NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2019

1. Significant Accounting Policies

a. Corporate Information:

Precot Meridian Limited has been in the textile industry since 1962. It started its first production in 1964 with an initial capacity of 12,096 spindles at Kanjikode, Kerala. At present it has units in the four southern states of India viz., Tamil Nadu, Kerala, Andhra Pradesh and Karnataka with a total spinning capacity of 1,88,112 spindles. In 2013, the company has set up a Greenfield technical textile at Hassan in the State of Karnataka.

b. General Information and Statement of Compliance with Ind AS:

These Standalone financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs ('MCA') under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Standalone financial statements for the year ended 31st March 2019 were authorized and approved for issue by the Board of Directors on 22nd May 2019 and are subject to the approval of the shareholders at the Annual General Meeting.

2. Basis of Preparation:

The Standalone financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. The presentation of financial statement is based on Ind AS schedule III of the Companies Act, 2013.

The Standalone Financial Statements have been prepared & presented on the historical cost basis except for certain financial instruments measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these Standalone financial statements is determined on the basis stated above, except for Accounting for Leases that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use under Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

a. Use of Estimates:

The preparation of Standalone financial statements is in conformity with generally accepted accounting principles which require the management of the Company to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future period. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Application of accounting policies that require significant accounting estimates involving complex and subjective judgments and the use of assumptions in these Standalone Financial statements have been disclosed separately under the heading “Significant accounting Judgements, estimates and assumption”.

b. Current and Non-current classification

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

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

c. Revenue Recognition:

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, paid allowances, rebates, value added taxes, goods and services plus amount collected on behalf of 3rd parties

Revenue from contracts with customers is recognized when control of the goods and services are transferred to the customer at an amount that reflects the consideration which the company expects to be entitled in exchange for those goods / services.

Revenue from sale of goods is recognized at the point of time when the control of the goods is transferred to the customer, which generally coincides with the delivery of the goods. The company considers any other promises in the contract that are seperate performance obligations to which a portion of the transaction price needs to be allocated. In determining transaction price for the goods, the company consider the effect of variable consideration, the existance significant financing components, non-cash consideration and consideration payable to the customer, if any.

Revenue is recognised when the performance obligation is satisfied either over time or at a point of time.

Other Operating Revenues comprise of income from ancillary activities incidental to the operations of the Company and is recognised when the right to receive the income is established as per the terms of the contract.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or shorter period, where appropriate to the gross carrying amount of the financial asset or to the amortized cost of a financial asset.

When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss. The expected cash flows are reassessed on a yearly basis and changes, if any, are accounted prospectively.

d. Leasing:

Leases are classified as finance leases wherever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are treated as operating lease.

The Company as a lessor: Assets subject to operating leases are included in PPE. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the term of the relevant lease except to the extent that the lease payments are structured to compensate for the expected inflationary cost. Costs including depreciation are recognized as an expense in the statement of profit and loss.

The Company as a lessee: Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term except to the extent that the lease payments are structured to compensate for the expected inflationary cost.

Finance leases

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are treated as period cost and are expensed accordingly.

e. Business Combinations – Common Control Transactions

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind

AS 103. Such transactions are accounted for using the pooling-of-interest method.

The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's Standalone financial statements with the exception of certain income tax and deferred tax assets and no goodwill is recognised. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

The financial information in the financial statement in respect of prior periods are restated as if the business combination had occurred from the beginning of the preceding period in the financial statements irrespective of the actual date of business combination unless the combination had occurred after that date.

f. Foreign Currency Transactions

Functional and presentation currency

The Standalone financial statements are presented in Indian Rupee (₹) which is also the functional and presentation currency of the Company.

(a) Initial Recognition:

Transactions in foreign currencies are translated into the functional currency (i.e., ₹) of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transactions.

(b) Conversion:

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

g. Property, Plant and Equipment

Property, Plant and Equipment (PPE), being fixed assets are tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used for more than a period of twelve months.

Items of Property, plant and equipment (PPE) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Financing costs (if any) relating to acquisition of assets which take substantial period of time to get ready for intended use are also included to the extent they relate to the period up to such assets are ready for their intended use.

Initial Cost of an item of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its location and working condition necessary for it to be capable of operating in the manner intended by the Management and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Items such as spare parts, stand-by equipment and servicing equipment are capitalized when they meet the definition of property, plant and equipment.

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

Subsequent costs and disposal: Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance/life.

All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Derecognition: The carrying amount of an item of PPE is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposal of an item of PPE are determined by comparing the proceeds from disposal with the carrying amount of PPE,and are recognized net within other income/other expenses in statement of profit and loss.

Capital-work-in-progress: Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs (net of income) associated with the commissioning of an asset are capitalised until the period of commissioning has been completed and the asset is ready for its intended use.

Depreciation: Depreciation on PPE are provided under straight line method as per the useful lives and manner prescribed under Schedule II to the Companies Act, 2013, except Lease hold buildings which are amortised over the duration of the shorter of the useful life or lease term and in respect of Plant & Equipments where the useful life is estimated to be 20 years (10 years based on triple shift basis), based on technical evaluation.

The Management believes that the estimated useful lives as per the provisions of Schedule II to the Companies Act, 2013, wherever adopted, are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, if there has been a significant change in the expected pattern of consumption of future economic benefits embodied in the asset, depreciation is charged prospectively to reflect the changed pattern.

The Company has used the following useful lives to provide depreciation on its Property, Plant and Equipment:

Class of Assets	Useful Lives
Factory Buildings	30 Years
Non- Factory Buildings	60 Years
Leasehold Buildings	Term of Lease
Plant and Equipment	10 Years (on triple shift basis)
Vehicles	10 Years
Furniture and Fixtures	10 Years
Computer	3 Years

h. Intangible Assets and Amortisation:

An intangible asset is an identifiable non-monetary asset without physical substance

Intangible assets are recognised only if it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. Operating software is capitalised and amortised along with the related fixed asset.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The Company has used the following useful lives to amortise its intangible assets:

Class of Assets	Useful Lives
Computer software - Acquired	6 years

I. Impairment of Non Financial assets:

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the amount of asset does not exceed the net book value that would have been determined if no impairment loss had been recognized.

j. Investment Property

Investment property is a property, being a land or a building or part of a building or both, held by the owner or by the lessee under a finance lease, to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or sale in the ordinary course of business.

Investment properties (if any), are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Any Gain or Loss on disposal of Investment Property is recognised in Profit and Loss.

k. Borrowing Costs

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

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

l. Government Grants:

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognised as income on a systematic basis in profit or loss over the periods necessary to match them with the related costs, which they are intended to compensate.

Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset and presented within other income. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

m. Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

n. Inventories:

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The Net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw Material, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on item-by-item basis.

Stores & Spares which do not meet the definition of PPE are accounted as inventories.

o. Cash and cash equivalents:

Cash and cash equivalents comprise cash at bank and on hand and short-term, highly liquid deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

p. Taxation

Income tax expense represents the sum of the current tax and deferred tax.

i. **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. Current income tax relating to items recognized directly in equity is recognized in other comprehensive income / equity and not in the statement of profit and loss. 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.

ii. **Deferred tax** is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

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. The carrying amount of deferred tax assets (including Minimum Alternate Tax credit available) is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

iii. **Minimum Alternate Tax (MAT)** paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax.

Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

Presentation of current and deferred tax:

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

q. Employee Benefits

Retirement benefit costs and termination benefits:

i. **Defined Contribution Plan:** A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund and Employee State Insurance. The Company's contribution is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

ii. **Defined Benefit Plan:** The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. The Company presents the above liability/(asset) as current and non-current in the Balance Sheet as per actuarial valuation by the independent actuary and also considering whether the Company will contribute this amount to the gratuity fund within the next twelve months.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits:

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

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

r. Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

s. Contingent liabilities and Contingent Assets:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Standalone financial statements.

