

**Auditor's Report on Quarter and Year ended Standalone IND AS Financial Results of Kumar Wire Cloth Manufacturing Company Limited to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**To  
Board of Directors  
Kumar Wire Cloth Manufacturing Company Limited**

1. We have audited the quarterly Ind AS standalone financial results of **Kumar Wire Cloth Manufacturing Company Limited** ('the company') for the quarter and year ended 31 March 2018, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. These standalone quarterly financial results as well as the year to date financial results have been prepared on the basis of the standalone Ind AS financial statements, which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such standalone financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.
3. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

**Basis for Qualified Opinion**

- (i) *The Company has been declared sick by the Board of Industrial and Financial Reconstruction under Sick Industrial Companies (Special Provisions) Act, 1985 vide order dated February, 21st 2006. And the Company has applied for waiver of Interest in respect of Income Tax and Vat/Sales Tax, However, vide Notification No. S.O. 3569(E) issued by the Ministry of Finance, Central Government dated November 25, 2016, Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) stand repealed with effect from 1st December, 2016. As a consequence, the proceedings of the Company on reference under SICA before Board for Industrial and Financial Reconstruction (BIFR)*

*abated and came to an end. Consequent to the repeal of SICA w.e.f. December 1, 2016, interest for default in payment of Income Tax, VAT/Sales tax and other liability as may be levied by the concerned authorities has not been ascertained and provided for in the books of account. As explained by the management that the Company is expecting waiver/relief and therefore not provided for.*

- (ii) The Net Worth of the Company has been fully eroded and the Company has incurred cash losses in current year and corresponding previous years. The financial statements however been prepared on a going concern basis by the management. As explained by the management that the Company is looking for expansion of business operations and new business avenues in near future and therefore financial statements have been prepared on going concern basis.*
- (iii) The amount in respect of trade receivables, other current assets, trade payables, unsecured loans and other current liabilities are subject to confirmation, reconciliations and adjustment thereof, if any having consequential impact on the loss for the quarter and year ended March 31, 2018, accumulated losses, assets and liabilities as at the year ended, amount whereof is presently not ascertainable.*

4. in our opinion and to the best of our information and according to the explanations given to us, **except for the possible effects of the matter described in the Paragraph 3 above**, these financial results are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Other Matter:**

The Statement includes the results for the quarter ended 31st March, 2018 and corresponding quarter ended of the previous year being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current and previous financial year.

**For Amar Bafna & Associates  
Chartered Accountants  
FRN: 114854W**