shows the effect of price changes in copper net of hedge accounting impact.

	March 31, 2018		**March 31, 2017**		**April 1, 2016**	
Sensitivity to risk						
Increase/ (decrease) in Cotton Price	6.35%	-6.35%	6.35%	-6.35%	6.35%	-6.35%
Increase/ (decrease) in PSF Price	3.00%	-3.00%	3.00%	-3.00%	3.00%	-3.00%
Effect on profit before tax increase/ (decrease)	105,862,641	(105,862,641)	299,161,647	(299,161,647)	250,506,703	(250,506,703)

(iv) Equity price risk

The entity's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Entity's senior management on a regular basis. The entity's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unquoted equity securities at fair value was Rs. 17,830

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Trade receivables and loans

Credit risk is managed by entity subject to the entity's established policy, procedures and control relating to credit risk management. Credit quality is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and loans are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for receivables and loans. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note below. The entity does not hold collateral as security. The entity evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and has been rated highly based on internal credit assessment parameters.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the entity's treasury department in accordance with the entity's policy. Counterparty credit limits are reviewed by the entity's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.""The entity's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2018 March 31, 2017 and April 01, 2016 is the carrying amounts as illustrated in note below:

Amount in Rupees

Particulars	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Investment	51,394	204,607,955	774,894,083
Loans	101,491,419	65,467,796	42,803,691
Bank deposits	712,300	-	29,280,000
Trade receivables	95,884,400	377,283,284	485,747,930
Cash and cash equivalents	19,735,978	10,720,091	20,651,630
Claim Recivables	57,689,487	35,464,284	61,191,135
Interest Accured	686,842	96,563,413	98,024,566
Others	122,264,061	126,428,799	167,059,641
Total	398,515,880	916,535,621	1,679,652,675

(c) Liquidity Risk

The entity monitors its risk of shortage of funds on a regular basis. The entity's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The entity assessed the concentration of risk with respect to refinancing its debt and concluded it to below.

The table below summarises the maturity profile of the entity's financial liabilities based on contractual undiscounted payments:

Particulars	**Payable within one year**	**Payable within one year to five years**	**Total**
As at March 31, 2018:			
Term loans from banks	4,915,577,564	311,700,000	5,227,277,564
Short term loan	20,000,000	-	20,000,000
Trade payables	622,647,789	-	622,647,789
Other Financial Liabilities	762,380,307	6,686,736	769,067,043
As at March 31, 2017:			
Term loans from banks	4,860,656,392	354,100,000	5,214,756,392
Short term loan	14,095,313	-	14,095,313
Trade payables	841,415,217	-	841,415,217
Other Financial Liabilities	564,943,139	2,165,630	567,108,769
As at April 1, 2016:			
Term loans from banks	3,834,830,524	1,738,665,345	5,573,495,869
Short term loan	34,409,921	-	34,409,921
Trade payables	584,296,124	-	584,296,124
Other Financial Liabilities	770,049,821	1,896,740	771,946,561

Note 55 Capital management

For the purpose of the entity's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the entity. The primary objective of the entity's capital management is to maximise the shareholde'r wealth.

The entity's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The entity manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the entity may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a debt equity ratio, which is net debt divided by total capital. The entity's policy is to keep the debt equity ratio between 100% to 200%. The entity includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

(Amount in Rs.)

The entity's debt equity ratio was as follows:

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	5,247,277,564	5,228,851,704	5,607,905,790
Less: Cash and cash equivalents	19,735,978.00	10,720,091.05	20,651,629.68
Net debt	**5,227,541,586**	**5,218,131,613**	**5,587,254,160**
Equity Capital	897,720,350	897,720,350	897,720,350
Other Equity	(5,271,137,517)	(3,561,617,098)	(2,876,926,623)
Total Equity	**(4,373,417,167)**	**(2,663,896,748)**	**(1,979,206,273)**
Debt Equity Ratio	**-119.53%**	**-195.88%**	**-282.30%**

Note 56

Pursuant to compliance of Regulation 34(3) of the SEBI (LODR)Regulations,2015 on disclosure of loans/Advances in the nature of loans,the relevant information is provided hereunder:

Particulars	As on 31.03.2018	Maximum Amount due during the Year
Loan and Advances to a subsidiary		
-Amit Spinning Industries Limited	-	755,794,386

Note 57

The Company's interest and share in subsidiaries are set out below. Unless otherwise stated, the proportion of ownership interests held equals the voting rights held by the Company, directly or indirectly, and the country of incorporation or registration is also their principal place of business

Particulars	Relationship	Country of incorporation	Percentage of ownership interest		
			As on March 31, 2018	As on March 31, 2017	As on April 1, 2016
Spentex (Netherlands), B.V. (100 % held by the Company and its nominees)	Subsidiary	Netherlands	100.00%	100.00%	100.00%
Schoeller Textile (Netherland), B.V (a 100% subsidiary of Spentex (Netherlands), B.V.)	Subsidiary	Netherlands	100.00%	100.00%	100.00%
Amit Spinning Industries Limited (ASIL)	Subsidiary	India	50.96%	50.96%	50.96%

Note 58

Previous year figures have been regrouped and reclassified wherever necessary to make them comparable.

The Accompanying notes form an integral Part of the financial Statement

For and on behalf of Board of Directors

For R N Marwah & Co LLP
Firm Reg. No:- 00121N/N500019
Chartered Accountants

Sunil Narwal
Partner
Membership No:- 511190

Place : New Delhi
Dated : May 31, 2018

Mukund Choudhary Managing Director

Kapil Choudhary Deputy Managing Director

Bharat Kapoor Company Secretary

Yash Jain CFO

INDEPENDENT AUDITOR'S REPORT

To the Members of Spentex Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Spentex Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsiblefor maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated 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 accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion/ qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

We draw attention to:

a. Note No. 48 of the consolidated financial statements which indicates that the Company has not charged to statement of Profit and loss interest expense of Rs. 53,65,22,381/- for the year and Rs 96,10,67,255/- up to previous year respectively, and related penal interest and other charges if any in respect of delay in repayment of borrowings from banks. Therefore, we are unable to comment on the adequacy of interest and other charges provided for in the statement of Profit & Loss.

   We further report that, had the observation made by us in paragraphs (a) is considered, the loss before tax for the year ended March 31, 2018, would have been Rs. 1,69.54,35,453 as against the reported figure of Rs. 1,15.89,13,072 and Interest Accrued and due on Borrowing understated by Rs 1,49,75,89,636/-.

Material Uncertainty Related to Going Concern

We draw attention to Note 47 of the consolidated financial statements, which indicates that the Group's net worth has deteriorated and as of March 31, 2018, the Group's current liabilities exceeded its total assets by Rs. 7,42,92,73,061/-. As stated in said note, these events or conditions, along with other matters as set forth in said note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis for Qualified Opinion paragraph above, the aforesaid Consolidated 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 consolidated state of affairs of the Group as at 31st March, 2018, their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the following matters in the notes to the Consolidated Financial Statements:

(a) Note no. 46 of the Consolidated financial statements for the year ended March 31, 2018 wherein the company has made a provision for value of long term investments amounting to Rs.20,44,69,921/- in Amit Spinning Industries Limited(ASIL), Subsidiary of the Company and written off recoverable amounting of Rs 75,57,56,460 due from above subsidiary. During the year the ASIL moved to National Company Law Tribunal (NCLT) for resolution of its liabilities. Further, NCLT vide order dated 01.08.2017 has admitted the ASIL's petition and had appointed Resolution Professional for ASIL. Keeping in view of on-going proceedings of ASIL in National Company Law Tribunal under Insolvency and Bankruptcy Code, 2016. Further we are unable to determine the amount of liability that may arise on account of Corporate Guarantee given on behalf of subsidiary, and compliance of IND-AS 109 in respect to accounting of corporate guarantee.

(b) Note no. 15 to the consolidated financial statements for the year ended March 31, 2018, wherein the Company has not allotted shares against share application amount of Rs.11,09,50,000/- which was brought in by the promoters in more than one instalment under the restructuring scheme approved by the Bankers of the Company. However, the Company has not complied with the provision of Section 42 of the Companies Act, 2013 for the reason stated in the said note.

(c) Note no. 50 to the consolidated financial statements for the year ended March 31, 2018, regarding balances of parties under the head trade receivable, trade payable and loans & advances which are subject to confirmation, reconciliation and consequential adjustments if any.

(d) Note no. 49 to the consolidated financial statements where the Company is Required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the financial year 2017-18 in one or more of the prescribed methods vide circular no.04/ 2013 dated February 11,2013 issued by Ministry of Corporate Affairs .However, the Company has not complied with the requirement of the said circular.

Our opinion is not modified in respect of above matters.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflects total assets of Rs. 31,99,89,831/ -as at March 31, 2018, total revenues of Rs. 19,371/- and net cash flows amounting to Rs. 24,38,021/- for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements/financial information.In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the Consolidated Financial Statements and our report on the Other Legal and Regulatory Requirements below,is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b. In our opinion, except for the effect of the matters described in the Basis of Qualified opinion paragraph above, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d. In our opinion, except for the effect of the matters described in the Basis of Qualified opinion paragraph above, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

e. The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

f. On the basis of written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries companies none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act;

g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

h. With respect to the adequacy of the internal financial controls over financial reporting of the the Group and the operating effectiveness of such controls, we give our separate Report in the "Annexure-1".

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

   (i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 35 to the Consolidated Financial Statements;

   (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;

   (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding company and its subsidiaries in India.

For RN Marwah & Co. LLP

Chartered Accountants

Firm Registration No. 0011211N/N500019

(Sunil Narwal)

Place: New Delhi **Partner**

Date: May 31, 2018 **Membership No. 511190**

Annexure 1 to Independent Auditors' Report

Referred to under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of Spentex Industries Limited on the consolidated financial statements for the year ended March 31, 2018

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Group as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Group, its associate companies and jointly controlled companies, which are companies incorporated in India, are 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 the respective 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

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 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.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2018:

The Group did not have an appropriate internal control system for obtaining confirmation from certain parties included under the head trade receivables, trade payables, loans & advances and other current liabilities and its reconciliation/consequential adjustments, if any.

The Group's internal financial controls were not operating effectively in respect of the above which may potentially impact the results of the company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, **except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria,** the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 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 ICAI.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2018and based on the report of the other auditors, and these material weaknesses have affect our opinion on the consolidated financial statements of the Company and we have accordingly issued a qualified opinion on the consolidated financial statements.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to audited subsidiary Company incorporated in India, is based on the report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

For RN Marwah & Co. LLP
Chartered Accountants
Firm Registration No. 00121N/N500019

Sunil Narwal
Partner
Membership No. 511190

Place: New Delhi
Date: May 31, 2018

Consolidated Balance Sheet

(Amount in Rs.)

S. No.	Particulars	Note No.	As at March 31,2018	As at March 31,2017	As at April 1,2016
	ASSETS				
1	**Non-current assets**				
	(a) Property, plant and equipment	2	1,627,563,552	2,080,620,330	2,209,277,338
	(b) Capital work-in-progress		3,601	2,338,342	1,402,897
	(c) Intangible assets		-	-	-
	(d) Financial Assets				
	(i) Investments	3	51,394	198,302,010	2,599,932,843
	(ii) Loans	4	95,684,423	278,818,478	40,845,580
	(iii) Others	5	19,925,475	93,383,495	169,041,714
	(e) Deferred tax assets (net)		-	17,600,000	17,600,000
	(f) Other non-current assets	6	340,045,883	367,833,453	792,149,319
	Total Non current assets (A)		**2,083,274,328**	**3,038,896,108**	**5,830,249,691**
2	**Current assets**				
	(a) Inventories	7	235,544,029	553,880,527	455,075,205
	(b) Financial Assets				
	(i) Trade receivables	8	95,883,600	377,283,536	490,109,538
	(ii) Cash and cash equivalents	9	19,735,978	10,740,942	22,827,106
	(iii) Bank balances other than (ii) above	10	712,300	-	29,280,000
	(iv) Loans	11	5,806,996	3,966,181	226,814,599
	(v) Others	12	160,714,715	141,123,571	208,319,969
	(c) Current Tax Assets (Net)		7,465,672	-	
	(d) Other current assets	13	36,326,678	39,783,071	123,039,334
	Total current assets (B)		**562,189,968**	**1,126,777,828**	**1,555,465,751**
	Non-current assets classified as held for sale		10,286,183	1,830,104	2,581,970
	Total current assets (C)		**10,286,183**	**1,830,104**	**2,581,970**
	Total Assets (A+B+C)		**2,655,750,479**	**4,167,504,040**	**7,388,297,412**
	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share capital	14	897,720,350	897,720,350	897,720,350
	(b) Other Equity	15	(8,772,100,966)	(7,796,310,269)	(4,762,321,717)
	Total Equity (A)		**(7,874,380,616)**	**(6,898,589,919)**	**(3,864,601,367)**
	LIABILITIES				
1	Non-current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	16	311,700,000	354,100,000	2,552,084,351
	(ii) Other financial liabilities	17	6,686,197	2,165,630	1,896,740
	(b) Provisions	18	126,721,357	105,462,561	86,962,143
	Total Non-current liabilities (B)		**445,107,554**	**461,728,191**	**2,640,943,234**
2	Current liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	19	5,119,923,941	5,217,518,390	4,215,743,459
	(ii) Trade Payables	20	624,016,120	1,195,883,692	875,509,383
	(iii) Other financial liabilities	21	4,077,629,046	3,760,344,709	3,160,129,917
	(b) Other current liabilities	22	213,450,439	371,411,410	317,782,858
	(c) Provisions	23	50,003,995	59,207,567	42,789,928
	Total Current liabilities (C)		**10,085,023,541**	**10,604,365,768**	**8,611,955,545**
	Total Equity and Liabilities (A+B+C)		**2,655,750,479**	**4,167,504,040**	**7,388,297,412**

The Accompanying notes form an integral Part of the financial Statement
This is the Consolidated Balance sheet referred to in our report of even date.