Contingent assets are not recognised but disclosed in the Standalone financial statements when an inflow of economic benefits is probable.

t. Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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 financial assets and financial liabilities at fair value through Statement of Profit and 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 fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

A. Financial Assets:

i. **Recognition and initial Measurement:** The Company initially recognises loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

ii. **Classification of financial assets:** On initial recognition, a financial asset is classified to be measured at amortised cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

i) The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognised at FVTPL;

i) The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Equity investments (other than investments in subsidiaries and joint ventures):

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 Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces and accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognized in statement of profit or loss. The net gain or loss recognized in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item. Dividend on financial assets at FVTPL is recognized when:

a. The Company's right to receive the dividends is established,

b. It is probable that the economic benefits associated with the dividends will flow to the entity,

c. The dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Investment in Subsidiaries, Associates and Joint ventures:

The Company's investment in equity instruments of Subsidiaries, Associates and Joint venture are accounted for at cost as per Ind AS 27.

iii. **Derecognition of financial assets:** The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

iv. Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) is impaired based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

B. Financial liabilities and equity instruments

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

i. Recognition and initial Measurement:

A financial liability is classified as held for trading if:

i) It has been incurred principally for the purpose of repurchasing it in the near term; or

ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

iii) it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

i) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

ii) the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

iii) it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the Statement of Profit and Loss. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

b. Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortized cost unless designated as fair value through profit and loss at the inception.

c. Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Other financial liabilities: Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

iii. Derecognition of financial liabilities: The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

iv. Derivative financial instruments: The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate, commodity price and foreign exchange rate risks, including foreign exchange forward contracts, foreign exchange options, commodity forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge item.

C. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

a. Fair value measurement:

The Company measures financial instruments 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 Company.

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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorized 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, or
- 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 recognized in the Standalone financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3. Significant accounting judgements, estimates and assumptions:

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

Estimation Uncertainty:

i. **Useful Lives of Property, Plant and Equipment:** Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly, depreciable lives are reviewed annually using the best information available to the Management.

ii. **Impairment:** Determining whether the assets are impaired requires an estimate in the value in use of the assets. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate present value. When the actual cash flows are less than expected, a material impairment loss may arise.

iii. **Provisions and Contingencies:** Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

iv. **Fair Value Measurement:** When the fair values of financial assets or financial liabilities recorded or disclosed in the Standalone financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in note 37.

v. **Taxes:** Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

vi. **Defined Benefit Obligation:** The costs of providing Gratuity and other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 'Employee benefits' over the period during which benefit is derived from the employees' services. The costs are assessed on the basis of assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. The same is disclosed in Note 35, 'Employee benefits '.

vii. **Inventories:** An inventory provision is recognised for cases where the realisable value is estimated to be lower than the inventory carrying value. The inventory provision is estimated taking into account various factors, including prevailing sales prices of inventory item and losses associated with obsolete / slow-moving / redundant inventory items. The Company has, based on these assessments, made adequate provision in the books.

Standards issued or modified but not yet effective up to the date of issuance of the company's financial statements:

Ind AS 116-Leases:

IndAS 116 will replace the existing standard on IndAS 17-Leases and its related interpretations. The Standards sets out the principles for the recognition, measurement, presentation and disclosure of lease contracts for the lessor as well as the lessee. IndAS 116 introduces a single lease accounting model that requires a lessee to recognise assets and liabilities for all lease contracts with a lease term of more than 12 months, unless the underlying value of asset is of low value. The Standard also contains enhanced disclosure requirements for the lessees. Currently, operating leases are charged to Statement of Profit and Loss. Ind AS 116 substantially carries forward the lessor accounting requirements in IndAS -17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

Full retrospective – Retrospectively to each prior period presented applying IndAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application under which the lessee records the lease liability at the present value of the remaining lease payments discounted at the increment borrowing rate and the right to use the asset either at its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability as adjusted by any prepaid or accrued lease payments.

The company is in the process of evaluating the impact on the adoption of Ind AS 116.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition –

i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives.

The company is in the process of evaluating the impact on the adoption of Ind AS 12.

Non Current Assets

2. PROPERTY, PLANT AND EQUIPMENT

₹ Lakhs

Particulars	Freehold Land	Building Equipment (Owned)	Plant and equipment (Owned)	Furniture and Fixtures	Vehicles	Computer	Tangibles Total
Gross Carrying Value							
At 31st March 2017	**26,431.22**	**6,837.48**	**22,811.64**	**158.87**	**216.22**	**57.16**	**56,512.59**
Additions	-	25.69	1,080.79	11.69	-	13.84	1,132.01
Deductions	-	1.07	240.75	0.77	0.53	0.80	243.92
At 31st March 2018	**26,431.22**	**6,862.10**	**23651.68**	**169.79**	**215.69**	**70.20**	**57400.68**
Additions	-	1.61	1,022.90	11.52	3.06	43.84	1082.93
Deductions	-	-	128.50	0.19	5.14	0.35	134.18
At 31st March 2019	**26,431.22**	**6,863.71**	**24,546.08**	**181.12**	**213.61**	**113.69**	**58349.43**
Accumulated depreciation and impairment							
At 31st March 2017	**-**	**345.47**	**2901.01**	**28.37**	**26.56**	**22.66**	**3324.07**
Depreciation during the year	-	346.05	2827.17	21.56	29.63	7.48	3231.89
Deductions	-	-	7.32	0.33	-	0.16	7.81
At 31st March 2018	**-**	**691.52**	**5720.86**	**49.60**	**56.19**	**29.98**	**6548.15**
Depreciation expense		345.13	2699.65	21.87	29.15	13.76	3109.56
Deductions	-	-	29.43	0.06	2.16	-	31.65
At 31st March 2019	**-**	**1036.65**	**8391.08**	**71.41**	**83.18**	**43.74**	**9626.06**
Net Carrying Value							
At 31st March 2019	**2,6431.22**	**5827.05**	**16155.00**	**109.71**	**130.43**	**69.95**	**48723.36**
At 31st March 2018	26431.22	6170.58	17930.82	120.19	159.50	40.22	50852.53
At 31st March 2017	26431.22	6492.01	19910.63	130.49	189.66	34.50	53188.52

* Entire movable and immovable property plant and equipment of the company is hypothecated against term loans (Refer Note 16)

3(a) CAPITAL WORK IN PROGRESS

₹ Lakhs

Particulars	Capital work in progress
Gross Carrying Value	
At 31st March 2017	**476.33**
Additions	100.27
Deductions	476.33
At 31st March 2018	**100.27**
Additions	186.50
Deductions	43.68
At 31st March 2019	**243.09**
Accumulated depreciation and impairment	
At 31st March 2017	-
Amortization	-
Deductions	-
At 31st March 2018	-
Impairment	6.59
Deductions	-
At 31st March 2019	**6.59**
Net Carrying Value	
At 31st March 2019	**236.50**
At 31st March 2018	100.27
At 31st March 2017	476.33

3(b) INTANGIBLE ASSET

₹ Lakhs

Particulars	Intangible Assets
	Computer Software
Gross Carrying Value	
At 31st March 2017	**90.84**
Additions	1.66
Deductions	-
At 31st March 2018	**92.50**
Additions	2.96
Deductions	-
At 31st March 2019	**95.46**
Accumulated Amortization and Impairment	
At 31st March 2017	**23.88**
Amortization	24.83
Deductions	-
At 31st March 2018	**48.67**
Amortization	20.75
Deductions	-
At 31st March 2019	**69.42**

Net Carrying Value	
At 31st March 2019	**26.04**
At 31st March 2018	43.83
At 31st March 2017	67.00

Non Current Assets (Contd)

4. FINANCIAL ASSETS: INVESTMENTS

₹ Lakhs

Particulars		31.03.2019	31.03.2018
Investment in Partnership Firm - at cost			
Investment in Partnership Firm - Suprem Associates *		**10.00**	10.00
Investment in equity shares at fair value through other comprehensive income			
Trade Investments - Unquoted, fully paid up			
Nil	Vantex Limited of Rs. 10 each (as on 31.03.18 - 1,00,000 shares)	-	-
12,06,000 Shares	A.P. Gas Power Corporation Limited of Rs.10 each (as on 31.03.18 -12,06,000 shares)	**1,326.60**	1,025.10
2,25,000 Shares	Sai Regency Power Corporation Private limited of Rs.10 each (as on 31.03.18 - 2,25,000 shares)	**490.50**	686.25
14,000 Shares	OPG Energy Private Limited of Rs.10 each (as on 31.03.18 - 14,000 shares)	**1.40**	1.40
83,004 Shares	Ind-Bharath Power Gencom Limited of Rs.10 each (as on 31.03.18 - 83,004 shares)	**15.77**	8.00
	Total Trade Investments	**1,834.27**	**1,720.75**
Other Investment - Unquoted, fully paid-up			
100 Shares	Precot Mills Employees Cooperative Credit Society of Rs.10 each (as on 31.03.18 - 100 shares)	**0.01**	0.01
100 Shares	Precot Mills Multi purpose stores of Rs.10 each (as on 31.03.18 - 100 shares)	**0.01**	0.01
10 Shares	Precot Workers Credit Co-operative Stores of Rs.10 each (as on 31.03.18 - 10 shares)	**0.00**	0.00
10 Shares	Multiflora Floriculture Stores of Rs.10 each (as on 31.03.18 - 10 shares)	**-**	-
10,000 Shares	Cotton Sourcing Company Ltd of Rs.10 each (as on 31.03.18 - 10,000 shares)	**1.00**	1.00
	Total Other Investments	**1.02**	**1.02**
In Government Securities		**0.02**	0.02
	TOTAL INVESTMENTS	**1,845.31**	**1,731.79**
Aggregate amount of Quoted Investments and Market Value thereof		-	**-**
Aggregate amount of Unquoted Investments		**1,845.31**	1,731.79
Category-wise Non current investment			
Financial assets carried at amortized cost		**10.00**	10.00
Financial assets measured at fair value through other comprehensive income		**1,835.31**	1,721.79
Total Non current investment		**1,845.31**	**1,731.79**

₹ Lakhs

* The particulars of partners of the partnership firm, the profit sharing ratio and the capital account balances are as follows:	Profit Sharing ratio	Capitals as at 31st March 2019	Capitals as at 31st March 2018
Precot Meridian Ltd	**99%**	**10.00**	10.00
V.Subramanian	**1%**	0.10	0.10

The other investments included in investments are valued at cost approach to arrive at the fair value as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range considering the purpose of the investment.

5. LOANS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Unsecured, considered good		
Security Deposits	**654.23**	706.00
Dues from subsidiary*	**71.48**	71.48
	725.71	**777.48**

* The above loans represent advances given for business purposes.

The company has paid an amount of Rs.14 lakhs towards the allotment of shares in a company engaged in generation and distribution of power. The terms of allotment is under negotiation. The amount paid has been treated as security deposit.

6. OTHER NON-CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Unsecured, considered good		
I) Capital advances	**30.81**	47.43
ii) Advances other than Capital advances		
Advance Tax, net off provisions	**462.22**	450.39
Others		
i) Prepaid Lease rental *	**360.20**	390.60
ii) Prepaid expenses	**14.30**	18.13
	867.53	**906.55**

* Represents Non-Current portion of the tentative lease price paid to Karnataka Industrial Area Development Board for a term of 20 years and being amortised over the Lease period.

CURRENT ASSETS:

7. INVENTORIES (at lower of cost and net realisable value)

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Raw Materials	**6,705.07**	10,739.22
Work-in-progress	**1,717.76**	1,433.40
Finished goods	**4,122.22**	2,530.26
Stock in trade	**0.03**	186.27
Stores and spares	**617.26**	514.52
Waste Cotton	**112.50**	77.15
	13,274.84	**15,480.82**
Details of stock in transit		
Particulars		
Raw Materials	**269.86**	420.38
Stores and spares	**16.37**	23.80
Total	**286.23**	**444.18**

(i) For method of valuation of inventories, refer note 1

(ii) Inventory held at net realizable value amounted to ₹ 155.12 Lakhs (PY ₹ 230.64 Lakhs). The amount of write down of inventory recognised as an expense during the year is ₹ 27.77 Lakhs - (PY ₹ 119.67 Lakhs)

(iii) There has been no reversal of such write down in current and previous years.

(iv) Inventories with the above mentioned carrying amount have been pledged as security against certain bank borrowings of the Company (Refer note 20 & 16)

(v) Cost of inventory recognised as an expense:

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Cost of materials consumed	**46065.09**	39437.25
Cost of goods sold	**1180.16**	5176.73
Consumption of Stores & Spare parts	**2694.17**	2211.84
Power & Fuel	**442.54**	389.69

8. TRADE RECEIVABLES

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Trade Receivables		
- Unsecured, considered good	**7,980.50**	7,391.60
- which have significant increase in credit risk	**60.33**	32.60
- Credit impaired	-	-
	8,040.83	7,424.20
Less: Allowance for doubtful Debts	**(60.33)**	(32.60)
	7,980.50	**7,391.60**

Ageing of receivables that are past due but not impaired

₹ Lakhs

Particulars	31.03.2019	31.03.2018
60-90 days	**162.59**	539.05
90-180 days	**10.91**	330.36
> 180 days	**83.44**	33.83
Total	**256.94**	**903.24**

Movement in Allowance for doubtful debts is as follows:

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Opening	**32.60**	11.26
Additions	**54.49**	27.93
Reversal	**26.76**	6.59
Closing	**60.33**	**32.60**

The credit period on sales of goods ranges from 21 to 70 days without security. No interest is charged on trade receivables upto the end of the credit period.

Trade receivables with the above mentioned carrying amount have been given as collateral towards borrowings (refer security note below Note 20 & 16).

The Credit worthiness of trade debtors and the credit terms are determined on a case to case to basis and hence , credit risk on trade receivables is low.

In determining the allowances for doubtful trade receivables, the Company uses the expected credit loss allowance method. Expected credit losses are estimated after taking into account historical credit loss experiences of the Company.

9. CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Balances with Banks		
Current accounts	**67.68**	160.18
Cash on hand	**1.04**	1.33
	68.72	**161.51**

10. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Earmarked balances		
In Unclaimed dividend accounts	**6.62**	16.35
Other balances:		
In margin money *		
with maturity more than 3 months but less than 12 months at inception	**699.29**	669.34
with maturity more than 12 months at inception	**15.05**	25.18
	720.96	**710.87**

* Margin money with banks is towards issue of buyers credit and letter of credit for Imports.

11. FINANCIAL ASSETS - LOANS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Unsecured, considered good		
Loans to employees	**54.72**	64.66
	54.72	**64.66**

12. OTHER FINANCIAL ASSETS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Unsecured, considered good		
Derivative Asset - at FVTPL	**-**	-
Income accrued	**55.10**	51.70
Interest Subsidy Receivable	**-**	0.58
Unsecured, considered doubtful		
Interest Subsidy Receivable	**2,142.64**	2,142.64
Less : Allowance for doubtful advances/ deposits	**(2,142.64)**	(2,142.64)
	55.10	**52.28**

Movement in Allowance for doubtful advances is as follows:

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Opening	**2,142.64**	2,136.11
Additions		6.53
Reversal	**-**	-
Closing	**2,142.64**	**2,142.64**

13. OTHER CURRENT ASSETS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Unsecured, considered good		
Advance to Trade Suppliers	**413.56**	185.27
Export incentives receivable	**194.38**	415.30
Indirect tax balances/ recoverable /credits	**947.02**	928.70
With significant increase in credit risk		
Indirect tax balances/ recoverable /credits	**43.95**	43.78
Less : Allowance for doubtful advances/ deposits	**(43.95)**	(43.78)
Others		
Prepaid expense *	**244.89**	229.37
	1,799.85	**1,758.64**

* Includes current portion of the tentative lease price paid to Karnataka Industrial Area Development Board for a term of 20 years and being amortised over the Lease period.