For R N Marwah & Co LLP
Firm Reg. No:- 00121N/N500019
Chartered Accountants

Sunil Narwal
Partner
Membership No:- 511190
Place:- New Delhi
Date :- May 31, 2018

For and on behalf of the Board of Directors

Mukund Choudhary — Managing Director

Kapil Choudhary — Deputy Managing Director

Bharat Kapoor — Company Secretary

Yash Jain — CFO

Consolidated Statement of Profit and Loss

(Amount in Rs.)

S. No.	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
	Income			
I	Revenue from operations	24	4,799,768,949	7,823,004,338
II	Other Income	25	970,708,708	790,576,613
III	Total Income (I+II)		5,770,477,657	8,613,580,951
IV	**Expenses**			
	Cost of raw material consumed	26	3,203,073,038	5,673,471,155
	Purchase of Stock in Trade	27	2,645,339	27,557,957
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	28	224,697,490	(19,789,681)
	Excise Duty on sale		2,392,701	16,229,458
	Employee benefits expense	29	732,441,923	968,076,993
	Finance Costs	30	193,855,673	624,678,252
	Depreciation and amortization expense	31	105,763,080	138,872,731
	Other expenses	32	1,014,263,503	1,864,336,250
	Total expenses (IV)		**5,479,132,747**	**9,293,433,115**
V	**Profit /(Loss) before exceptional Items and Tax (III-IV)**		**291,344,910**	**(679,852,164)**
VI	Expenses of exceptional nature	33	1,450,257,982	2,772,887,731
VII	Income of exceptional nature	34	-	360,348,272
VII	**Profit/(loss) before,extraordinary items and tax (V-VI)**		**(1,158,913,072)**	**(3,092,391,623)**
VIII	Tax Expenses			
	(1) Current Tax		-	-
	(2) Mat Credit Entitlement Excess Provision Written Back		(4,412,914)	-
	(3) Deferred Tax		-	-
	Total Tax Expenses		(4,412,914)	-
IX	**Profit /Loss for the period (VII-VIII)**		**(1,154,500,158)**	**(3,092,391,623)**
X	Other comprehensive income			
A	Items that will be reclassified to profit or loss		-	-
B	Items that will not be reclassified to profit or loss			
	Changes in fair value of FVTOCI equity instruments		(11,071)	(6,650)
	Actuarial (gain)/loss on remeasurement of defined benefit plan		23,802,299	12,368,481
	Other comprehensive income for the period (net of tax)		23,791,229	12,361,831
				-
XI	**Total comprehensive income for the period (IX+X)**		**(1,178,291,387)**	**(3,104,753,454)**
	Paid up Equity Share Capital Face value of Rs. 10 each		89,772,035	89,772,035
	Earnings per share (of INR 10 each):			
	(a) Basic		(12.86)	(34.45)
	(b) Diluted		(12.86)	(34.45)

The Accompanying notes form an integral Part of the financial Statement
This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For R N Marwah & Co LLP
Firm Reg. No:- 00121N/N500019
Chartered Accountants

Sunil Narwal
Partner
Membership No:- 511190
Place:- New Delhi
Date :- May 31, 2018

For and on behalf of the Board of Directors

Mukund Choudhary — Managing Director

Kapil Choudhary — Deputy Managing Director

Bharat Kapoor — Company Secretary

Yash Jain — CFO

Consolidated Statement of Changes in Equity

(Amount in Rs.)

A. Equity Share Capital

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
At the beginning of the year	897,720,350	897,720,350	897,720,350
Changes in Equity Share capital during the year	-	-	-
At the end of the year	897,720,350	897,720,350	897,720,350

B. Other Equity

Particulars	Reserves and Surplus										Toal
	Securities Premium Reserve	General Re-serves	Capital Reserve	Profit on Restruc-ture	Share Forfei-ture Reserve	Deben-ture Redemp-tion Reserve	Share Application Money Pending Allotment	FVTOCI reserve - equity instru-ments	Foreign Currency Translation Reserve	Retained Earnings	
Balance as at April 01, 2016	1,028,273,822	28,186,801	187,170,777	2,358,587	7,179,250	170,360,578	1,104,700,000	704	256,946,273	(7,547,498,509)	(4,762,321,717)
Profit/ (Loss) for the year (1)								-		(2,770,500,346)	(2,770,500,346)
Other Comprehensive Income/(loss) (2)							6,650	(198,008,265)		(198,001,615)	
Exchange fluctuation on restatement of Opening(3)			(44,561,591)				(20,925,000)				(65,486,591)
Total Comprehensive Income/ (loss) (1+2+3)	-	-	(44,561,591)	-	-	-	(20,925,000)	6,650	(198,008,265)	(2,770,500,346)	(2,770,493,696)
Balance as at March 31, 2017	1,028,273,822	28,186,801	142,609,186	2,358,587	7,179,250	170,360,578	1,083,775,000	7,354	58,938,008	(10,317,998,855)	(7,796,310,269)
Profit/ (Loss) for the year (1)		(5,150)								(982,254,648)	(982,259,798)
Loss of Control			(4,377,480)								(4,377,480)
Other Comprehensive Income / (loss) (2)								11,071	7,025,512		7,036,583
Trasfer to Capital Reserve(3)			9,537,837	(2,358,587)	(7,179,250)						-
Exchange fluctuation on restatement of Opening(4)							3,810,000				3,810,000
Total Comprehensive Income/ (loss) (1+2+3+4)	-	(5,150)	5,160,357	(2,358,587)	(7,179,250)	-	3,810,000	11,071	7,025,512	(982,254,648)	(975,790,696)
Balance as at March 31, 2018	1,028,273,822	28,181,651	147,769,543	-	-	170,360,578	1,087,585,000	18,425	65,963,520	(11,300,253,503)	(8,772,100,966)

The Accompanying notes form an integral Part of the financial Statement

This is the Consolidated Statement of Change of Equity refrred to in our report of even date.

For R N Marwah & Co LLP
Firm Reg. No:- 00121N/N500019
Chartered Accountants

Sunil Narwal
Partner
Membership No:- 511190
Place:- New Delhi
Date :- May 31, 2018

For and on behalf of the Board of Directors

Mukund Choudhary — Managing Director

Kapil Choudhary — Deputy Managing Director

Bharat Kapoor — Company Secretary

Yash Jain — CFO

Consolidated Statement of Cash Flow

(Amount in Rs.)

Particulars	For the year ended 31 March, 2018	For the year ended 31 March, 2017
Profit before tax	(1,158,913,069)	(3,092,391,623)
Adjustments to reconcile profit before tax to net cash flows:	-	
Depreciation and impairment of property, plant and equipment	105,763,079	138,872,731
Prior period depreciation	-	(5,296,880)
Unrealised Exchange Fluctuation (net)	2,115,678	(12,738,966)
Export Incentives written off		12,448,611
Exceptional Item (Net)	-	2,152,684,405
Unrealised profit on loss of Control	(857,976,613)	
Investment Writen Off	434,328,877	50,000
Provision for Balances With Subsidary	95,950,582	
Liabilities no longer required written back	(89,137,160)	
Loss/(Gain) on disposal of property, plant and equipment	(327,317)	(626,392)
Finance income	(11,382,938)	(8,560,845)
Finance costs	193,855,673	624,678,252
Dividend Received	(3,120)	(3,120)
Cash Flow from Operating activities before changes in Working Capital	**(1,285,726,326)**	**(190,883,827)**
Working capital adjustments:		
Decrease /(Increase) in inventories	315,449,110	(47,939,837)
Decrease /(Increase) in Trade Receivables	279,283,206	(23,042,524)
Decrease/(Increase) in Other Finacial Current Assets	(22,276,185)	(178,169,899)
Decrease in Other Current Assets	4,668,984	(36,549,720)
Decrease in Other Non Current Assets	667,436,644	3,476,093
Increase in Other financial liabilities	282,639,354	283,985,135
Increase in Other current liabilities	51,072,036	(4,236,110)
Increase in Porvision	1,046,948	18,139,396
Decrease in trade and other payables	(218,675,087)	433,754,566
Increase/(Decrease) in working Capital	1,360,645,010	449,417,100
Income tax paid	7,465,672	59,586.77
Net Increase/(Decrease) in Cash from Operating activities	**67,453,011**	**258,473,686**
Cash Flow from Investing activities		
Proceeds from sale of property, plant and equipment	1,010,486	8,337,302
Purchase of property, plant and equipment	(1,922,852)	(13,122,015)
Purchase of Investment	-	(92,340)
Proceed from Sale of Financial Instruments	375,000	
Interest Received	11,382,938	10,021,998
Dividend Received	3,120	3,120
Net Increase/(Decrease) in Cash from investing activities	**10,848,692**	**5,148,065**
Cash Flow from Financing activities		
Proceeds from Borrowings-Net	142,253,180	-
Repayment of Borrowings	(123,827,320)	(148,330,096)
Interest paid	(87,732,525)	(125,202,343)
Net cash flows from/(used in) financing activities	**(69,306,667)**	**(273,532,439)**
Net increase in cash and cash equivalents	8,995,036	(9,910,688)
Cash and cash equivalents at the beginning of the year	10,740,942	20,651,630
Cash and cash equivalents at year end	**19,735,978**	**10,740,942**

The Accompanying notes form an integral Part of the financial Statement

This is the Consolidated Statement of Cash Flow refrred to in our report of even date.

For R N Marwah & Co LLP Firm Reg. No:- 00121N/N500019 Chartered Accountants	For and on behalf of the Board of Directors Mukund Choudhary	 Managing Director
Sunil Narwal Partner	Kapil Choudhary	Deputy Managing Director
Membership No:- 511190 Place:- New Delhi	Bharat Kapoor	Company Secretary
Date :- May 31, 2018	Yash Jain	CFO

Notes to the Consolidated financial statements for the year ended March 31, 2018

Background

SPENTEX INDUSTRIES LIMITED ("SPENTEX" or the "Parent Company"), together with its subsidiaries (collectively, "the Company" or the "Group") is a Yarn Manufacturing company. SPENTEX is a public limited company incorporated and domiciled in India. The address of its registered office is A- 60,Okhla Industrial Area , Phase-II, New Delhi-110020 "SPENTEX INDUSTRIES LIMITED has its primary listing with Bombay Stock Exchange and National Stock Exchange in India.

Note 1 : Significant Accounting Policies

1.01 Basis of consolidation

i) The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

ii) Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.

iii) Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

iv) The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

– assets and liabilities are translated at the closing rate at the date of that Balance Sheet

– income and expenses are translated at average exchange rates

– All resulting exchange differences are recognised in other comprehensive income.

Goodwill arising on the acquisition of a foreign operation are treated as assets of the foreign operation and translated at the closing rate.

v) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future

1.02 Basis of preparation

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended 31 March 2017, the group prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the group has prepared in accordance with Ind AS. Refer to note 1.25 for information on how The group has adopted Ind AS.

The Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments,
- Defined benefit plans
- Share Based Payments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

1.03 Current versus non-current classification

The group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading,

- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

1.04 Fair value measurement

The group measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities,
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable,
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable,

For assets and liabilities that are recognised in the financial statements on a recurring basis, The group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, The group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.05 Foreign Currency Transactions

The consolidated financial statements are presented in INR, which is also its functional currency.

Transactions in foreign currencies are accounted for at the exchange rate prevailing on the day of transaction. The outstanding liabilities/ receivables are translated at the year end rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss .

Non-monetary items denominated in foreign currency, are valued at the exchange rate prevailing on the date of transaction. Any gain or losses arising on translation or settlement are recognized in the Statement of Profit and Loss as per the requirements of Ind AS 21.

1.06 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government with an exception to excise duty.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

For all debt instruments measured amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, The group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

Export Incentives

Income from export incentives such as duty drawback etc. are recognised on accrual basis.

Dividend

Dividend is recognised when the right to receive the payment is established, which is generally when shareholders approve the dividend.

1.07 Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all attached conditions are complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the Statement of Profit and Loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial instruments.

1.08 Taxes

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.09 Property, plant and equipment

Property, plant and equipment have been measured at cost at the date of transition to Ind AS.

Assets are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Capital work in progress is stated at cost, less accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent costs are included in the 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 group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. When significant parts of plant and equipment are required to be replaced at intervals, The group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred. Refer to note 1.23 regarding significant accounting judgements, estimates and assumptions.

Depreciation

Depreciation on all fixed assets situated at manufacturing locations is provided on the straight line method on a pro-rata basis at the rates determined on the basis of useful lives of the respective assets as provided by Schedule II to the Companies Act, 2013. The useful lives for the various fixed assets situated at manufacturing locations are as follows:

Cost of leasehold land and leasehold improvements are amortised over the period of lease.

On additions costing less than Rs.5000, depreciation is provided at 100% in the year of addition.

The determination of the useful economic life and residual values of property, plant and equipment is subject to management estimation. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Description – Manufacturing locations	Useful lives (in years)
Factory Building	30
Building (Other than factory building) RCC frame structure	60
Building (Other than factory building) other than RCC frame structure	30
Plant and Machinery	25
Office Equipments	5
Computers	3
Furniture and Fixtures	10
Vehicles	8

1.10 Intangible assets

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets (except goodwill which has been impaired) recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Software are amortised over a period of three years on straight line method.