Movement in Allowance for doubtful advances is as follows:

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Opening	**43.78**	**43.78**
Additions	**0.17**	-
Reversal	**-**	-
Closing	**43.95**	**43.78**

14. EQUITY SHARE CAPITAL

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Authorised		
2,13,00,000 Equity Shares of Rs.10 each (31-03-19 and 31-03-18 - 2,13,00,000 Equity Shares of Rs.10 each)	**2,130.00**	2,130.00
Issued, Subscribed & fully Paid up		
1,20,00,000 Equity Shares of Rs.10 each fully paid up (31-03-19 and 31-03-18 - 1,20,00,000 Equity Shares of Rs.10 each)	**1,200.00**	1,200.00
	1,200.00	**1,200.00**

(i) The reconciliation of the numbers of shares outstanding is set out below:

Fully paid Equity shares of ₹ 10/- each	31.03.2019		31.03.2018	
	Number	₹ Lakhs	Number	₹ Lakhs
At the beginning of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00
Add: Issued during the year	**-**	**-**	-	-
At the end of the year	**1,20,00,000**	**1,200.00**	1,20,00,000	1,200.00

(ii) Terms/rights attached to equity shares :

a. The company has only one class of issued shares referred to as equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share.

b. The dividend (except in case of interim dividend) proposed by the Board of Directors, if any, is subject to the approval of shareholders in the ensuing Annual General Meeting.

c. In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

(iii) Details of shareholders's holding more than 5% of shares

S. No.	Name of Shareholder	Equity Shares			
		As at 31.03.2019		As at 31.03.2018	
		No. of Shares held	% of holding	No. of Shares held	% of holding
1	Sarath Chandran (Ind)	1,628,010	13.57	1,624,857	13.54
2	D Sarath Chandran (HUF)	12,16,251	10.14	12,16,251	10.14
3	Ashwin Chandran	23,07,987	19.23	23,07,987	19.23
4	Prashanth Chandran	1,972,411	16.44	1,972,411	16.44

iv) 40,00,000 shares were allotted as bonus shares by capitalisation of securities premium during the year 2013-14.

v) There are no Shares held by Holding Company / Subsidiaries of ultimate Holding Company.

15. OTHER EQUITY

₹ Lakhs

Particulars		31.03.2019	31.03.2018
General reserve		**11,796.41**	11,796.41
Capital Reserve		**48.19**	48.19
Capital Redemption Reserve		**355.00**	355.00
Securities Premium		**2,736.46**	2,736.46
	(A)	**14,936.06**	**14,936.06**
Retained earnings			
Opening balance		**13,061.81**	13,638.56
Add: Loss for the year		**(826.97)**	(576.75)
	(B)	**12,234.84**	**13,061.81**
Other Comprehensive Income:			
Opening balance		**2,811.48**	2,768.65
Add: Additions during the year		**43.51**	42.83
	(C)	**2,854.99**	**2,811.48**
	(A+B+C)	**30,025.89**	**30,809.35**

a. General reserve:

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn.

b. Capital Redemption Reserve:

i) An amount of ₹ 55 Lacs was transferred to capital redemption reserve consequent to buy back of 5,50,000 equity shares in July 2002 as per statutory requirement and

ii) ₹ 300 Lacs has been transferred from Meridian Industries Limited in 2006-07 to the Company in the course of business combinations and can be utilized in accordance with the provisions of the Companies Act, 2013.

C. Securities Premium:

Security premium has been created consequent to issue of shares at premium. The reserve is utilized in accordance with the provisions of the Companies Act,2013

NON-CURRENT LIABILITIES:

16. FINANCIAL LIABILITIES - BORROWINGS

₹ Lakhs

Particulars	31.03.2019		31.03.2018	
	Non Current	Current	Non Current	Current
Secured Loans - at amortised cost				
Term loans from Banks	15,226.00	3,255.00	18,585.00	377.00
Less: Unamortised upfront fees on borrowings	559.76	223.78	783.54	244.22
Less: Amount disclosed under current maturities		3,031.22		132.78
	14,666.24	**-**	**17,801.46**	**-**

The Company has not defaulted in the repayment of loans and interest as at Balance Sheet date. Bank loans availed by the Company are subject to certain covenants relating to interest service coverage, current ratio, debt service coverage ratio, total outside liabilities to total net worth, fixed assets coverage ratio, ratio of total term liabilities to net worth and return on fixed assets.

A) Amount of loan outstanding:

₹ Lakhs

Description	31.03.2019	31.03.2018	Security
Rupee Tuf loan - XIII from ICICI Bank	**4,896.00**	5,000.00	Note B1
Rupee Tuf Loan – XVI from The South Indian Bank Ltd	**385.00**	462.00	Note B1&2
Rupee Corporate Loan from ICICI Bank	**500.00**	500.00	Note B1
Rupee Term Loan Loan from Indusind Bank Ltd	**12,700.00**	13,000.00	Note B3
	18,481.00	**18,962.00**	

The above maturity is based on the total principal outstanding gross of issuance expenses.

B) Security details:

Note 1: Term loan from ICICI and SIB are secured by way of pari passu first charge on entire movable and immovable assets of the company and pari passu second charge on current assets of the company.

Note 2: Exclusive first charge on Machineries acquired out of the loan.

Note 3: First charge on the entire moveable and immovable fixed assets of the company, present and future. Second Charge on the current assets of the company, both present and future. Promoters shall offer 3.60 million shares in Precot Meridian Limited, currently representing 30% of total shareholding in the company to Indusind Bank Limited (IBL) under Non-Disposal Undertaking (NDU) -Power of Attorney (POA) and 2.52 million shares currently representing 21% of total shareholding in the company to IBL under NDU.In respect of the above, Rupee Term Loans carry interest ranging from 9.35% p.a. to 12% p.a.

C) Maturity pattern:

₹ Lakhs

Description	Maturity	31.03.2019	31.03.2018	Effective Interest Rate
Rupee Tuf loan XIII from ICICI Bank	2 Half yearly instalment of ₹ 864 Lakhs from Jul 19 to Jan 20, 3 Half yearly instalment of ₹ 1056 Lakhs from Jul 20 to Jul 21.	**4,896.00**	5,000.00	11.35%
Rupee Tuf Loan – XVI from The South Indian Bank	20 quarterly instalments ₹ 19.25 Lakhs till 11-Feb-2024.	**385.00**	462.00	11.10%
Rupee Corporate Loan from ICICI Bank	4 Half yearly instalments ₹ 125 Lakhs each from Jul-19 to Jan-21	**500.00**	500.00	11.85%
Rupee Term Loan Loan from Indusind Bank Ltd	20 Quarterly repayments of balance from Jun 30 2019 till Mar 31 2024.	**12,700.00**	13,000.00	11.71%
		18,481.00	**18,962.00**	

17. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Derivative Liability - at FVTPL	**356.73**	549.00
	356.73	**549.00**

18. PROVISIONS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Provision for Statutory dues	**625.55**	599.99
Provision for expenses	**1,059.44**	1,049.54
Provision for employee benefits	**483.12**	328.61
Gratuity (Refer note 35)	**2168.11**	**1978.14**

Movement in Provision for Statutory dues

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Opening	**599.99**	563.89
Additions	**25.56**	36.10
Reversal	**-**	-
Closing	**625.55**	**599.99**

Movement in provision for expenses

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Opening	**1,049.54**	1,044.90
Additions	**9.90**	4.64
Reversal	**-**	-
Closing	**1,059.44**	**1,049.54**

19. OTHER NON-CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Deferred Government Grant*	**361.68**	444.83
	361.68	**444.83**

* Represents Grant received from the from Government of Karnataka and treated as deferred income to be released to Profit and Loss account over the useful life of Property, Plant and Equipment against which such Grant was received.

CURRENT LIABILITIES

20. FINANCIAL LIABILITIES - BORROWINGS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Secured Loans - at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**9,673.63**	6,921.35
- Foreign Currency Loan	**4,515.55**	8,106.06
Unsecured Loans at amortised cost		
Loans repayable on demand:		
From Banks		
- Domestic Currency Loans	**3,550.47**	4,995.96
	17,739.65	**20,023.37**

1. Working capital loans from SBI, Andhra Bank, Corporation Bank, IDBI,ICICI, and SIB are secured by way of pari passu first charge on current assets of the company and pari passu second charge on entire immovable assets of the company and are repayable on demand.
2. In respect of the above, working capital rupee loans carry interest ranging from 8.55 % p.a. to 13.35% p.a. and working capital foreign currency loans carry interest ranging from 2 % p.a. to 5% p.a. plus applicable LIBOR.
3. Unsecured short term loans from IDBI Bank & SBI carrry interest at 8.40% and 9.40% p.a. respectively.