1.11 Non-current Assets Classified as Held for Disposal:

Assets which are available for immediate sale and its sale must be highly probable are classified as “Assets held for Disposal”. Such assets or group of assets are presented separately in the Balance Sheet, in the line “Assets held for Disposal”. Once classified as held for disposal, such assets are no longer amortised or depreciated. Such assets are stated at the lower of carrying amount and fair value less costs to sell.

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.13 Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.14 Inventories

Finished goods and stock-in-process are valued at lower of cost or net realisable value. Cost includes cost of conversion and other expenses incurred in bringing the goods to their location and condition. The cost in respect of raw materials is determined under the specific identification of cost method.The cost in respect of work-in-progress, finished goods and stores and spares is determined using the weighted average cost method and includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity, where applicable. Waste is valued at estimated net realizable value.

1.15 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to The group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with The group’s general policy on the borrowing costs (See note 1.11). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Leased assets are depreciated over the useful life of the asset. However, if there is no reasonable certainty that the group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

As on transition date, the group has newly classified a land lease as a finance lease and has recognised such asset and liability at fair value with differential being recognised in retained earnings.

Operating lease rentals are charged off to the Statement of Profit and Loss.

1.16 Impairment of non-financial assets

At each reporting date, the group reviews the carrying amount of it's assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are 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 asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

1.17 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability and Contingent Assets

Contingent liabilities are not recognized but are disclosed where possibility of any outflow in settlement is remote.Contingent assets are not recognised but disclosed where an inflow of economic benefits is probable.

1.18 Employee benefits

Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized up to the end of the reporting period and are measured at the amounts expected to be paid on settlement of such liabilities. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Other long-term employee benefit obligations

The liabilities for earned and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet since the parent Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

- Defined benefit plans in the form of gratuity, and
- Defined contribution plans such as provident fund and pension fund

Gratuity obligations

The Parent Company operates a defined benefit gratuity plan for employees. The Company has obtained group gratuity scheme policies from Life Insurance Corporation of India to cover the gratuity liability of these employees. The difference in the present value of the defined benefit obligation and the fair value of plan assets at the end of the reporting period is recognized as a liability or asset, as the case may be, in the Balance Sheet. The defined benefit obligation is calculated annually on the basis of actuarial valuation using the projected unit credit method.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in OCI.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Defined contribution plans

The Parent Company makes contribution to statutory provident fund and pension funds as per local regulations. The group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.19 Share-based payments

Employees of the parent Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of the options granted is recognized as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the option granted:

- including any market performance conditions (e.g., the Company's share price),
- excluding the impact of any service and non-market performance vesting conditions (e.g., profitability, sales growth targets and remaining and employee of The group over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, The group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

1.20 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than those designated as fair value through profit or loss (FVTPL), are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of Profit and Loss.

A. Financial Assets

Subsequent measurement

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI)
- fair value through profit or loss (FVTPL)

Trade Receivables and Loans:

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses (ECL). The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Financial assets measured at amortised cost:

A financial asset is measured at amortised cost if both the following conditions are met:

a). The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and b). Contractual terms of the instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Measured at fair value through other comprehensive income:

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognized in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

Measured at fair value through profit or loss:

A financial asset not classified as either amortised cost or FVOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as 'other income' in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, The group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or the same are transferred.

Impairment of financial assets

Expected credit losses (ECL) are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category."For financial assets, as per Ind AS 109, the the Group recognises 12–month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition."The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

B. Financial liabilities

Subsequent measurement

- Financial liabilities are subsequently measured at amortised cost using the EIR method.
- Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires.

Reclassification of financial assets

The group recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The group's senior management determines change in the business model as a result of external or internal changes which are significant to The group's operations. Such changes are evident to external parties. A change in the business model occurs when the group either begins or ceases to perform an activity that is significant to its operations. If the group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The group does not restate any previously recognised gains, losses (including impairment gains or losses).

C. Offsetting of financial instruments

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

1.22 Derivative financial instruments

The group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.23 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.24 Significant accounting judgements, estimates and assumptions

The preparation of the Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, contingent liabilites, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies, management has made the following judgements, which have most significant effect on the amounts recognised in the consolidated financial statements:

a) Impairment reviews

At each reporting date, The group reviews the carrying amount of its non-financial assets to determine whether there are any indication that those assets have suffered an impairment loss. If any such indication exists, recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Impairment reviews in respect of the relevant CGUs are performed at least annually or more regularly if events indicate that this is necessary.

Impairment reviews are based on discounted future cash flows. The future cash flows which are based on business forecasts, the long-term growth rates and the pre-tax discount rates, that reflects the current market assessment of the time value of money and the risk specific to the asset or CGU, used are dependent on management estimates and judgements. Future events could cause the assumptions used in these impairment reviews to change.

b) Allowance for uncollectible accounts receivable and advances

Trade receivables and certain financial assets do not carry any interest unlike other interest bearing financials assets viz intercorporate deposits. Such financial assets are stated at their carrying value as reduced by impairment losses determined in accordance with expected credit loss. Allowance as per expected credit loss model is based on simplified approach which is based on historicals observed default rates and changed as per forward-looking estimates. In case of trade receivables entity uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables which is also based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. The actual loss could differ from the estimate made by the management.

c) Taxes

The group is subject to income tax laws as applicable in India. Significant judgement is required in determining the provision for taxes as the tax treatment is often by its nature complex, and cannot be finally determined until a formal resolution has been reached with the relevant tax authority which may take several years to conclude. Amounts provided are accrued based on management's interpretation of country specific tax laws and the likelihood of settlement. The group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Actual liabilities could differ from the amount provided which could have a consequent adverse impact on the results and net position of the group.

d) Pension and post-retirement benefits

The cost of defined benefit plans viz. gratuity, provident fund, leave encashment, etc. are determined using actuarial assumptions. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.Further details about defined benefit plans are given in note no. 37.

e) Useful Lives of Property, Plant and Equipment:

The parent company uses its technical expertise along with historical and industry trends for determining the economic life of an asset/component of an asset. The useful lives are reviewed by the management periodically and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the remaining useful life of the assets.

f) Recognition and measurement of provisions and contingencies:

Key assumptions about the likelihood and magnitude of an outflow of resources.

1.25 RECENT ACCOUNTING DEVELOPMENTS

Standards issued but not yet effective:

In March 2018, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying amendments to Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and Ind AS 115- Revenue from Contract with Customers:.' The amendments are applicable to the Company from April 1, 2018.

Amendment to Ind AS 7:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018.

The group has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which The group expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from The group's contracts with customers. The standard permits two possible methods of transition:• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors • Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The group will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

1.26 First time adoption of Ind-AS

These financial statements, for the year ended 31 March 2018, are the first The group has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2017, The group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, The group has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2018, together with the comparative period data as at and for the year ended 31 March 2017, as described in the summary of significant accounting policies. In preparing these financial statements, The group's opening Balance Sheet was prepared as at 1 April 2016, The group's date of transition to Ind AS. This note explains the principal adjustments made by The group in restating its Indian GAAP financial statements, including the Balance Sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The group has applied the following exemptions:

i) Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, Associates and Joint Ventures which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. The group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, The group has tested goodwill for impairment at the date of transition to Ind AS, accordingly goodwill has been impaired.

ii) Property, plant and equipment

The Group may elect to measure an item of property, plant and equipment at the date of transition to Ind AS at its cost and use that cost as its deemed cost at that date.

Accordingly property, plant and equipments have been measured at fair value as on transition date and the same has been considered as deemed cost at that date.

iii) Intangible Assets

Where there is no change in its functional currency on the date of transition to Ind AS, a first-time adopter to Ind AS may elect to continue with the carrying value for all of its intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Since there is no change in the functional currency, The group has elected to continue with the carrying value for all of its intangible assets (except Goodwill) as recognised in its Indian GAAP financial as deemed cost at the transition date.

iv) Long Term Foreign Currency Monetary Items

A first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

The Group has opted not to continue with the existing policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items. Accordingly the unamortised amount has been charged to retained earnings as on transition date.

v) Investments

If a first-time adopter measures such an investment at cost in accordance with Ind AS 27, it shall measure that investment at one of the following amount in its separate opening Ind AS Balance Sheet

(a) cost determined in accordance with Ind AS 27; or

(b) deemed cost. The deemed cost of such an investment shall be its:

(i) fair value at The group's date of transition to Ind ASs in its consolidated financial statements; or

(ii) previous GAAP carrying amount at that date.

A first-time adopter may choose either (i) or (ii) above to measure its investment in each subsidiary, joint venture or associate that it elects to measure using a deemed cost.

Accordingly the group has adopted to (a) as deemed cost at the group's date of transition to Ind AS.

vi) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the group has used Ind AS 101 exemption and assessed all arrangements for embedded leases based on conditions in place as at the date of transition.

vii) Estimates

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation." - Impairment of financial assets based on expected credit loss model

The estimates used by the group to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.

viii) i) Reconciliation of Equity as previously reported under previous Indian GAAP to Ind AS for the year ended

Amount in Rupees

Equity reconciliation	**March 31, 2017**	**March 31, 2016**
Reserves & surplus	(8,880,088,279)	(5,867,022,422)
Share application money pending allotment	1,083,775,000	1,104,700,000
Other Equity as Per IGAAP	(7,796,313,279)	(4,762,322,422)
Change in Fair Value of Equity Investment (FVTOCI) (Gain)	(577)	705
Changes in Profit dueto adouption of Ind AS	3,586	
Shareholders Equity as per Ind-AS as on 31-March	**(7,796,310,270)**	**(4,762,321,717)**

Profit reconciliation	**March 31, 2017**	**March 31, 2016**
Profit/(Loss) as per IGAAP as on	(3,092,395,211)	(1,047,721,358)
Increase in revenue due to CIF SalesReversal	(911,705)	
Interest Booked /Amortisation of Reclassification of Leasehold Land as prepaid Expenses	914,769	
Reclassification of Expention to OCI	12,361,831	(2,733,094)
Change in Fair Value of Equity Investment (FVTOCI) (Gain)	(6,650)	
Net profit before OCI as per Ind AS	(3,080,029,794)	(1,050,454,452)
Acturial (gain)/loss on employees defined benefits plan recognised in other comprehensive income		
Change in Fair Value of Equity Investment (FVTOCI) (Gain)		
Other comprehensive income net of income tax	12,361,831	(2,733,094)
Total comprehensive income as reported under Ind-AS	**(3,092,391,625)**	**(1,047,721,358)**

ix) Principal difference between Ind AS and Indian GAAP Measurement and recognition difference

I. Property, Plant and Equipment (PPE)

a) Measurement

The group has elected to measure Property, Plant and Equipment at cost on transition date. Differential amount between carrying value and fair value has been recognised against retained earnings.

b) Depreciation of property, plant and equipment

As mentioned above, At the date of transition to Ind AS, The group has elected to measure Property, Plant and Equipment at fair value, resulting into differential depreciation being recognised in the Statement of Profit and Loss from the year 2015-16, over the remaining useful life of the PPE.

c) Long Term Foreign Currency Monetary Items

Under Indian GAAP, foreign exchange differences arising from translation of long-term foreign currency monetary items were capitalised into the carrying value of fixed assets where these were taken to purchase fixed asset.

Under Ind-AS the group has opted not to continue with the existing policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items and follow treatment as per Ind AS 21. Accordingly the unamortised amounts on transitional date and as at March 31, 2017 have been charged to retained earnings.

II. Intangible Assets

Under Ind-AS, goodwill is not subject to amortisation but is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Accordingly, during the year 2016-17, Amortisation has been reversed in the Statement of Profit and Loss.

Goodwill has been impaired as at the transition date.

III. Financial instruments

Derivative financial instruments

Under Indian GAAP, derivative contracts are measured at fair value at each Balance Sheet date to the extent of any reduction in fair value, and the loss on valuation is recognised in the Statement of Profit and Loss.“A gain on valuation is only recognised by the group if it represents the subsequent reversal of an earlier loss.

The fair value of forward foreign exchange contracts is recognised under Ind AS, and was not recognised under Indian GAAP. entity did not had any outstanding forward contracts on 1 April 2016, however there were certain forward contracts outstanding on 31 March 2017. The same was recognised on mark to market basis with a corresponding debit/ credit in Statement of Profit and Loss.

IV. Proposed dividend

Under Indian GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the group (on approval of Shareholders in a general meeting) or paid.

In the case of the group, the declaration of dividend occurs after period end. Therefore, the liability for the year ended 31 March 2016 recorded for dividend has been derecognised against retained earnings on 1 April 2016. The proposed dividend for the year ended on 31 March 2017 of recognized under Indian GAAP has also been derecognised with a corresponding impact in the retained earnings. Subsequently recognised at the time of distribution.

V. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, The group has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

VI. Financial assets

Under Indian GAAP, the group has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss model (ECL Model). Due to ECL model, the group impaired its trade receivable/loans which has been eliminated against retained earnings.

VII. Defined benefit liabilities

Both under Indian GAAP and Ind AS, the group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI. Thus the employee benefit cost is reduced and remeasurement gains/ losses on defined benefit plans has been recognized in the OCI net of tax.

VIII. Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to the Statement of Profit and Loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

IX. Sale of Goods

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of Statement of Profit and Loss. Thus sale of goods under Ind AS has increased with a corresponding increase in other expense.

The group has concluded that it is the principal in all of its revenue arrangements with tie up units since it is the primary obligor in all the revenue arrangements.