21. FINANCIAL LIABILITIES -TRADE PAYABLES

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Trade payables		
- Total outstanding dues of Micro and Small Enterprises (Refer note 42)	**97.13**	49.64
- Total outstanding dues of creditors other than Micro and Small Enterprises	**2,807.71**	3,553.72
	2,904.84	**3,603.36**

22. OTHER FINANCIAL LIABILITIES

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Current maturities of long-term debt (Refer note 16)	3,031.22	132.78
Interest accrued but not due on borrowings	38.34	21.46
Unpaid dividends	6.62	16.35
Accrued Employee benefits	718.57	667.83
Derivative liability - at FVTPL	42.33	-
Others *	2,121.17	1,631.10
	5,958.25	**2,469.52**

* Other Payables include expenses payable

23. OTHER CURRENT LIABILITIES

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Statutory Liabilities	**590.92**	746.46
Advance from Customers	**164.52**	196.66
Deferred Government Grant - (Refer note 19)	**83.03**	83.03
Others *	**2.73**	2.39
	841.20	**1,028.54**

24. CURRENT LIABILITIES - PROVISIONS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Provision for employee benefits - Gratuity - (Refer note 35)	**156.55**	125.26
	156.56	**125.26**

25. REVENUE FROM OPERATIONS

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Sale of Products - Manufactured Goods		
Sale of Yarn	**63,341.71**	54,063.95
Sale of Technical Textile products	**9,187.29**	7,289.77
Sale of Fabric	**10.15**	1,342.77
Sale of Products - Traded Goods		
Sale of Yarn & Cotton	**3,154.79**	5,193.45
Total (A)	**75,693.94**	**67,889.94**
Other operating revenue		
Scrap Sales	**3,012.06**	2,609.29
Export Incentive	**261.48**	378.55
Others*	**44.47**	37.50
Total (B)	**3,318.01**	**3,025.34**
Total (A+B)	**79,011.95**	**70,915.28**

* Others include packing charges collected.

26. OTHER INCOME

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Interest Income from financial assets at amortised cost	**262.05**	261.39
Net gain on disposal of property, plant and equipment	**5.22**	159.28
Net gain on current investments measured at FVTPL	**-**	8.07
Insurance claim receipts	**5.72**	4.04
Gains on exchange fluctuations (net) (Refer note 46)	**260.05**	-
Government grant - (Refer note 19)	**83.14**	83.03
Miscellaneous Income	**12.54**	24.87
	628.72	**540.68**

27. COST OF MATERIALS CONSUMED

₹ Lakhs

Cost of materials consumed	31.03.2019	31.03.2018
Cotton	**46,065.09**	39,437.25
	46,065.09	**39,437.25**

Particulars of Materials consumed	31.03.2019		31.03.2018	
	% of Consumption	₹ Lakhs	% of Consumption	₹ Lakhs
Imported	**10.30**	**4746.64**	12.20	4811.69
Indigenous	**89.70**	**46,318.45**	87.80	34,625.56
	100.00	**46,065.09**	**100.00**	**39,437.25**

28. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK-IN-PROGRESS

₹ Lakhs

Particulars		31.03.2019	31.03.2018
Inventory at the end of the year			
Work in Progress and Waste Cotton			
Yarn		**1,212.49**	1,182.12
Technical Textile products		**617.77**	328.44
	(a)	**1,830.26**	**1,510.56**
Finished Goods			
Yarn		**3,837.82**	2,276.67
Technical Textile products		**284.40**	253.59
Traded Goods		**0.03**	186.27
	(b)	**4,122.25**	2,716.53
Total	(a+b)	**5,952.51**	**4,227.09**
Less : Inventory at the beginning of the year			
Work in Progress and Waste Cotton			
Yarn		**1,182.12**	1,430.75
Technical Textile products		**328.44**	624.11
	(a)	**1,510.56**	**2,054.86**
Finished Goods			
Yarn		**2,276.67**	2,034.27
Technical Textile products		**253.59**	271.54
Traded Goods		**186.27**	-
		2,716.53	**2,305.81**
Total	(b)	**4,227.09**	**4,360.67**
(Increase) / decrease in Inventories	(a+b)	**(1,725.42)**	**133.58**

29. EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Salaries, Wages and Bonus	**6,781.09**	6,183.82
Contributions to Provident fund and other funds	**591.85**	618.77
Staff welfare expenses	**317.80**	424.77
	7,690.74	**7,227.36**

30. FINANCE COST

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Interest expense	**3,446.05**	3,481.31
Unwinding of interest on financial liabilities	**211.37**	260.50
Exchange differences regarded as an adjustment to borrowing cost	**239.53**	152.49
Other borrowing costs	**156.43**	184.93
	4,053.38	**4,079.23**

31. DEPRECIATION AND AMORTIZATION

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Depreciation - Refer note no: 2	**3,109.56**	3,231.89
Impairment of CWIP - Refer note no: 3(a)	**6.59**	-
Amortization of Intangible asset - Refer note no: 3(b)	**20.75**	24.83
	3,136.90	**3,256.72**

32. OTHER EXPENSES

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Consumption of Stores & Spare parts	**2,694.17**	2,211.84
Power & Fuel	**7,558.99**	6,880.75
Processing Charges	**28.45**	118.72
Repairs		
Building	**264.08**	254.66
Machinery	**2,872.48**	2,381.09
Others	**130.99**	140.05
Rent	**44.64**	41.08
Rates and Taxes	**52.11**	47.52
Foreign Exchange loss (net) (Refer note no: 46)	**-**	522.76
Loss on part disposal of financial liabilities	**-**	200.00
Selling & Distribution expenses	**3,808.87**	3,290.86
Bank Charges	**127.79**	125.67
Communication Expenses	**50.53**	57.86
Travelling Expenses	**110.99**	110.66
Professional Charges	**255.61**	239.18
Auditor's Remuneration (Refer Note no: 32 (A)	**17.38**	16.39
Provision for Bad & Doubtful Debts	**26.10**	(5.16)
Bad debts written off	**2.07**	6.28
Provision for doubtful advances	**1.80**	32.39
Miscellaneous Expenses	**294.32**	332.77
	18,341.37	**17,005.35**

32 (A) Payments to the auditor as

₹ Lakhs

Particulars	31.03.2019	31.03.2018
(a) Auditor	**10.00**	10.00
(b) Taxation matters	**2.80**	1.40
(c) Other services	**3.68**	3.36
(d) For reimbursement of expenses	**0.90**	1.63
	17.38	**16.39**

33. UNRECOGNISED DEFERRED TAX ASSET

Deferred tax asset has not been recognised in respect of the following items because it is not probable that future taxable profits will be available against which the company can use the benefits thereon.

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Tax losses	**3,967.04**	3,294.59

34. EARNINGS PER SHARE

₹ Lakhs

Particulars	31.03.2019	31.03.2018
Net Loss after tax as per Statement of Profit and Loss attributable to Equity Shareholders	**(826.97)**	(576.75)
Weighted Average number of equity shares used as denominator for calculating EPS	**1,20,00,000**	1,20,00,000
Basic & Diluted Loss per share (in ₹)	**(6.89)**	(4.81)
Face Value per equity share (in ₹)	**10.00**	10.00

35 Employee Benefit Plans

(a) Defined contribution plans - Provident Fund

In accordance with The Employees Provident Funds Act, 1952 employees are entitled to receive benefits under the provident fund. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (12% for fiscal year 2019 and 2018) of an employee's basic salary. All employees have an option to make additional voluntary contributions. These contributions are made to the fund administered and managed by the Government of India (GOI). The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is ₹ 333.48 Lakhs (March 31, 2018 – ₹ 367.48 Lakhs).

(b) Defined contribution plans - Employee State Insurance

In accordance with Employees' State Insurance Act, 1948, the eligible employees are entitled to receive benefits under the ESI Scheme. The employer contributes 4.75 percent and employee contributes 1.75 percent, total share 6.5 percent. This fund is managed by the ESI Corporation (ESIC) according to rules and regulations stipulated there in the ESI Act 1948, which oversees the provision of medical and cash benefits to the employees and their family.

The Company has no further obligations under the fund managed by the GOI beyond its monthly contributions which are charged to the statement of profit and loss in the period they are incurred.

The expense recognised during the period towards this defined contribution plan is ₹ 142.79 Lakhs (March 31, 2018 – ₹ 148.09 Lakhs).

(c) Defined Benefit Plans - Gratuity

The company has defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund. It is governed by the Payment of Gratuity Act, 1972. The plan provides for a lump-sum payment to vested employees at retirement, death, while in employment or on termination of employment of an amount equivalent to 26 days salary payable for each completed year of service. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

The fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investment of the funds in accordance with the norms prescribed by the Government of India.