X. Other comprehensive income

Under Indian GAAP, the group has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Indian GAAP profit or loss to that as per Ind AS. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Note 2 : Property, plant and equipment

(Amount in Rs)

Particulars	Tangible Assets							Intangible Assets		
	Freehold Land	Leasehold Land	Buildings	Plant & Machinery	Office Equipments	Furniture & Fixtures	Vehicle	Goodwill	Software	Toal
Gross block										
At 1st April 2016	8,908,142	24,144,986	1,352,350,150	5,794,612,740	112,956,811	51,381,616	36,864,932	108,910,417	34,083,867	7,524,213,660
Additions	-	-	937,910	9,536,737	1,031,890	576,729	84,000	-	-	12,167,266
Disposals	-	-	-	15,819,338	266,710	45,000	5,156,674	-	-	21,287,722
Trf to Prepaid		-								-
At 31st March 2017	**8,908,142**	**24,144,986**	**1,353,288,060**	**5,788,330,139**	**113,721,991**	**51,913,345**	**31,792,258**	**108,910,417**	**34,083,867**	**7,515,093,204**
Additions	-	-	170,989	2,262,787	860,817	-	963,000	-	-	4,257,593
Elimination	5,017,299		159,511,720	810,002,918	25,147,005	8,026,614	1,727,172			1,009,432,728
Trf from Prepaid		890,925								890,925
Disposals	-	-	-	1,231,008	137,380	40,000	8,612,156	108,910,417	-	118,930,961
At 31st March 2018	**3,890,843**	**25,035,911**	**1,193,947,329**	**4,979,359,000**	**89,298,423**	**43,846,731**	**22,415,930**	**-**	**34,083,867**	**6,391,878,033**
Depreciation										
At 1st April 2016	-	5,082,351	603,208,927	4,378,009,622	108,078,483	46,144,967	31,436,996	108,910,417	34,083,867	5,314,955,630
Charge for the year	-	632,023	47,678,269	84,383,328	1,497,096	2,191,751	1,382,077	-	-	137,764,544
Disposals	-	-		8,041,543	140,016	25,004	4,743,857	-	-	12,950,420
Prior Period Depreciation	-	(73,295)	(9,973)	(2,964,803)	(2,217,315)	(31,494)	-	-	-	(5,296,880)
Trf to Prepaid		-								-
At 31st March 2017	**-**	**5,641,079**	**650,877,223**	**4,451,386,604**	**107,218,248**	**48,280,220**	**28,075,216**	**108,910,417**	**34,083,867**	**5,434,472,874**
Charge for the year	-	614,494	40,615,306	60,863,670	971,807	657,410	916,483	-	-	104,639,170
Elimination			64,762,899	557,960,880	24,399,958	7,784,971	1,641,062			656,549,770
Disposals	-			1,093,672	107,529	21,758	8,114,416	108,910,417	-	118,247,792
Prior Period Depreciation								-	-	-
At 31st March 2018	**-**	**6,255,573**	**626,729,630**	**3,953,195,722**	**83,682,568**	**41,130,901**	**19,236,221**	**-**	**34,083,867**	**4,764,314,482**
Net Block										
At 31st March. 2017	**8,908,142**	**18,503,907**	**702,410,837**	**1,336,943,535**	**6,503,743**	**3,633,125**	**3,717,042**	**-**	**-**	**2,080,620,330**
At 31st March. 2018	**3,890,843**	**18,780,338**	**567,217,699**	**1,026,163,278**	**5,615,855**	**2,715,830**	**3,179,709**	**-**	**-**	**1,627,563,551**

Note No. Non- Current Assets

(Amount in Rs.)

3 Financial Assets	**As at**		**As at**		**As at**	
Investment	**Nos.**	**March 31, 2018**	**Nos.**	**March 31, 2017**	**Nos.**	**April 1, 2016**
(Investments at Cost)						
(a) In subsidiaries (Trade & Quoted)						
Amit Spinning Industries Limited*						
(Equity Shares of Rs. 5/- each, fully paid up)	20981077	204,469,921	20981077	-	20981077	-
Less:- Provision /Impairment		(204,469,921)		-		
(b) In subsidiaries (Trade & Unquoted)	-	-	-	-		
Spentex Netherlands B .V.		-	18200	561,011,339	18200	-
(Face value Euro 1/- each, fully paid)	-	-	-	-		
Less:- Provision for Long Term Investment	-	-	-	(561,011,339)		
Spentes Tashkent Toytepa LLC				2,374,472,764		2,374,472,764
Less:- Provision for Long Term Investment				(2,374,472,764)		-
Schoeller Litvinov K.S		229,875,724	-	198,133,776		216,024,025
Less:- Provision for Long Term Investment		(229,875,724)	-	-		
Spentex Mauritius P Ltd	-	-	2	90	2	90
(Face value US Dollar 1/- each, fully paid)				-		
Less:- Provision for Long Term Investment				(90)		(90)
Spentex Tashkent Toytepa LLC#		-		9,323,779		9,323,779
Less:- Provision for Long Term Investment		-		(9,323,779)		
(Investments FVTOCI)						
(c) In others (Trade & Quoted)		-		-		
In Fully Paid equity Shares of Rs. 10/- each :		-		-		
Sentinel Tea and Exports Limited	100	9,930	100	6,760	100	2,600
Summit Securities Limited	10	7,901	10	5,371	10	2,881
(Investments FVTPL)						

(Amount in Rs.)

(d) In others (Non Trade & Unquoted)	-	-	-	-	-	-
Equity Shares of Rs. 20/- each fully paid up of						
The Baramati Co-operative Bank Limited `	1300	26,000	1300	26,000	1300	26,000
Equity Shares of Rs. 50/- each fully paid up of						
The Sadguru Jangli Maharaj Co-operative						
Bank Ltd.	-	-	-	-	1000	50,000
Equity Shares of Rs. 0.19/-each fully paid up						
of OPGS Power Gujarat Private Limited	-	-	486000	92,340	-	-
Investment in Equity instruments		-	-	23,200	-	23,231
Equity Shares of Rs. 10/-each fully paid up of						
Spencer & Co. Limited	200	7,563	200	7,563	200	7,563
Total		**51,394**		**198,295,010**		**2,599,932,843**
Quoted investments		204,487,752		19,131		5,481
Unquoted investments		33,563		198,282,879		2,599,927,362
Aggregate market value of quoted investment		(204,469,921)		-		-
Total		**51,394**		**198,302,010**		**2,599,932,843**

* refer note no.46

#The Company has participating interest of 0.82% in Charter capital of Spentex Tashkent Toytepa, LLC

Note 4. Loans (Non- Current)	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Unsecured, considered good			
Security deposit paid	95,684,423	61,501,615	40,845,580
Capital Advances	-	217,316,863	-
Total	**95,684,423**	**278,818,478**	**40,845,580**

Note 5 Other non-current financial assets

Bank deposits with more than 12 months maturity	-	712,300	712,300
Advance to employees	172,225	673,519	-
Security deposit	11,877,908	75,463,490	73,053,594
Claim Receivable	7,306,793	7,306,793	8,087,793
Other loans and advances	-	8,658,844	12,046,394
Interest accrued on loan to others	568,549	568,549	75,141,633
Total	**19,925,475**	**93,383,495**	**169,041,714**

* Amount deposited as Security deposit-under protest not free for Use.

Note 6 Other non-current assets

Advances other than capital advances			
Advances to related			
Spentex Tashkent Toytepa LLC	-	-	98,999,955
Balances with government authorities			
- Considered good	48,084,557	118,055,346	123,913,911
Advance against expenses	253,407,960	91,764,956	54,048,246
Advance to trade payable			
- Considered good	38,553,366	158,013,151	515,187,207
- Considered doubtful		167,395,327	167,395,327
Less: Provision for doubtful advance		(167,395,327)	(167,395,327)
Total	**340,045,883**	**367,833,453**	**792,149,319**

(Amount in Rs.)

Current assets **Note 7 Inventories**	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Material	59,978,650	150,999,826	67,922,482
Work-in-progress	67,374,417	117,985,877	131,201,115
Finished goods (Stock in trade)	166,870	882,238	2,323,960
Finished goods (Manufactured)	81,175,233	249,595,851	215,329,223
Stores, Spares Parts & Packing Mat.	15,201,436	20,244,564	22,352,957
Packing material	5,741,040	5,974,681	5,760,178
Waste	5,906,383	8,197,490	10,185,290
Total	**235,544,029**	**553,880,527**	**455,075,205**

Financial assets - current

Note 8 Trade receivables

Unsecured, Considered Good Unless Otherwise Stated	95,883,600	377,283,536	490,109,538
Unsecured, considered doubtful		102,738,232	102,738,232
Less: Provision for doubtful debts		(102,738,232)	(102,738,232)
Total	**95,883,600**	**377,283,536**	**490,109,538**

Note 9 Cash and cash equivalents

Balances with banks			
On current accounts	19,275,767	9,805,393	19,290,634
In margin accounts	-	-	1,675,777
Cash on hand	460,211	935,549	1,860,695
	-	-	
Total	**19,735,978**	**10,740,942**	**22,827,106**

Note 10 Other bank balances

Bank deposits with less than 12 months maturity	712,300	-	29,280,000
Total	**712,300**	**-**	**29,280,000**

Note 11 Loans

Loan to Retated Party	-	-	
Security Deposit Paid -Current	5,806,996	3,966,181	226,814,599
Total	**5,806,996**	**3,966,181**	**226,814,599**

Note 12 Other financial assets

Interest Accrued on Fixed deposit	118,093	44,282	1,122,279
Balances with government authorities			
- Considered good	110,213,928	112,797,563	154,094,348
- Considered doubtful	1,189,759	1,189,759	-
Less: Provision for doubtful advances	(1,189,759)	(1,189,759)	-
Claim Receivable	50,382,694	28,157,491	53,103,342
Prepaid Expenses		124,235	-
Total	**160,714,715**	**141,123,571**	**208,319,969**

Note 13 Other current assets

Advance against expenses	-	10,743,347	14,129,781
Advance to employees	854,128	1,455,945	8,130,542
Export incentive	25,579,299	17,335,963	59,234,147
Prepaid Expenses	9,838,261	10,247,816	14,528,020
Advance to trade payable	54,990	-	-
Others	-	-	27,016,844
Total	**36,326,678**	**39,783,071**	**123,039,334**

14 Share Capital (Amount in Rs.)

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Authorised	Units	Amount	Units	Amount	Units	Amount
Equity shares of Rs. 10/- each	114,000,000	1,140,000,000	114,000,000	1,140,000,000	114,000,000	1,140,000,000
Redeemable preference shares of Rs. 10/- each		70,000,000		70,000,000		70,000,000
		1,210,000,000		**1,210,000,000**		**1,210,000,000**
Issued, Subscribed and Paid up						
Equity shares of Rs.10 each, fully paid up		897,720,350		897,720,350		897,720,350
		897,720,350		**897,720,350**		**897,720,350**

*Amount published in Limited review Report was wrong due to clerical mistake

(A) The company has only one class of equity share having a par value of Rs.10/- per share. Each Shareholder is eligible for one vote per share. The dividend proposed, if any, by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(B) Reconciliation of number of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity shares outstanding at the beginning of the year	89,772,035	897,720,350	89,772,035	897,720,350	89,772,035	897,720,350
Add: Equity shares issued during the year	-	-	-	-	-	-
Equity shares outstanding at the end of the year	89,772,035	897,720,350	89,772,035	897,720,350	89,772,035	897,720,350

(C) List of shareholders holding more than 5% of the aggregate share in the company

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Citigroup Venture Capital International Growth Partnership Mauritius Ltd	19,252,650	21.45	19,252,650	21.45	19,252,650	21.45
CLC Technologies Private Limited	18,300,000	20.38	18,300,000	20.38	18,300,000	20.38
Mukund Choudhary	5,273,083	5.87	5,273,083	5.87	5,273,083	5.87
Kapil Choudhary	5,228,530	5.82	5,228,530	5.82	5,228,530	5.82

(Amount in Rs.)

15 Other equity

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Retained earnings	(10,903,092,108)	(7,535,149,329)	(6,386,557,425)
Profit for the year	(397,161,396)	(2,782,849,526)	(1,160,941,084)
Securities premium reserve	1,028,273,822	1,028,273,822	1,028,273,822
Share Application Money Pending Allotment	1,087,585,000	1,083,775,000	1,104,700,000
General reserve	28,181,651	28,186,801	28,186,801
Debenture Redemption Reserve	170,360,578	170,360,578	170,360,578
Share Forfeiture Reserve	-	7,179,250	7,179,250
Profit on Restructure	-	2,358,587	2,358,587
Capital Reserve	147,769,543	142,609,186	187,170,777
Foreign Currency Translation Reserve	65,963,520	58,938,008	256,946,273
FVTOCI reserve - equity instruments	18,424	7,354	704
Total	**(8,772,100,966)**	**(7,796,310,269)**	**(4,762,321,717)**

*(1) The Company has not allotted shares against this amount which was brought in by the promoters in more than one instalment under restructuring scheme approved by the Bankers. Due to pending necessary approvals and directions for allotment of shares, the Company has not complied with the provisions of Section 42 of the Companies Act, 2013 .

(2) During the year 2006-07, Spentex (Netherlands) B.V received USD 15,000,000 (Equivalent to Rs. 976,635,000 as on 31.03.2018 & previous year Rs.972,825,000) from Citigroup Venture Capital International Growth Partnership Mauritius Ltd. (CVC) for issue of Preference Share Capital which is still pending allotment at the year end.

*Amount published in Limited review Report was wrong due to clerical mistake

Financial liabilities - Non Current

Note 16 Borrowings

(Amount in Rs.)

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Secured			
(a) Debentures			
Redeemable Non-Convertible Debentures	112,214,310	112,131,490	155,888,356
(b) Term Loans from bank			
Term loan (Refer Note no. 48)	1,771,056,983	1,775,391,283	5,168,986,703
Term Loan From Other	311,700,000	354,100,000	-
(c) Unsecured			
From related parties (Refer Note no. 39)*	44,070,996	49,900,001	49,900,001
	2,239,042,289	2,291,522,775	5,506,706,383
Less-Amount disclosed under the head			
Financial liabilities (current) (Note-19)	1,927,342,289	1,937,422,775	2,954,622,032
	311,700,000	354,100,000	2,552,084,351

Nature of security

Debentures

Non convertible debenture

Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Mukund Choudhary and Sh. Kapil Choudhary. These Debentures are further secured by second pari-passu charge on entire current assets of the Company. These debentures are also secured by pledge of Rs. 29,683,420 shares of the company held by promoters and further secured by collateral security of property at 1st Floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Repayment terms, amount and period of default

Amounting to Rs. 112,131,490 (previous year Rs. 112,131,490) repayable in 24 quarterly instalments commencing from June, 2012. An amount of Rs.112,131,490 (previous year Rs. 29,113,732) was due for payment as on 31.03.2018 is yet to be paid. For repayment schedule refer table below

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

(a) Term loan from bank

i) Secured by first pari-passu charge on fixed assets of the Company both present and future and additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guaranteeof Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire current assets of theCompany. These loan are also secured by pledge of 29,683,420 shares of the company held by promoters and further securedby collateral security of property at 1st Floor, 7, Padmini Enclave,Hauz Khas, New Delhi. 8,113,806 (P.Y. 8,113,806) shares of promoters have also been pledged on exclusive basis for an amount of 332,700,000 (P.Y. 332,700,000), Further secured by third charge on all the movable and immovable assets of theCompany.

ii) ""Foreign Currency Term Loan from Lehman Brothers Commercial Corporation Asia Limited and SBI Tokyo is secured by pledge of Interest Reserve Bank Account maintained with Deutsche Bank AG, Amsterdam, assignment of SPV Credit Agreement (between Schoeller Textile Netherlands B.V. (STNBV) and Spentex Netherlands B.V.(SNBV)), assignment of intergroup Credit agreement (between SNBV and Spentex Tashkent Toytepa LLC (STTL)), pledge of 18200 nos. SNBV's shares and pledge of 180 nos. of STNBV's shares. The loan is further secured by all Plant and Machinery relating to Tashkent Spinning Plant of STTL.

Amounting to Rs 514,747,404 (previous year Rs 527,321,695) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs 517,447,404 (previous year Rs 517,447,404) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to Rs 208,886,327 (previous year Rs 208,886,327) repayable in 20 quarterly installments commencing from June, 2012. An amount of Rs 208,886,327 (previous year Rs 208,886,327) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to Rs 332,700,000 (previous year Rs 332,700,000) repayable in 15 quarterly installments commencing from December, 2017. An amount of 17,500,000 (previous year Nill) existed on 31.03.2018, which ranges from 1 to 106 days till 31.03.2018, is yet to be paid.For repayment schedule refer table no. 3 below.

Loan from State Bank of India ,Tokyo branch (SBI Tokyo) and Lehman Brothers amounting to Rs. 2,628,774,898 (previous year Rs. 2,618,519,652) repayable in 7 annual installments till June 2017. There is a default of Rs. 2,628,774,898 (previous year Rs.1,929,370,422) existing as on 31.03.2018 in payment of Installment of loan. For repayment schedule refer table no. 4 below:

Term Loan Repayment schedule Table No. 1

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Term Loan Repayment schedule Table No. 2

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17
Principal (%)	14	16	20	20	30
ROI (%)	10	12	13	14	14

Term Loan Repayment schedule Table No. 3

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
Principal (%)	5.26	12.02	12.02	12.02	58.68
ROI (%)	8.5	8.5	8.5	8.5	8.5

Term Loan Repayment schedule Table No. 4

SBI Tokyo Loan & Lehman Brothers	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (Rs.)	138,356,625	276,712,273	276,713,250	276,713,250	276,713,250	276,713,250	415,004,766	691,848,234
Rate of Interest	**3 Month BBA Libor + 1.7**					**3 Month BBA Libor + 1.7**		

(b) Funded Interest Term Loan

Secured by first pari-passu charge on all the fixed assets of the Company, both present and future. The loan is further secured by second pari-passu charge on entire on entire current assets of the Company and additionally secured by personal guarantee of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary . The loan is also secured by pledge of 29,683,420 shares of the Company on pari-passu basis. Loan amounting to Rs. 44,456,848 (44,456,848) is further secured by collateral security of property at 1st Floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Foreign Currency Term Loan from Lehman Brothers Commercial Corporation Asia Limited and SBI Tokyo is secured by pledge of Interest Reserve Bank Account maintained with Deutsche Bank AG, Amsterdam, assignment of SPV Credit Agreement (between Schoeller Textile Netherlands B.V. (STNBV) and Spentex Netherlands B.V.(SNBV)), assignment of intergroup Credit agreement (between SNBV and Spentex Tashkent Toytepa LLC (STTL)), pledge of 18200 nos. SNBV's shares and pledge of 180 nos. of STNBV's shares. The loan is further secured by all Plant and Machinery relating to Tashkent Spinning Plant of STTL.

Amounting to Rs. 15,378,904 (previous year Rs. 15,378,904) repayable in 2018. There is no default in repayment of loan existing as on 31.03.2018.

Amounting to Rs. 21,400,000 (previous year 21,400,000) repayable in 15 quarterly installments commencing from December, 2017. An amount of Rs. 11,00,000 (previous year Rs. Nil) existed on 31.03.2018, which ranges from 1 to 106 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to Rs. 44,456,848 (previous year Rs. 44,456,848) repayable in 16 quarterly instalments commencing from June, 2012. An amount of Rs. 44,456,848 (previous year Rs. 44,456,848) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no.2 below.

Funded interest term loan (FITL) amounting to Rs. 21,078,323 (previous year Rs. 20,996,093) repayable in 3 annual installments till June 2013. There is a default of Rs. 21,078,323 (previous year Rs. 20,996,093) existing as on 31.03.2018 in payment of Installment which ranges from 1 to 2465 days till 31.03.2018 which is yet to be paid . For repayment schedule refer table no. 3 below:

Funded Interest Term Loan Repayment schedule Table No. 1

Particulars	FY 17	FY 18	FY 19	FY 20	FY 21
Principal (%)	5.14	11.21	11.21	11.21	61.23
ROI (%)	8.5	8.5	8.5	8.5	8.5

Funded Interest Term Loan Repayment schedule Table No. 2

Particulars	FY 13	FY 14	FY 15	FY 16
Principal (%)	15	25	25	25
ROI (%)	10	10	10	10

Funded Interest Term Loan Repayment schedule Table No. 3

SBI Tokyo (FITL)	FY 12	FY 13	FY 14
Principal (Rs.)	10,164,231	749,860	10,164,231
Rate of Interest	**3 Month BBA Libor + 1.7**		

(c) Working Capital Term Loans

Secured by first pari-passu charge on entire current assets of the Company both present and future and additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by second pari-passu charge on entire fixed assets of the Company. These loans are also secured by pledge of 29,683,420 shares of the Company and further secured by collateral security on the property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Amounting to Rs. 153,729,754 (previous year Rs. 153,729,754) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs. 153,729,754 (previous year Rs. 153,729,754) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 1 below.

Amounting to Rs. 280,198,922 (previous year Rs 280,198,922) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs 280,198,922 (previous year Rs 280,198,922) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to Rs. 307,264,355 (previous year Rs. 307,264,355) repayable in 24 quarterly installments commencing from June, 2012. An amount of Rs. 307,264,355 (previous year Rs. 307,264,355) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 3 below.

Repayment schedule Table No. 1

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	12	13	14	14	15.25

Repayment schedule Table No. 2

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	17.5	17.5	25
ROI (%)	10	10	11	11	11	12

Repayment schedule Table No. 3

Particulars	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18
Principal (%)	10	15	15	20	20	20
ROI (%)	14.5	18	18	18	18	18.25

(d) Corporate Loan

Secured by first pari-passu charge on the entire current assets of the Company including receivables. Additionally secured by personal guarantees of Sh. Ajay Choudhary, Sh. Mukund Choudhary and Sh. Kapil Choudhary and third party guarantee of Mrs. Jyoti Choudhary. These loans are further secured by collateral security on entire fixed assets of the Company, also secured by pledge of 29,683,420 shares of the Company and collateral security on the property at 1st floor, 7, Padmini Enclave, Hauz Khas, New Delhi.

Amounting to Rs. 177,022,612 (previous year Rs. 183,674,612) repayable in 18 quarterly installments commencing from June, 2015. An amount of Rs. 145,964,697 (previous year Rs 155,445,780) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no.1 below.

Amounting to Rs 26,971,857 (previous year Rs 26,971,857) repayable in 18 quarterly installments commencing from September, 2015. An amount of Rs 26,971,857 (previous year Rs 26,971,857) existed on 31.03.2018, which ranges from 1 to 1429 days till 31.03.2018, is yet to be paid. For repayment schedule refer table no. 2 below.

Amounting to Nill (previous year Rs 27,508,010) repayable in 09 monthly installments commencing from May, 2016.Entire amount paid during the Year ended 31st March 2018. For repayment schedule refer table no. 3 below.

Repayment schedule Table No. 1

Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
Principal (%)	22.22	22.22	22.22	22.22	11.12
ROI (%)	0.135	0.135	0.135	0.135	0.135

Repayment schedule Table No. 2

Particulars	FY 15	FY 16	FY 17	FY 18	FY 19
Principal (%)	5.56	22.24	22.24	22.24	22.24
ROI (%)	0.135	0.135	0.135	0.135	0.135

Repayment schedule Table No. 3

Particulars	FY 17
Principal (%)	100
ROI (%)	0.125

(Amount in Rs.)

Note 17 Other financial liabilities	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Security Deposit	6,686,197	2,165,630	1,896,740
Total	**6,686,197**	**2,165,630**	**1,896,740**
Note 18 Provisions			
Provision for gratuity	106,880,704	87,205,704	76,587,133
Provision for leave encashment	19,840,653	18,256,857	10,375,010
Total	**126,721,357**	**105,462,561**	**86,962,143**
* Refer note 37.			
Financial Liabilities - Current			
Note 19 Borrowings			
Secured			
From banks :-Repayable on demand*	4,595,054,612	4,801,210,402	3,998,794,999
Unsecured			
From Others (Unsecured)#	358,239,769	348,384,509	219,848,460
Inter corporate deposits (repayable on demand)	166,629,560	67,923,479	-2,900,000
Total	**5,119,923,941**	**5,217,518,390**	**4,215,743,459**

Nature of Security

Working Capital Loans from Banks are secured by first pari-passu charge on entire current assets, long term loan and advances and other non current assets of the Company. These loans are further secured by second pari-passu charge on entire fixed assets, both present and future and personal guarantee of the promoters. These loans, are also secured by pledge of promoters' shares (29,683,420 nos.) on pari-passu basis.

“ The short term borrowing from banks have generally remained overdue during the substantial part of the financial year. The overdue amount as at March 31, 2018 was 2,76,84,56,668 (2,71,35,36,433). The director has given unsecured loan of Rs. 2,00,00,000 which was subsequently returned back by the company through cheque, however the said cheque was not presented till the date of signing of financials.

#Refer note no. 39

Note 20 Trade payables			
Total outstanding dues of micro enterprises and small enterprises#	-	-	-
Trade payables others	624,016,120	1,195,883,692	875,509,383
Total	**624,016,120**	**1,195,883,692**	**875,509,383**

The Company has not received information from suppliers or service providers, whether they are covered under Micro, Small and Medium Enterprises (Development) Act, 2006 and hence it has not been possible to ascertain the required information relating to amounts unpaid, if any, as at year end together with interest paid or payable to them.

Note 21 Other financial liabilities			
Interest accrued and due on borrowings	716,430,704	565,794,796	859,266,203
Employee Benefits Payables	118,273,387	86,450,109	1,046,811,042
Other payables	3,242,924,955	3,108,099,804	1,254,052,672
Total	**4,077,629,046**	**3,760,344,709**	**3,160,129,917**

(Amount in Rs.)