Each year, the Board of Trustees and the Company review the level of funding in the India gratuity plan. Such a review includes the asset-liability matching strategy and assessment of the investment risk. The Company decides its contribution based on the results of this annual review. The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March 2019 by Mr. Srinivasan Nagasubramanian, Armstrong International Employee Benefits Solution, Fellow of the Institute of Actuaries of India . Company's liability towards gratuity (funded) is actuarially determined at each reporting date using the projected unit credit method.

(i) Risk Exposure:

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk — The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk — A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk — The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk — The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(ii) Expense Recognised in Income Statement:

₹ Lakhs

A	Components of Employer expense	31.03.2019	31.03.2018
	Service Cost		
1	Current service Cost	**64.09**	60.42
2	Past service cost - Plan Amendment	**-**	-
3	Curtailement Cost/(Credit)	**-**	-
4	Settlement Cost/(Credit)	**-**	-
5	**Total Service Cost**	**64.09**	**60.42**
	Net Interest Cost		
6	Interest Expense on DBO	**89.81**	93.11
7	Interest (Income on Plan Asset)	**(54.68)**	(67.67)
8	Interest (income)on reimbursement rights	**-**	-
9	Interest expense on effect of (asset ceiling)	**-**	-
10	**Total Net Interest**	**35.13**	**25.44**
11	Immediate Recognition of (Gain)/Losses- Other Long Term Benefits	**-**	-
12	Cost of Termination Benefits		
13	Administrative Expenses and Taxes		
14	**Defined Benefits cost included in P&L**	**99.22**	**85.86**
	Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	**80.60**	-
	Actuarial (Gain) / Losses due to Financial Assumption changes in DBO	**90.28**	(36.39)
	Actuarial (Gain)/ Losses due to Experience on DBO	**(79.99)**	75.66
	Return on Plan Assets (Greater) / Less than Discount rate	**(1.87)**	(0.24)
	Return on reimbursement rights (excluding interest income)	**-**	-
	Changes in asset ceiling /onerous liability (excluding interest Income)	**-**	-
	Total actuarial (gain)/loss included in OCI	**89.02**	**39.03**
	Total cost recognised in P&L and OCI (Defined Benefit Cost)		
	Cost Recognised in P&L	**99.22**	85.86
	Remeasurement Effect Recognised in OCI	**89.02**	39.03
	Total Defined Benefit Cost	**188.24**	**124.89**

Net Asset/(Liability) Recognised in Balance Sheet on

₹ Lakhs

Change in Defined Benefit Obligation over the period ending on	31.03.2019	31.03.2018
Present value of DBO at beginning(opening)	**1,339.83**	1,261.91
Current Service Cost	**64.09**	60.42
Prior Service Costs	**-**	-
Interest Cost	**89.81**	93.11
Benefit payments from plan	**(365.07)**	(114.88)
Benefit payments from employer	**-**	-
Acquisitions/Divestures/Transfer	**-**	-
Plan Amendments	**-**	-
Curtailments	**-**	-
Settlements	**-**	-
Actuarial (Gains)/Loss	**90.88**	39.27
Present Value Of DBO at the ending period	**1,219.54**	**1,339.83**

(iii) Reconciliation of Opening & Closing of Plan Assets (Ind As 19 Para 120 (e) (i) to (viii)

₹ Lakhs

	31.03.2019	31.03.2018
Fair Value of Plan Assets at end of prior year	**885.96**	932.92
Interest income of assets	**54.68**	67.67
Total employer contributions	**2.45**	-
Employer Contribution	**-**	-
Employer direct benefit payments	**-**	-
Plan Participant's contributions	**-**	-
Benefits Payouts from employer	**-**	-
Benefits Payouts from plan	**(365.07)**	(114.88)
Settlements By Fund Manager	**-**	-
Administrative expenses paid from plan assets	**-**	-
Taxes paid from plan assets	**-**	-
Insurance premiums for risk benefits	**-**	-
Actuarial gain/(Loss)	**1.87**	0.24
Fair Value of assets at the End	**579.89**	**885.95**
Actual Return on Plan Assets	**56.55**	**67.91**

The actual return on plan assets for the year ended 31 March 2019 was ₹ 54.68 Lakhs (for the year ended 31 March 2018 : ₹ 67.67 Lakhs)

₹ Lakhs

Net Asset/(Liability) Recognised in Balance Sheet	31.03.2019	31.03.2018
Present value of Benefit Obligation	**1,219.55**	1,339.83
Fair Value of Plan Assets	**579.89**	885.95
Funded status [Surplus/(Deficit)]	**(639.66)**	(453.88)
Unrecognised Past Service Costs	**-**	-
Net Assets/(Liability) Recognised in balance sheet	**(639.66)**	**(453.88)**

₹ Lakhs

Amounts Recognized in Other Comprehensive Income	31.03.2019	31.03.2018
Opening cumulative other comprehensive Income	**121.62**	(151.41)
Actuarial Loss / (Gain) On Defined Benefit Obligation	**90.88**	39.27
Actuarial Loss /(Gain) On Assets	**(1.87)**	(0.24)
Amortization Actuarial Loss /(Gain)	**-**	-
Net increasing in OCI	**89.01**	39.04
Amortization Of Prior Service Cost	**-**	-
Total Recognised In Other Comprehensive Income	**210.63**	**(112.38)**

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Assumptions	31.03.2019	31.03.2018
Discount rate	**7.76%**	7.73%
Expected return on assets	**7.76%**	7.73%
Salary Escalation	**4.50%**	2.50%
Attrition Rate	**5.00%**	1.00%
Mortality	Indian Assured Lives Mortality (2006 - 08) Ultimate	

Major Category of Plan Assets as a % of the Total Plan Assets

	31.03.2019	31.03.2018
HDFC GROUP Unit Linked Plan - Option B	**100.00%**	100.00%
SBI Life - Cap Assure Gold Master Policy *	**0.00%**	0.00%

The fair value Mutual funds is determined based on quoted market prices in active markets. The employee benefit plans do not hold any securities issued by the Company.

* In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

(iv) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	31.03.2019	31.03.2018
Defined Benefit Obligation - Discount Rate + 100 basis points	**1,146.23**	1,263.19
Defined Benefit Obligation - Discount Rate - 100 basis points	**1,298.73**	1,425.15
Defined Benefit Obligation – Salary Escalation Rate + 100 basis points	**1,300.98**	1,429.57
Defined Benefit Obligation - Salary Escalation Rate - 100 basis points	**1,143.17**	1,258.10
Defined Benefit Obligation - Attrition Rate + 100 basis points	**1,231.90**	1,364.86
Defined Benefit Obligation - Attrition Rate - 100 basis points	**1,203.55**	1,105.34
Mortality rate 10% up	**1,218.90**	-0.63

(v) Enterprise's Best Estimate of Contribution during Next Year

The Company expects to contribute ₹ 120 Lakhs (previous year ₹ 124.80 Lakhs) to its gratuity plan for the next year.

vi) Experience adjustments

₹ Lakhs

Particulars	Current Year	2017-18	2016-17	2015-16	2014-15
Defined Benefit Obligation	1,219.55	1,339.83	1,261.91	1,218.50	1,378.25
Plan Assets	579.89	885.96	932.93	962.08	1,088.15
Surplus / (Deficit)	(639.66)	(453.88)	(328.98)	(256.42)	(290.10)
Experience Adjustments on Plan Liabilities – (Loss)/ Gain	79.99	(75.66)	(116.54)	(223.80)	64.20
Experience Adjustments on Plan Assets – Gain/(Loss)	1.87	0.24	70.25	(59.85)	122.65

36. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

The carrying value of financial instruments by categories as at 31st March 2019 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Cost / Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments	4	-	1,835.31	10	1,845.31	1,845.31
Trade receivables	8	-	-	7,980.50	7,980.50	7,980.50
Cash and Cash equivalents	9	-	-	68.72	68.72	68.72
Other bank balance	10	-	-	720.96	720.96	720.96
Loans	5 & 11	-	-	780.43	780.43	780.43
Other Financial Assets	12	-	-	55.10	55.10	55.10
Financial Liabilities:						
Borrowings	16 & 20	-	-	35,437.11	35,437.11	35,437.11
Trade payables	21	-	-	2,904.84	2,904.84	2,904.84
Other Financial Liabilities excluding Current Maturities of long term debt	17 & 22	-	-	3,283.76	3,283.76	3,283.76

The carrying value of financial instruments by categories as at 31st March 2018 were as follows: ₹ Lakhs

Particulars	Note	FVTPL	FVTOCI	Cost/ Amortised Cost	Total Carrying Value	Total Fair Value
Financial Assets:						
Investments	4	-	1,721.79	10	1,731.79	1,731.79
Trade receivables	8	-	-	7,391.60	7,391.60	7,391.60
Cash and Cash equivalents	9	-	-	161.51	161.51	161.51
Other bank balance	10	-	-	710.87	710.87	710.87
Loans	5 & 11	-	-	842.14	842.14	842.14
Other Financial Assets	12	-	-	52.28	52.28	52.28
Financial Liabilities:						
Borrowings	16 & 20			37,957.61	37,957.61	37,957.61
Trade payables	21			3,603.36	3,603.36	3,603.36
Other Financial Liabilities excluding Current Maturities of long term debt	17 & 22			2,885.74	2,885.74	2,885.74

37. FAIR VALUE MEASUREMENT

(a) Fair value hierarchy

Fair value of the financial instruments is classified in various fair value hierarchies based on the following three levels:

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

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

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

(b) Level wise disclosure of financial instruments:

₹ Lakhs

Particulars	As at 31st Mar 2019	As at 31st Mar 2018	Level	Valuation techniques and key inputs
Financial assets measured at fair value through other comprehensive income (FVTOCI)				
Trade Investments in unquoted equity shares	**1,834.27**	1,720.75	3	The Fair Value of Trade Investments has been determined by external, independent valuers, having appropriate recognised professional qualification.
Financial assets measured at Cost				
Other Investments in unquoted equity shares	**1.02**	1.02	3	Valued at cost approach to arrive at the fair value as there is a wide range of possible fair value measurement and the cost represents estimate of fair value within that range considering the purpose and restriction with transferability of the investment.
Financial liabilities measured at amortised cost				
Term Loans from banks	**18,481.00**	18,962.00	2	Discounted cash flow–observable future cash flows are based on terms discounted at a rate that reflects market risks.
Secured Loans repayable on Demand from banks	**14,189.19**	15,027.41	2	
Unsecured Loans Repayable on Demand from banks	**3,550.47**	4,995.96	2	
Trade Payables	**1,638.70**	2,477.32	2	Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
Derivative Liability	**399.06**	549.00	2	

There have been no transfers between Level 1 and Level 2 during the period.

(c) Financial Instrument measured at Amortised Cost:

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

38. CAPITAL MANAGEMENT:

The Company's capital management strategy is to effectively determine, raise and deploy capital so as to create value for its shareholders. The same is done through a mix of either equity and/or preference and/or convertible and/or combination of short term /long term debt as may be appropriate.

The Company determines the amount of capital required on the basis of its product, capital expenditure, operations and strategic investment plans. The same is funded through a combination of capital sources be it either equity and/or preference and/or convertible and/or combination of short term/long term debt as may be appropriate.The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and elongate the maturity of its debt portfolio, and closely monitors its judicious allocation amongst competing capital expansion projects and strategic acquisitions, to capture market opportunities at minimum risk.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents and current investments.

The following table summarizes the capital of the company

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Cash and cash equivalents	**68.72**	161.51
Other bank balances	**720.96**	710.87
Total cash (a)	**789.68**	**872.38**
Non-current borrowings	**14,666.24**	17,801.46
Current borrowings	**17,739.65**	20,023.37
Current maturities of non-current borrowings	**3,031.22**	132.78
Total borrowings (b)	**35,437.11**	**37,957.61**
Net debt c=(b-a)	**34,647.43**	**37,085.23**
Total equity (d)	**31,225.89**	**32,009.35**
Gearing ratio (c/d)	**1.11**	**1.16**

39. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables.

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational / financial performance. These include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictablity to earnings.

In line with the overall risk management framework and policies, the treasury function provides services to the business, monitors and manages through an analysis of the exposures by degree and magnitude of risks.The Company uses derivative financial instruments to hedge risk exposures in accordance with the Company's policies as approved by the board of directors.

1) 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 three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.

a) 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 Company is exposed to interest rate risk because funds are borrowed at both fixed and floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees and US dollars with a mix of fixed and floating rates of interest.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Fixed rate borrowings	**-**	-
Floating rate borrowings	**35,437.11**	37,957.61
Total borrowings	**35,437.11**	**37,957.61**
Total Net borrowings	**35,437.11**	37,957.61
Add: Upfront fees	**783.54**	1,027.76
Total borrowings	**36,220.66**	**38,985.37**

The sensitivity analyses below have been determined based on the exposure to interest rates for floating rate liabilities, assuming the amount of the liability outstanding at the year-end was outstanding for the whole year.If interest rates had been 100 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31st March 2019 would decrease / increase by ₹ 40.53 Lakhs (for the year ended 31st March 2018: decrease / increase by ₹ 40.79 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

b) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Company enters into forward exchange contracts with average maturity of less than 6 month to hedge against its foreign currency exposures relating to the recognised underlying liabilities and firm commitments. The Company's policy is to hedge its exposures above predefined thresholds from recognised liabilities and firm commitments that fall due in 20-30 days. The Company does not enter into any derivative instruments for trading or speculative purposes.

At the time of borrowing decisions, appropriate sensitivity analysis is carried out for domestic borrowings vis-à-vis overseas borrowings. The carrying amounts of the Company's Unhedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

₹ Lakhs

Particulars	As at 31st March 2019			As at 31st March 2018		
	USD	Euro	GBP	USD	Euro	GBP
Trade Receivables	**3351.37**	**795.95**	**116.94**	1,352.83	822.60	118.21
Buyers' credit	**-**	**-**	**-**	-	-	-
Trade Payables	**(539.57)**	**(1.01)**	**-**	-	(7.69)	-
Packing Credit	**(4,470.07)**	**(45.49)**	**-**	(4,569.01)	(3,008.86)	(201.92)
Derivatives	**-**	**(4,479.06)**	**-**	**-**	(4,629.00)	-
TOTAL	**(1,658.27)**	**(3,729.61)**	**(116.94)**	**(3,216.18)**	**(6,822.95)**	**(83.71)**

The carrying amounts of the Company's hedged monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	As at 31st March 2019			As at 31st March 2018		
	USD	Euro	GBP	USD	Euro	GBP
Buyers' credit	**-**	**-**	**-**	(326.27)	-	-
Trade Payables	**(839.60)**	**-**	**-**	(240.63)	-	-
Trade Receivables	**-**	**-**	**-**	1,805.20	-	-

The below table demonstrates the sensitivity to a 5% increase or decrease in the respective currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate. A positive number below indicates an increase in profit or equity where INR strengthens 5% against the relevant currency. For a 5% weakening of INR against the relevant currency, there would be a comparable impact on profit or equity, and the balances below would be negative.

₹ Lakhs

Change in Exchange Rate(+5% / -5%)		Effect on PAT	
		2018-19	2017-18
USD	+5%	**(82.91)**	(160.81)
	-5%	**82.91**	160.81
EURO	+5%	**(186.48)**	(341.15)
	-5%	**186.48**	341.15
GBP	+5%	**5.85**	(4.19)
	-5%	**(5.85)**	4.19

The forward exchange contracts entered into by the Company and outstanding are as under:

As at	No. of Contracts	Type	USD Equivalent ₹ Lakhs	INR Equivalent (₹ in Lakhs)
31-Mar-19	**6**	**Buy**	**(12.14)**	**(839.60)**
	-	**Sell**	**-**	**-**
31-Mar-18	6	Buy	(11.61)	(756.41)
	20	Sell	27.70	1,805.20

c) Commodity Price Risk

The Company's revenue is exposed to the market risk of price fluctuations related to its raw material i.e., Cotton. Market forces generally determine prices for the cotton procured by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may increase the Cost of Production that the Company incurs for manufacture of Yarn.