Note 22 Other current Liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from customers	25,118,492	20,055,102	52,129,537
Statutory dues	188,331,947	147,285,100	84,139,544
Trade /security deposits received	-	367,411	360,411
Current Maturities of Long Term debt	-	124,437,930	92,841,323
Others	-	79,265,867	88,312,042
Total	**213,450,439**	**371,411,410**	**317,782,858**

Note 23 Provision

Provision for bonus	24,086,785	28,690,844	20,173,615
Provision for Ex-gratia	12,415,959	8,630,127	5,368,289
Provision for leave encashment	2,500,517	2,322,984	3,700,166
Provision for Gratuity	11,000,734	8,380,338	3,499,850
Advance tax/ tax deducted at source	-	11,183,274	10,048,008
Total	**50,003,995**	**59,207,567**	**42,789,928**

Note 24 Revenue from operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Manufacture goods	4,764,622,183	7,744,282,001
Traded goods	3,768,981	31,960,599
Export Incentive	79,031,694	83,247,728
	4,847,422,858	7,859,490,328
Less: Discount	47,653,909	36,485,990
Net revenue from operations	**4,799,768,949**	**7,823,004,338**

Note 25 Other Income

Interest Received	11,382,938	8,760,912
Profit on sale of Fixed Assets (net)	327,317	626,392
Commission income	3,547,700	101,543
Sale of Scrap	2,026,259	1,685,105
Rental income	63,000	105,000
Liabilities / Provisions no longer required written back	80,681,081	68,485,505
Exchange difference	12,005,974	8,104,788
Other non-operating income	2,697,826	702,707,368
Profit on Loss of Control*	857,976,613	-
Total other income	**970,708,708**	**790,576,613**

* SIL disconsolidated One of the Group Company "ASIL", porfit arising on Loss of Control is

	For the year ended March 31, 2018
Borrowings-Non Current	320,128,019
Other financial liabilities -Non Current	131,936,646
Provisions - Non Current	12,227,253
Borrowings-Current	162,370,881
Trade Payables	653,744,650
Other current liabilities	221,756,378
Provisions - Current	5,401,468
Total Liability Lost(A)	**1,507,565,295**

		(Amount in Rs.)
		For the year ended March 31, 2018
Property, plant and equipment		352,882,958
Investment		23,200
Loans		286,776,308
Other non-current assets		2,161,743
Inventories		3,162,601
Cash and cash equivalents		464,098
Other Current Assets		4,117,773
Total Assets Lost (B)		**649,588,680**
Profit on Loss of Control (B-b)		**857,976,615**

Note 26 Cost of raw material and components consumed	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Raw Material		
Opening inventory	150,999,826	67,922,482
Purchases	3,112,051,862	5,756,548,499
Closing inventory	59,978,650	150,999,826
Cost of raw material consumed	**3,203,073,038**	**5,673,471,155**
Additional disclosures regarding cost of material consumed:		
Cotton	1,023,051,990	4,075,470,325
Polyester staple fiber	1,363,294,658	1,345,642,705
Viscose staple fiber	208,728	198,533,019
Others	816,517,662	53,825,106
	3,203,073,038	**5,673,471,155**
Additional disclosures regarding closing inventory of Raw Material:		
Cotton	42,719,679	32,252,047
Polyester staple fiber	13,629,588	28,225,894
Viscose staple fiber	-	208,728
Others	3,629,383	90,313,157
	59,978,650	**150,999,826**
27 PURCHASES OF of Traded Goods		
Cotton yarn	31,983	1,518,703
Clothes	2,613,356	26,039,254
	2,645,339	**27,557,957**
Note 28 (Increase)/Decrease in inventories		
Opening inventory		
Finished goods:		
(a) Manufactured	249,595,851	215,329,223
(b) Traded	882,238	2,323,960
Work in progress	117,985,877	131,201,115
Cotton waste	8,197,490	10,185,290
	376,661,456	**359,039,588**
Less: Closing inventory		
Finished goods:		
(a) Manufactured	81,175,233	249,595,851
(b) Traded	166,870	882,238
Work in progress	67,374,417	117,985,877
Cotton waste	5,906,383	8,197,490
	154,622,903	**376,661,456**
Inventory Written Off		726,091
Sub Total	222,038,552	(18,347,959)
Excise duty on increase / (decrease) in inventories	2,658,938	(1,441,723)
(Increase) /decrease in inventory	**224,697,490**	**(19,789,682)**

(Amount in Rs.)

Note 29 Employee benefit expenses	For the year ended	For the year ended
Particulars	**March 31, 2018**	**March 31, 2017**
Salaries wages and bonus	590,468,428	778,253,445
Contribution to provident and other funds	59,415,508	69,407,466
Leave Encahment	3,729,441	11,203,747
Gratuity expense	14,360,271	20,876,293
Staff welfare expenses	64,468,275	88,336,042
Total employee benefit expenses	**732,441,923**	**968,076,993**
Note 30 Finance costs		
Interest on Non convertible debentures	16,741,092	17,752,010
Interest (Others)	82,083,102	117,846,937
Interest on Term Loans	81,926,777	462,627,794
Interest on bill discounting	9,800,908	12,466,226
Interest on Working Capital loan	91,741	2,057,708
Bank & other finance Charges	3,212,053	11,927,577
Total finance costs	**193,855,673**	**624,678,252**
Note 31 Depreciation and amortization expense		
Depreciation of tangible assets	104,024,677	137,132,521
Amortization of Tangible assets	614,494	632,023
Amortization of Lease hold land classified as prepaid	1,123,909	1,108,187
Total depreciation and amortization expense	**105,763,080**	**138,872,731**
Note 32 Other expenses		
Manufacturing Expenses :		
Consumption of stores and spares	66,442,308	132,360,654
Power and fuel Expenses	583,696,389	915,472,480
Repairs and Maintenance (Machinery)	9,022,626	16,281,074
Repairs and Maintenance (Buildings)	1,396,928	2,122,661
Repairs and Maintenance (Others)	7,816,489	12,312,981
Entry Tax /Toll Tax	30,043	53,294
Subtotal (A)	**668,404,783**	**1,078,603,144**
Selling & Distribution Expenses :		
Freight Outward and Clearing Charges	73,380,340	105,977,142
Packing Material Expenses.	72,948,731	120,186,869
Business Promotion Expenses	3,168,989	4,561,688
Advertisement & Publicity Expenses	176,199	158,562
Commission	5,480,801	19,240,089
Sample Expenses	72,877	196,159
Export Sale Expense	721,550	2,949,057
Other Selling & Distribution Expenses	26,767,092	28,090,168
Subtotal (B)	**182,716,579**	**281,359,734**
Administrative & General Expenses :		
Rent (Including Lease Rental)	4,608,436	6,110,552
Insurance	4,832,189	5,988,185
Communication Expenses	4,460,330	7,693,799
Printing and Stationery	1,508,545	3,459,771
Legal and Professional Charges	40,695,231	22,901,554
Director Sitting Fees	298,204	651,154
Foreign Office Expenses	3,652,621	4,952,823
Payment to Auditors	2,377,805	2,452,574
Rates and taxes	4,497,709	6,473,396
Travelling & Conveyance Expenses	39,893,887	52,858,766
Filing Fees	786	47,323
Licence Fees	1,506,159	1,516,029

(Amount in Rs.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Membership & Subscription	1,027,299	1,217,212
Vehicle Running & Maintenance Expenses	5,174,027	5,649,732
Security Charges	8,715,368	9,310,814
Computer Running & Maintenance Expenses	441,121	754,551
Books & Periodicals	50,769	43,541
ISO Expenses	176,715	289,121
Secreatarial Expenses	722,467	773,382
Subcontracting Charges	4,405,003	33,222,360
Service Tax Reversal	-	27,946,550
Miscellaneous Expenses	5,239,879	9,900,146
Bad debts written off	28,857,591	129,035,951
Prior Period Items (net)	-	19,402,897
Provision for impairment of trade receivables & Investment	-	151,721,189
Subtotal (C)	**163,142,141**	**504,373,372**
Total other expenses (A+B+C)	**1,014,263,503**	**1,864,336,250**

Note 33 Expenses of exceptional nature

Provision made for diminution in value of Investment	204,469,921	9,323,779
Prov for Investment in Spentex Tashkent Toytepa LLC	229,875,724	-
Receivable from ASIL Written-off	755,794,386	-
Receivable Written-off		2,763,563,952
Carrying cost, insurance & trade premium etc on cotton	260,117,951	-
	1,450,257,982	**2,772,887,731**

Note 34 Income of exceptional nature

Interest written back	-	360,348,272
	-	**360,348,272**

Note 35 Contingent liabilities not provided for in respect of:

Contingent Liabilities Not Provided For:

		For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended April 1, 2016
(a)	Demands from income tax authorities under appeal	37,981,404	37,971,404	74,375,239
(b)	Demands from sales tax authorities under appeal	100,659,595	100,659,595	9,481,297
(c)	Show cause notices/demands raised by excise / customs department (including applicable penalties), not acknowledged as debts	148,490,339	148,490,339	278,670,396
(d)	Show cause notices/demands raised by MP Government / MPEB department,not acknowledged as debts	125,056,000	162,143,222	125,056,000
(e)	Claims against the company not acknowledged as debts	293,300,000	812,891,366	731,186,818
(f)	Guarantees and letters of credit issued on behalf of the company, outstanding at the year end	640,290	59,279,455	70,779,455
(g)	Bills Discounted with banks on behalf of the company, outstanding at the year end.	31,910,156	7,123,000	68,778,805
(h)	Corporate Guarantee given to IREDA for loan to M/s Himalayan Crest Power Private Limited	130,428,748	145,290,136	153,382,019
	Total	**868,466,532**	**1,473,848,517**	**1,511,710,029**

The amount shown in the items (a) to (e) represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interest and has been advised that it has strong legal positions against such disputes. The amount shown in items (f) to (l) represent guarantees given and bills discounted in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of beneficiaries fulfilling their ordinary commercial obligations.

Note 36

In the opinion of the Management and to the best of their knowledge and belief, the value on realisation of current/non current assets, loans and advances in the ordinary course of business would not be less than the amount at which they are stated in the financial statements.

(Amount in Rs.)

Note 37 EMPLOYEE BENEFIT PLAN	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**	**As at April 1, 2016**
(i) Post Retirement Employee Benefits			
Gratuity	117,881,438	95,586,042	80,086,983
Leave Encashment	22,341,170	20,579,841	14,075,176

(a) Defined Contribution Plans:

The Parent Company has defined contribution plans for post retirement employment benefits namely Provident Fund and Employee State Insurance Scheme. Expenses for the same is being charged to statement of profit and loss for the year.

(b) Defined Benefit Plans:

The liability for gratuity is determined on the basis of an actuarial valuation, using the projected unit credit (PUC) method at the end of the year. Gains and losses arising out of actuarial valuations are recognised in the statement of profit and loss for the year. Liabilities for compensated absences which is a defined benefit plan are determined based on independent year end actuarial valuation and the resulting charge is being accounted in statement of profit and loss.

(ii) Other Employee Benefits

Other employee benefits are accounted for on accrual basis.

A. Components of Employer Expense	**2017-18 Gratuity Funded**	**2016-17 Gratuity Funded**	**2015-16 Gratuity Funded**
Current service cost	11,433,267	9,857,350	9,154,317
Interest cost	8,119,040	8,168,706	8,300,882
Curtailment cost/(credit)	-		
Settlement cost/(credit)	-		
Return on plan assets	(1,440,641)	(452,920)	(2,332,642)
Past service cost	1,458,083		
	19,569,749	17,573,136	15,122,557

The Gratuity and Leave encashment expenses have been recognized in "Employee benefits expense" under note no. 22 of financial statement.

B. Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2018

Present Value of DBO at the beginning of year	104,761,808	108,916,078	103,761,011
Current service cost	11,433,267	9,857,350	9,154,317
Past Service Cost	1,458,083	-	-
Interest cost	8,119,040	8,168,706	8,300,882
Actuarial (gains)/losses	22,455,555	9,006,575	2,932,924
Benefits paid	(14,306,463)	(15,135,480)	(15,233,053)
Present value of DBO at the end of year	133,921,290	120,813,229	108,916,081

(Amount in Rs.)

C. Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2018

	2017-18 Gratuity Funded	2016-17 Gratuity Funded	2015-16 Gratuity Funded
Present value of defined benefit obligation	133,921,290	117,071,672	108,916,081
Fair value on plan assets	16,039,851	21,485,630	28,829,095
Status [surplus/(deficit)]	(117,881,439)	(95,586,042)	(80,086,986)
Net Asset/(Liability) recognized in Balance Sheet	(117,881,439)	(95,586,042)	(80,086,986)

D. Experience Adjustment

Present value of defined benefit obligation	133,921,290	117,071,672	97,012,520
Fair value on plan assets	16,039,851	21,485,630	28,829,095
Status [surplus/(deficit)]	(117,881,439)	(95,586,042)	(68,183,425)
Experience adjustment on plan liabilities loss / (gain)	(13,500,179)	3,517,029	1,864,358
Experience adjustment on plan assets (loss) / gain	61,440	(196,551)	74,909

	2014-15 Gratuity Funded	2013-14 Gratuity Funded
Present value of defined benefit obligation		
Fair value on plan assets	103,761,011	77,804,171
Status [surplus/(deficit)]	29,487,273	28,372,311
Experience adjustment on plan liabilities loss / (gain)	(74,273,738)	(49,431,860)
Experience adjustment on plan assets (loss) / gain	(282,394)	14,213,517
	(530,246)	(187,999)

E. Change in Fair Value of Assets during the Year Ended March 31, 2018

	2017-18 Gratuity Funded	2016-17 Gratuity Funded	2015-16 Gratuity Funded
Plan assets at the beginning of year	21,485,630	28,829,095	29,487,273
Acquisition adjustment for plan assets	100,000	(405,335)	92,340
Expected return on plan assets	1,440,641	2,117,342	2,332,642
Actuarial gains/(losses)	(146,322)	(182,111)	113,883
Actual company contribution	(30,897)	957,005	523,904
Benefits paid	(6,809,201)	(9,830,365)	(3,720,947)
Plan Assets at the end of year	16,039,851	21,485,631	28,829,095

F. Current & Non –current liabilities as at March 31, 2018	2017-18 Gratuity Funded	2016-17 Gratuity Funded	2015-16 Gratuity Funded
Current liabilities	10,579,109	8,380,338	3,499,850
Non-current liabilities	123,342,181	87,305,704	76,587,133
Total of Current & Non –current liabilities	133,921,290	95,686,042	80,086,983
	140,222,608	116,165,883	94,162,159
	(6,301,318)	(20,479,841)	

G. Actuarial Assumptions

Particulars	2017-18 Gratuity Funded	2016-17 Gratuity Funded	2015-16 Gratuity Funded
Discount Rate (%)	7.75%	8.00%	8.00%
Expected Return on Plan Assets (%)	7.75%	8.00%	8.00%
Annual increase in salary cost (%)	5.00%	2.50%	2.50%

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

H. Basis used to determine the Expected Rate of Return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimize returns within acceptable risk parameters, the plan assets are well diversified.

Note 38 SEGMENT REPORTING

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the group's performance based on only one segment i.e. manufacturing and trading in Domesic & Outside India.

(Amount in Rs.)

DESCRIPTION	REVENUE	ASSETS
Domestic	3,571,898,183	2,557,563,981
	(6,180,100,748)	(3,801,961,216)
Outside India	1,227,870,766	98,186,497
	(1,642,903,590)	(365,542,821)
Current Year	**4,799,768,949**	**2,655,750,478**
Previous Year	**(7,823,004,338)**	**(4,167,504,037)**

Note 39 Related party disclosure (Designation, Relationship also to be mentioed)

(1) **Related parties and their relationship :**

I Key Management personnel :

Mr. Ajay Kumar Choudhary (Chairman & Whole time Director)

Mr. Mukund Choudhary (Managing Director)

Mr. Kapil Choudhary (Deputy Managing Director)

Mr. Amrit Agrawal(Director) (Resigned with effect from 27th January, 2017)

Mr. Krishan Gopal Goyal (CFO) (Date of Joining 30th January 2017 Resigned with effect from 30th June, 2017)

Mr. Yash Jain (CFO)

II **Relatives of Key Management personnel :**

Mr. Raghav Choudhary (Son of Managing Director)

Mr. Bharat Hari Choudhary (Son of Managing Director)

Ms. Vanshika Choudhary (Daughter of Managing Director)

Mr. Madhav Choudhary (Son of Deputy Managing Director)

Mr. Aakash Agrawal (Son of Mr. Amrit Agrawal)(Ceased to be a related party w .e .f. 27th January, 2017)

III **Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise :**

(i) Himalayan Crest Power Pvt. Limited
(ii) CLC & Sons (P) Limited
(iii) CLC Technologies Private Limited
(iv) Chhindwara Infrastructure Private Limited
(v) CLC Power Limited
(vi) CLC Enterprises Limited
(vii) CLC Textile Park Private Limited
(viii) Sasi Power Private Limited

	Particulars	2017-18	2016-17
1	Key Management Personnel		
i)	Mr. Ajay Kumar Choudhary(Chairman & Whole time Director)		
	Salary and Allowances	410,714	6,000,000
	Contribution to Provident and other Funds.	49,286	720,000
	Value of benefits, calculated as per Income Tax Rules	-	-
ii)	Mr. Mukund Choudhary(Managing Director)		
	Salary and Allowances	410,714	6,000,000
	Contribution to Provident and other Funds.	49,286	720,000
	Value of benefits, calculated as per Income Tax Rules	-	-
iii)	Mr. Kapil Choudhary(Deputy Managing Director)		
	Salary and Allowances	410,714	6,000,000
	Contribution to Provident and other Funds.	49,286	720,000
	Value of benefits, calculated as per Income Tax Rules	-	-

	Particulars	2017-18 (Rs.)	2016-17 (Rs.)
iv)	Mr. Amrit Agrawal		
	Salary and Allowances	-	4,822,258
	Contribution to Provident and other Funds.	-	577,210
	Value of benefits, calculated as per Income Tax Rules	-	1,201,570
v)	Mr. Krishan Gopal Goyal (CFO)		
	Salary and Allowances	468,477	329,720
	Contribution to Provident and other Funds.		
	Value of benefits, calculated as per Income Tax Rules	431,523	290,280
vi)	Mr. Yash Jain (CFO)		
	Salary and Allowances	1,375,161	-
	Contribution to Provident and other Funds.	7,200	-
	Value of benefits, calculated as per Income Tax Rules	243,445	-
2	**Relatives of Key Management personnel :**		
	Scholarship		
	Mr. Madhav Choudhary	-	6,000
	Mr. Aakash Agrawal	-	6,000
	Mr. Bharat Hari Choudhary	6,000	7,000
	Total	**6,000**	**19,000**
3	Directors' sitting fees		
i)	Mr. D.P. Singh -	126,694	
ii)	Mr. Deepak Diwan	135,000	106,959
iii)	Mr. Kamal Kapur	88,918	83,429
iv)	Mr. R.K. Thapliyal	-	36,959
v)	Mr. Samir Kumar Nath	42,286	82,286
vi)	Mr. Shyamal Ghosh	-	145,877
vii)	Mrs. Charul Jain	32,000	-
ix)	Mrs. Shivani Gupta	11,500	20,000
x)	Mr. S P Sethia	11,500	40,000
	Total	**321,204**	**642,204**
4	Reimbursement of Expenses		
i)	M/s Amit Spinning Industries Limited	2,291,513	24,553,796
ii)	Chindwara Infrastructure Pvt. Ltd.	1,831,815	-
	Total	**4,123,328**	**24,553,796**
5	Unsecured loan taken		
	Mr. Ajay Kumar Choudhary	8,000,000	-
	Total	**8,000,000**	**-**
6	Guarantees outstanding at year end		
i)	M/s Amit Spinning Industries Limited	294,302,104	294,302,104
ii)	M/s Himalayan Crest Power Pvt. Limited	130,428,748	145,290,136
iii)	M/s Spentex Netherlands B.V	-	1,557,151,169
	Total	**424,730,852**	**1,996,743,409**
7	Year end receivable from		
i)	M/s Amit Spinning Industries Limited	1,025,287	756,792,989
ii)	M/s Himalayan Crest Power Pvt. Limited	-	56,650,287
iii)	M/s Spentex Netherlands B.V	-	95,070,902
	Total	**1,025,287**	**908,514,178**
8	Year end payable to		
i)	Mr. Ajay Kumar Choudhary	21,521,600	13,521,600
ii)	Mr. Mukund Choudhary	13,470,183	18,770,184
iii)	Mr. Kapil Choudhary	7,579,213	17,608,219
	Total	**42,570,996**	**49,900,003**

Note 40 EARNING PER SHARE

The following table reconciles the numerators and denominators used to calculate basic and diluted EPS for the year

(Amount in Rs.)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Basic EPS is calculated by dividing the profit for the year attributable to equity holders of the entity by the weighted average number of Equity shares outstanding during the year (Amount in INR)	(12.86)	(34.45)
Diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares (Amount in INR).	(12.86)	(34.45)
The following reflects the income and share data used in the basic and diluted EPS computations:		
Profit attributable to equity holder for basic earnings	(1,154,500,158)	(3,092,391,623)
Profit attributable to equity holders adjusted for the effect of dilution	(1,154,500,158)	(3,092,391,623)
Weighted average number of Equity shares for basic EPS	89,772,035	89,772,035
Weighted average number of Equity shares adjusted for the effect of dilution	89,772,035	89,772,035

Note 41 EARNINGS IN FOREIGN EXCHANGE DURING THE YEAR (ON ACCRUAL BASIS):

F.O.B. value of goods exported	1,170,222,187	1,530,856,070

Note 42 Expenditure in Foreign currency (on accrual basis)

Travelling	1,488,157	3,894,784
Commission	2,726,712	10,201,139
Claim paid on export sales	721,550	2,949,057
Legal & professional	1,612,500	3,104,062
Other expenses	4,118,191	4,952,823
Total	**35,768,975**	**25,101,865**

Note 43 Exposure in Foreign currency

The group uses foreign currency denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. However such foreign currency denominated borrowings have not been designated as hedge. Such derivatives are recorded at mark to market at each reporting date with a corresponding recognition in the Statement of Profit and Loss.

Details of foreign currency exposure of the Company :

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Foreign Currency	INR	Foreign Currency	INR	Foreign Currency	INR
Other foreign currency exposures:						
Export Receivables (USD)	1,339,029	85,960,084	5,753,710	294,077,626	7,217,410	394,294,887
Export Receivables (EURO)			5,633,471	357,502,740	5,653,850	359,126,088
Advance from Customers (US$)	385,068	25,327,972	648,880	43,105,572	749,823	49,071,524
Import Payable(USD)	-	-	3,306	211,833	-	
Import Payable(CHF)	-	-	80	5,302	-	-
Import Payable(EURO)	-	-	11,532	856,587	-	-
Import Payable(JPY)	-	-	373,320	203,459	-	-

Note 44 Financial Instruments

A- Fair values

The carrying amount of financial assets and liabilities except for certain financial assets i.e. "instrument carried at fair value" appearing in the financial statement are reasonable approximation of fair value. Such investments of those financial instruments carried at fair value are disclosed below:-

(Amount in Rs.)

	Fair value			Carrying value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
Financial assets measured at fair value through OCI						
Investments						
Equity shares						
Sentinel Tea and Exports Limited	9,930	6,760	2,600	9,930	6,760	2,600
Summit Securities Limited	7,901	5,371	2,881	7,901	5,371	2,881
	17,831	**12,131**	**5,481**	**17,831**	**12,131**	**5,481**

	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)
March 31, 2018		
Investment		
Equity share	17,831	33,563
Total	17,831	33,563
March 31, 2017		
Investment		
Equity share	12,131	198,282,879
Total	12,131	198,282,879
April 1, 2016		
Investment		
Equity share	5,481	2,599,927,362
Total	5,481	2,599,927,362

There have been no transfer between level 1, level 2 and lvevel 3 during the period.

45 CIF VALUE OF IMPORTS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw materials	-	6,547,723
Stores and spares & components	4,049,135	13,398,991
Total	**4,049,135**	**19,946,714**

Note 46

Expenses of exceptional nature comprise of provision for diminution in the value of investment in the subsidiary Amit Spinning Industries Limited (ASIL) Rs. .204,469,921 and write off of Rs. 755,756,460 recoverable from the subsidiary ASIL. The same has been so accounted for keeping in view the ongoing proceedings of Amit Spinning Industries Limited (ASIL) in National Company Law Tribunal (NCLT) under the Insolvency and Bankrupcy Code (IBC),2016. The company ASIL has filed its petition before NCLT and Resolution professional has been appointed as per IBC,2016 . Keeping in view of the above no adjustment was made for corporate guarantee given by Spentex industries Limited to ASIL."Further provison made for inventory carrying cost of Rs. 26,01,18,000/- for which reconciliation with the parties are pending."

Note 47

As on March 31, 2018, the accumulated losses of the group had exceeded its net worth. The financials of the company has been prepared on going concern basis as the management believe that the accumulated losses would be whipped off and the profit-ability improved and the net worth will turn positive once financial restructuring is carried out by the lenders and requisite working capital is raised. Company is in advance stage of this financial resolution and is quite hopeful that within the next financial year the same will be carried out.

Note 48

The Group's accounts had become Non performing assets (NPA) with majority of the banks and due to this reason, the majority of lenders stopped charging interest from the company on their outstanding debts amount from the dates on which their accounts become NPA. The company is in advance stage of discussion with the lenders to settle their dues through Assets Reconstruction Companies by the lenders or otherwise. In view of the above, the company has not charged to statement of profit and loss account interest expenses of Rs. 53,65,22,381and related penal interest and other charges for the year, if any, in respect of delay in repayment of borrowings from the banks. Further, Liability for interest expenses of Rs. 1,49,75,89,636 till March 31, 2018 has not been accounted for.

Note 49

The Holding Company is required to deposit/invest a sum of at least 15% of the amount of its debentures maturing during the"financial year 2017-18 in one or more of the prescribed methods vide circular no.04/2013 dated February 11,2013 issued by Ministry of Corporate Affairs .However, the Company has not complied with the requirement of the said circular."

Note 50

The outstanding balance as on 31st March, 2018 in respect of certain trade receivables, trade payables and loans & advances are subject to confirmation/reconciliation and consequential adjustment if any, from the respective parties. The management, however, does not expect any material variations.

Note 51

For the year ended March 31, 2018, the holding Company has initiated the process of compliance with the transfer pricing"regulations for which the prescribed certificate of the accountant will be obtained. The management is of the opinion that the transactions are arms length price. Hence the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and the provision for taxation."

(Amount in Rs.)

Note 52 Income Tax

The major components of Income Tax expense	For the year ended March 31, 2018	For the year ended March 31, 2017
Current Income Tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	(4,412,914)	-
Total (A)	(4,412,914)	-

Deferred Tax:		
Relating to origination and reversal of temporary differences	-	-
Total (B)	-	-

OCI section		
Deferred tax related to items recognised in OCI during the year:	-	-
Net loss/(gain) on re-measurements of defined benefit plans	-	-
Income tax charged to OCI	-	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for:-		
Mat Credit Entitlement Excess Provision Written Back	(4,412,914)	-
Total (C)	(4,412,914)	-
Total (A)+ (B)+ (C)	-	-

Accounting profit before tax	(1,158,913,072)	(3,092,391,623)
Income tax calculated at India's statutory Income Tax Rate	-	-
Total	-	-

Deferred tax			
Deferred tax relates to the following:			
Fixed assets: Impact of difference between tax depreciation and			
depreciation/ amortization charged for the financial reporting	(174,739,224)	(226,260,461)	(230,722,529)
Provision created under Expected credit loss	680,124,497	1,793,147,256	1,101,601,948
Tax holiday units			
Mat credit entitlement		17,600,000	
Net deferred tax assets/(liabilities)	505,385,273	1,584,486,795	870,879,419

Note:- The Company has not recognized above Deferred Tax assets on account of prudence.

Reflected in the balance sheet as follows:			
Deferred tax assets (continuing operations)	-	17,600,000	17,600,000
Deferred tax liabilities (continuing operations)	-	-	-
Mat credit entitlement	-	-	-
Deferred tax Assets (net)	-	17,600,000	17,600,000

Reconciliation of deferred tax liabilities (net):			
Opening balance	17,600,000	17,600,000	17,600,000
Tax income/(expense) during the year recognised in profit or loss	-	-	-
Tax income/(expense) during the year recognised in OCI	-	-	-
Change in MAT Credit	17,600,000		
Closing balance	-	17,600,000	17,600,000
The group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority			
Amount of MAT credit available which can be set off against future taxable profits where group is required to pay taxes in accordance with normal provisions of Income Tax Act 1961.	-	17,600,000	17,600,000

Note: The Company has not recognized above Deferred Tax assets on account of prudence.