The following table details the Company's sensitivity to a 5% movement in the input price of Cotton. The sensitivity analysis includes only 5% change in commodity prices for quantity consumed during the year, with all other variables held constant. A positive number below indicates an increase in profit where the commodity prices reduces by 5%. For a 5% increase in commodity prices, there would be a comparable impact on profit, and the balances below would be negative.

₹ Lakhs

Commodity	Increase		Decrease	
	2018-19	2017-18	2018-19	2017-18
Cotton	**(2,448.53)**	(2,224.02)	**2,448.53**	2,224.02

2) Credit Risk

Credit risk refers to risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, derivative financial instruments, other balances with banks, loans and other receivables. To manage the credit risk, the company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables. Individual risk limits are set accordingly.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the company compares the risk of default occuring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The company considers reasonable and supportive forward-looking information.

The average credit period on sales of products is less than 30 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large. There is no customer representing more than 5% of the total balance of trade receivables.

3) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's treasury department is responsible for maintenance of liquidity (including quasi liquidity), continuity of funding as well as timely settlement of debts. In addition, policies related to mitigation of risks are overseen by senior management. Management monitors the Group's net liquidity position on the basis of expected cash flows vis a vis debt service fulfillment obligation.The table below analysis derivative and non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Lakhs

Particulars	On demand	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31st March, 2019						
Long term borrowings	**-**	**3,255.00**	**15,226.00**	**-**	**18,481.00**	**18,481.00**
Short term borrowings	**17,739.65**	**-**	**-**	**-**	**17,739.65**	**17,739.65**
Trade payables	**-**	**2,904.84**	**-**	**-**	**2,904.84**	**2,904.84**
Derivative financial liabilities		**42.33**	**356.73**	**-**	**399.06**	**399.06**
Other financial liabilities		**5,958.25**	**-**	**-**	**5,958.25**	**5,958.25**
At 31st March, 2018						
Long term borrowings	-	377.00	13,085.00	5,500.00	18,962.00	18,962.00
Short term borrowings	20,023.37	-	-	-	20,023.37	20,023.37
Trade payables	-	3,603.36	-	-	3,603.36	3,603.36
Derivative financial liabilities	-	-	549.00	-	549.00	549.00
Other financial liabilities	-	2,469.52	-	-	2,469.52	2,469.52

The table below analyses financial assets of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Lakhs

Particulars	Less than 1 year	Between 1 to 5 years	Over 5 years	Total	Carrying value
At 31st March, 2019					
Investments			**1,845.31**	**1845.31**	**1845.31**
Trade Receivables	**7,980.50**			**7980.50**	**7980.50**
Cash and Cash equivalents	**68.72**			**68.72**	**68.72**
Bank balances other than Cash and Cash Equivalents	**720.96**			**720.96**	**720.96**
Loans	**54.72**			**54.72**	**54.72**
Others	**55.10**			**55.10**	**55.10**
At 31st March, 2018					
Investments			1731.79	1731.79	1731.79
Trade Receivables	7,391.60			7,391.60	7,391.60
Cash and Cash equivalents	161.51			161.51	161.51
Bank balances other than Cash and Cash Equivalents	710.87			710.87	710.87
Loans	64.66			64.66	64.66
Others	52.28			52.28	52.28

₹ Lakhs

	As at 31st March 2019	As at 31st March 2018
40. Estimated amount of contracts remaining to be executed on capital account and not provided for	**55.71**	66.02

41. Contingent Liabilities:

Contingent liabilities in respect of :	As at 31st March 2019	As at 31st March 2018
Bills discounted	**885.90**	1,387.17
Guarantees	**278.36**	297.83
Letters of credit outstanding	**-**	936.97
Contingent liabilities under litigation :		
Disputed Statutory Liabilities not provided for	**1270.77**	1270.77
Disputed Other Liabilities not provided for	**74.52**	66.65

42. Disclosure relating to suppliers registered under Micro, Small and Medium Enterprise Development Act, 2006:

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year included in:		
Principal amount due to micro, small and medium enterprises	**97.13**	49.64
Interest due on above	-	-
Total	**97.13**	**49.64**
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond appointed day.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointment day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible under section 23 of the MSMED Act, 2006.	-	-
The Company has disclosed the suppliers who have registered themselves under "Micro, Small and Medium Enterprises Development Act, 2006" to the extent they have identified on the basis of information available with the Company and relied upon by the auditors.	-	-

43. Disclosure relating to the exchange gain / loss arising on restatement of long term foreign currency monetary items

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
a. Exchange difference capitalized during the year	**-**	-
b. Depreciation provision charged to Profit & Loss a/c thereon	**23.26**	23.26
c. Exchange difference pertaining to assets sold during the year	**-**	51.50
d. Remaining amount to be amortized*	**268.46**	291.72

* The company amortizes only 95% of the value of its fixed assets.

44. Corporate Social Responsibility:

The average net profit of the immediately proceeding three financial years is negative, accordingly, the company is not mandated to spend any amount towards CSR activities for the financial year 2018-19.

45. Exceptional Items

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Gains on Derecognition of Investment Property	-	4,149.93

46. Foreign Exchange gain / (loss) (net) includes foreign exchange gain / (loss) arising out of restatement of foreign currency assets / liabilities / derivatives amounting to ₹. 39.46 lakhs (PY - ₹. 656.92 lakhs)

47. Related Party Disclosure :

List of related parties with whom transactions have taken place

Holding Co : Nil, Subsidiaries: Suprem Associates (Partnership firm)

Key Management Personnel (KMP):

Mr. Ashwin Chandran (Chairman and Managing Director), Mr. Prashanth Chandran (Vice Chairman & Managing Director), Mr. T Kumar (Executive Director), Mr.Sumanth Ramamurthi (Non Executive Director), Mr. Jairam Varadaraj (Non Executive Director), Mr. C N Srivatsan (Non Executive Director), Mrs. R Bhuvaneshwari (Non Executive Director) and Mr. P Vijay Raghunath (Non Executive Director)

Relative of (KMP) Mr. Sarath Chandran

₹ Lakhs

Particulars	FY 2018- 19			FY 2017 - 18		
	Subsidiaries	KMP	Relative of KMP	Subsidiaries	KMP	Relative of KMP
Remuneration	**-**	**202.88**	**0.19**	-	177.02	-
Sitting Fees		**7.50**			8.05	
Amount Outstanding as at year end - Dr	**71.48**	**-**	**-**	71.48	-	-

48. Operating Segments

The company is in the business of manufacturing textile products which are regularly reviewed by the Chief Financial Officer for assessment of company's performance and resource allocation.

The information relating to revenue from Cotton yarn and Technical Textile product sale and location of non current assets of its single reportable segment has been disclosed below:

a) Revenue from Operations

₹ Lakhs

Particulars	As at 31st March 2019	As at 31st March 2018
Within India	**47,338.46**	38,608.36
Outside India	**28,355.48**	29,281.59
Total	**75,693.94**	**67,889.95**

b) Non current assets:

All non current assets of the company are located in India.

49. Power and Fuel is net of wind power of Rs.208.19 lakhs (PY Rs. 244.86 lakhs) representing power supplied to the grid against which equivalent consumption was made in house

50. Disclosure as required under section 186(4) of the Companies Act, 2013

Loans given and Guarantees given by the company: Nil (PY: Nil)

Investments made are given under the respective head.

51. Disclosure as required under Regulation 34 (3) and 53(f) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Particulars	As at 31st March 2019	Maximum balance outstanding during the year	Investment by the loanee in the shares of Parent Company
Loans and Advances in the nature of loans given to subsidiaries	-	-	-

52. The amounts and disclosures included in the financial statements of the previous year have been reclassified where ever necessary to conform to the current year's classification.

53. All figures are in lakhs unless otherwise stated and rounded off to the nearest two decimals.

Vide our report of even date attached
For VKS Aiyer & Co
Chartered Accountants
ICAI Firm Reg.No.: 000066S

V S Srinivasan
Partner
M.No. : 13729

Place : Coimbatore
Date : 22-May-2019

For and on behalf of the Board of Directors

Ashwin Chandran
Chairman and Managing Director
(DIN : 00001884)

A P Ramkumar
Chief Financial Officer

Prashanth Chandran
Vice Chairman and Managing Director
(DIN : 01909559)

S Kavitha
Company Secretary
(FCS No. 8710)