Note 53 Financial risk management objectives and policies

The group's principal financial liabilities comprise loans and borrowings, security deposits and trade and other payables. The main purpose of these financial liabilities is to finance the entity's operations and to provide guarantees to support its operations. The entity's principal financial assets include loans, investment in preference shares & equity shares, trade and other receiv ables, and cash and cash equivalents that are derived directly from its operations.

The group's business activities are exposed to a variety of financial risks, namely market risks, credit risk, Comodity Risk and liquidity risk. The group's senior management has the overall responsibility for establishing and governing the group's risk management framework. The entity has constituted a Risk Management Committee, which is responsible for developing and monitoring the entity's risk management policies. The entity's risk management policies are established to identify and analyse the risks faced by the entity, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Audit Committee of the entity.

(a) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk and currency risk and equity price risk. Financial instruments affected by market risk include loans and borrowings.“The sensitivity analysis in the following sections relate to the position as at March 31, 2018 and March 31, 2017.“The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and the proportion of financial instruments in foreign currencies are all constant as at March 31, 2018.“The analyses exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations and provisions. “The following assumptions have been made in calculating the sensitivity analysis:“The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2018 and March 31, 2017.

(i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

Interest rate sensitivity:

The Company does not have any floting rate of interest on financial assets and liabilities . Therefore, a change in interest rates at the reporting date would not affect profit or loss and neither would it affect the equity.

(ii) Foreign currency risk

The Indian National Rupee is the entity's most significant currency. As a consequence, the group's results are presented in Indian National Rupee and exposures are managed against Indian National Rupee accordingly. The entity has limited foreign currency exposure which are mainly on account ECB loan, import and exports. import and export have short recovery cycle and counter each other reducing the foreign currency risk.

Foreign currency sensitivity:

The following tables demonstrate the sensitivity to a reasonably possible change in foreign currency exchange rates, with all other variables held constant. The impact on the group's profit before tax due to changes in the fair value of foreign currency exposure.

Sensitivity to risk	March 31, 2018		March 31, 2017		April 1, 2016	
Sensitivity to risk						
Increase/ (decrease) in Currency rate (USD)	2.75%	-2.75%	2.75%	-2.75%	2.75%	-2.75%
Effect on profit before tax increase/ (decrease)	26,234	(26,234)	284,627	(284,627)	333,340	(333,340)

(iii) Commodity price risk

The group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of cotton/Polyster Yarn require a continuous supply of Cotton/PSF. Due to the significantly increased volatility of the price of the Cotton/PSF, the Entity also entered into various purchase contracts for Cotton/PSF/VSF (for which there is an active market).

The group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation."Based on a 12-month forecast of the required Cotton/PSF/VSF supply, the group hedges the purchase price using forward commodity purchase contracts. The forecast is deemed to be highly probable.

Commodity price sensitivity

The following table shows the effect of price changes in copper net of hedge accounting impact.

Sensitivity to risk	March 31, 2018		March 31, 2017		April 1, 2016	
Increase/ (decrease) in Cotton Price	**6.35%**	**-6.35%**	**6.35%**	**-6.35%**	**6.35%**	**-6.35%**
Increase/ (decrease) in PSF Price	**3.00%**	**-3.00%**	**3.00%**	**-3.00%**	**3.00%**	**-3.00%**
Effect on profit before tax increase/ (decrease)	105,862,641	(105,862,641)	258,792,366	(258,792,366)	250,506,703	(250,506,703)

(iv) Equity price risk

The group's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Reports on the equity portfolio are submitted to the Entity's senior management on a regular basis. The entity's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unquoted equity securities at fair value was Rs. 17,830

(b) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, financial assets. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

Trade receivables and loans

Credit risk is managed by entity subject to the group's established policy, procedures and control relating to credit risk management. Credit quality is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and loans are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for receivables and loans. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note below. The group does not hold collateral as security. The group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and has been rated highly based on internal credit assessment parameters.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the entity's treasury department in accordance with the entity's policy. Counterparty credit limits are reviewed by the entity's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.""The group's maximum exposure to credit risk for the components of the Balance Sheet at March 31, 2018 March 31, 2017 and April 01, 2016 is the carrying amounts as illustrated in note below:

Particulars	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Investment	51,394	198,302,010	2,599,932,843
Loans	101,491,419	282,784,659	267,660,179
Bank deposits	712,300	-	29,280,000
Trade receivables	95,883,600	377,283,536	490,109,538
Cash and cash equivalents	19,735,978	10,740,942	22,827,106
Claim Recivables	57,689,487	35,464,284	61,191,135
Interest Accured	686,642	612,831	76,263,912
Others	122,264,061	198,429,951	239,906,636
Total	**398,514,881**	**1,103,618,213**	**3,787,171,349**

(c) Liquidity Risk

The group monitors its risk of shortage of funds on a regular basis. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The entity assessed the concentration of risk with respect to refinancing its debt and concluded it to below.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

(Amount in Rs.)

Particulars	**Payable within one year**	**Payable within one year to five years**	**Total**
As at March 31, 2018:			
Term loans from banks	4,761,684,172	311,700,000	5,073,384,172
Short term loan	358,239,769	-	358,239,769
Trade payables	624,016,120	-	624,016,120
Other Financial Liabilities	4,077,629,046	6,686,197	4,084,315,243
			10,139,955,304
As at March 31, 2017:			
Term loans from banks	4,869,133,881	354,100,000	5,223,233,881
Short term loan	348,384,509	-	348,384,509
Trade payables	1,195,883,692	-	1,195,883,692
Other Financial Liabilities	3,760,344,709	2,165,630	3,762,510,339
			10,530,012,420
As at April 1, 2016:			
Term loans from banks	3,995,894,999	2,552,084,351	6,547,979,350
Short term loan	219,848,460	-	219,848,460
Trade payables	875,509,383	-	875,509,383
Other Financial Liabilities	3,160,129,917	1,896,740	3,162,026,657
			10,805,363,849

Capital management

For the purpose of the group's capital management, capital includes issued equity share capital and other equity attributable to the equity holders of the group. The primary objective of the entity's capital management is to maximise the shareholde'r wealth.

The group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The entity monitors capital using a debt equity ratio, which is net debt divided by total capital. The group's policy is to keep the debt equity ratio between 100% and 200%. The entity includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents, excluding discontinued operations.

The group's debt equity ratio was as follows:

Particulars	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Borrowings	5,431,623,941	5,571,618,390	6,767,827,810
Less: Cash and cash equivalents	19,735,978	10,740,942.00	22,827,106.10
Net debt	**5,411,887,963**	**5,560,877,448**	**6,745,000,704**
Equity Capital	897,720,350	897,720,350	897,720,350
Other Equity	(8,772,100,966)	(7,796,310,269)	(4,762,321,717)
Total Equity	**(7,874,380,616)**	**(6,898,589,919)**	**(3,864,601,367)**
Debt Equity Ratio	**-68.73%**	**-80.61%**	**-174.53%**

Note 54 GROUP COMPANIES

The Consolidated Financial Statements have been prepared in accordance with Accounting Standard notified under the Companies (Accounting Standards) Rules, 2006 (as amended) in accordance with section 133 of the Companies Act, 2013, read with rule 7 of Companies (Accounts) Rules, 2014

(a) The Financial Statements of the following subsidiaries, drawn upto March 31, 2017, along with Spentex Industries Limited (the Company),the Parent, constituting the group, are considered in preparation of the consolidated financial statements:-

Name of Company	Relationship	Country of incorporation	Percentage of ownership interest as on March 31, 2018	Percentage of ownership interest as on March 31, 2017	Percentage of ownership interest as on April 1, 2016
Spentex (Netherlands), B.V. (100 % held by the Company and its nominees)	Subsidiary	Netherlands	100.00%	100.00%	100.00%
Schoeller Textile (Netherland), B.V (a 100% subsidiary of Spentex (Netherlands), B.V.)	Subsidiary	Netherlands	100.00%	100.00%	100.00%
Amit Spinning Industries Limited (ASIL)	Subsidiary	India	50.96%	50.96%	50.96%

Note 55 The financial information as required under Schedule III of the Companies Act 2013 is shown below:

Name of the entity in the	Net Assets, i.e., total assets minus total liabilities		Share in profit or (loss)	
	As % of consolidated net assets	Amount (Rs.)	As % of consolidated net assets	Amount (Rs.)
Parent				
Spentex Industries Limted	55.54%	(4,373,417,170)	71.48%	(842,271,664)
Subsidiaries				
Foreign				
Spentex Netherlands B.V.	44.46%	(3,500,963,446)	28.52%	(336,019,723)
Total		**(7,874,380,616)**		**(1,178,291,387)**

Note 56

The group had an investment of 2,383,796,543 and recoverable 509,966,133 in step down subsidiary Spentex TashkentToytepa LLC (STTL). During the period of investment, Government of Uzbekistan (GOU) changed certain laws and policiesbreaching the investment agreement and rendered operation of STTL not only unviable, but also expropriated its investment.All the assets and liabilities of STTL have been taken over by National Bank of Uzbekistan (NBU) and existence of STTLhas been liquidated as per bankruptcy laws. In view of this corporate guarantee given by company in respect of STTLliability for deferred payment to Tashkent Toytepa Textile (TTL) stands extinguished. SNBV , which had made around 99%investment in the equity of STTL, had filed request for Arbitration against GOU for Claim through its lawyer before InternationalCenter for Settlement of Investment Dispute(ICSID). Since ICSID has given its award against claimant SNBV in Dec. 2016dismissing all its claims and counter claims and STTL has been liquidated as per bankruptcy laws of Republic of Uzbekistan,investment made by SNBV in its subsidiary STTL has turned to unrecoverable, resulting investment made and advancerecoverable by Spentex Industries Ltd.(SIL) in its subsidiary SNBV and investment made directly by SIL in its step downsubsidiary STTL as well as other recoverables from STTL as mentioned above have also become doubtful for recovery. Inview of the above the management has made provision for the aforesaid amounts during the previous financialyear subject to necessary statutory approvals.

Note 57

The subsudiary company has advnaced an amount of 277,723,608 as inter corporate deposit and capital advances without any repayment schedule and interest free during the previous Year. The Management is ,however, hopeful of recovering the same in full

Note 58

Previous year figures have been regrouped and reclassified wherever necessary to make them comparable.

The Accompanying notes form an integral Part of the financial Statement

For and on behalf of the Board of Directors

For R N Marwah & Co LLP
Firm Reg. No:- 00121N/N500019
Chartered Accountants

Sunil Narwal
Partner
Membership No:- 511190

Place:- New Delhi
Date :- May 31, 2018

Mukund Choudhary — Managing Director

Kapil Choudhary — Deputy Managing Director

Bharat Kapoor — Company Secretary

Yash Jain — CFO

Pursuant to first Proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rule, 2014

Statement containing salient features of financial statements of subsidiaries of the Company

AOC-1

Sl.No.	**Name of Subsidiary**	**Amit Spinning Industries Ltd.**	**Spentex (Netherlands)B.V.**		**Schoeller Textile (Netherlands)B.V.**	
	Reporting Currency	**INR**	**USD**	**INR**	**EURO**	**INR**
	Exchnage Closing Rate (31.03.2018)		**65.109**		**80.82**	
	Date Since Subsidiary acquired/incorporated	25.08.2006	24.07.2006		13.06.2007	
1	Share Capital (incliding share application money)		15,024,745	978,246,122	18,000	1,454,715
		(205,848,335)	(15,021,757)	(974,311,159)	(18,000)	(1,247,400)
2	Reserves and Surplus		-48,430,819	-3,153,282,194	-17,753,443	-1,434,788,880
		(-1,057,051,001)	(-46,780,804)	(-3,034,202,947)	(-14,888,370)	(-1,031,764,041)
3	Total Assets (excluding investments)		22,392,077	1,457,925,741	(-)	(-)
		(648,823,862)	(22,392,070)	(1,452,350,114)	(-)	(-)
4	Total Liability		55,822,307	3,634,534,586	17,735,443	1,433,334,165
		(1,500,049,727)	(54,175,280)	(3,513,808,661)	(17,735,443)	(1,229,066,200)
5	Investment		24,156	1,572,773	-	0
		(23,200)	(24,156)	(1,566,758)	(2,865,073)	(198,549,559)
6	Turnover	(-)	(-)	(-)	(-)	
		(1,584,539)	(-)	(-)	(-)	(-)
7	Profit(Loss) before Taxation		-1,647,027	-106,143,973	-2,865,073	-216,056,014
		(-132,243,342)	(-44,220,221)	(-2,930,990,499)	(-7,383)	(-556,899)
8	Provision for Taxation (Deferred Tax)	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
9	Profit(Loss) after Taxation		-1,647,027	-106,143,973	-2,865,073	-216,056,014
		(-132,243,342)	(-44,220,221)	(-2,930,990,499)	(-7,383)	(-556,899)
10	Proposed Dividend	-	-	-	-	-
		(-)	(-)	(-)	(-)	(-)
11	% of Shareholding	50.96%	91%		100% of SNBV	

* Figures shown in brackets represents previous year figures

Ex Rate (Closing Rate)	**USD/INR**	**EURO/USD**	**EURO/INR**
31.03.2018	65.11	1.232	80.82
31.03.2017	64.86	1.066	69.30
Ex Rate (Average Rate)	**USD/INR**	**EURO/USD**	**EURO/INR**
31.03.2018	64.45	1.170	75.41
31.03.2017	67.06	1.097	73.59

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SPENTEX INDUSTRIES LTD.-PITHAMPUR