

INDEPENDENT AUDITOR'S REPORT

To the Members of Grasim Premium Fabric Private Limited (Formerly known as Soktas India Private Limited)

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Grasim Premium Fabric Private Limited (Formerly known as Soktas India Private Limited) ("the Company"), which comprise the Balance sheet as at 31 March 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid accompanying Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, its loss, including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the accompanying Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the accompanying Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the accompanying Ind AS financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors report, but does not include the accompanying Ind AS financial statements and our auditor's report thereon.

Our opinion on the accompanying Ind AS financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

In connection with our audit of the accompanying Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the accompanying Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these accompanying Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the accompanying Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the accompanying Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the accompanying Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the accompanying Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accompanying Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the accompanying Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going



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

- Evaluate the overall presentation, structure and content of the accompanying Ind AS financial statements, including the disclosures, and whether the accompanying Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid accompanying Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these accompanying Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended 31 March 2019;

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- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its accompanying Ind AS financial statements – Refer Note 36 to the accompanying Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Pradevial Khandelwal**

Partner

Membership Number: 501160

UDIN: 19501160AAAABB5944

Place of Signature: Pune

Date: August 12, 2019



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report on even date

**Re: Grasim Premium Fabric Private Limited
(Formerly Known as Soktas India Private Limited)**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in Property, plant and equipment are held in the name of the Company. Refer note 17 of the financial statements for details of charge created on immovable properties for loans taken by the Company.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at 31 March, 2019 and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of fabrics, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities.



- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service tax, sales-tax, customs duty, excise duty, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, service tax, sales-tax, customs duty, excise duty, goods and service tax and cess which have not been deposited on account of any dispute. The dues outstanding of value added tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relate	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Disallowance of input tax credit under the MVAT Act, 2002	Nil (Refund of Rs. 2,214,750/- is recoverable from department)	FY 2012-13 to FY 15-16	Joint Commissioner of Sales Tax (Appeals)

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government. The Company does not have any dues payable towards debenture holders.
- ix. In our opinion and according to the information and explanations given by the management, the Company has not raised any money by way of initial public offer/further public offer/term loans or any other debt instrument in the current year. Accordingly, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.



SRBC & CO LLP

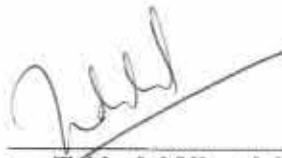
Chartered Accountants

- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of Act.
- xvi. According to the information and explanations given to us, the provisions of Section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration No.: 324982E/E300003



per **Pradevlal Khandelwal**

Partner

Membership Number: 501160

UDIN: 19501160AAAABB5944

Place of Signature: Pune

Date: August 12, 2019



Annexure 2 referred to in paragraph 2 (f) under the heading “Report on Other Legal and Regulatory Requirements” of our report on even date

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

We have audited the internal financial controls over financial reporting of Grasim India Private Limited (Formerly known as Saktas India Private Limited) (“the Company”) as of 31 March 2019 in conjunction with our audit of the accompanying Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these accompanying Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these accompanying Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these accompanying Ind AS financial statements.

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Meaning of Internal Financial Controls Over Financial Reporting with Reference to these accompanying Ind AS Financial Statements

A Company's internal financial control over financial reporting with reference to these accompanying Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these accompanying Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the accompanying Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these accompanying Ind AS Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these accompanying Ind AS financial statements and such internal financial controls over financial reporting with reference to these accompanying Ind AS financial statements were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Tridevjal Khandelwal**

Partner

Membership Number: 501160

UDIN: 19501160AAAABB5944

Place of Signature: Pune

Date: August 12, 2019



Grasim Premium Fabric Private Limited
(Formerly known as Soktas India Private Limited)
Balance sheet as at 31 March 2019
All amounts are Rupees in lacs unless stated otherwise

Particulars	Notes	31 March 2019	31 March 2018	1 April 2017
Assets				
Non-current assets				
Property, plant and equipment	3.1	7,741.14	9,230.94	11,031.66
Capital work-in-progress	3.1	16.09	-	-
Intangible assets	3.2	879.53	1,027.57	24.47
Deferred tax assets (net)	4	-	-	58.73
Financial assets				
Other financial assets	5	411.60	612.54	659.57
Other non-current assets	6	64.58	107.00	286.42
Income tax asset (net)	7	91.03	101.93	74.41
		9,203.97	11,079.98	12,135.26
Current assets				
Inventories	8	2,898.33	2,896.64	2,577.66
Financial assets				
Trade receivables	9	2,473.62	1,831.53	2,358.80
Cash and cash equivalents	10	4.03	4.33	6.36
Other bank balances	11	43.96	62.39	4.52
Other current financial assets	12	103.13	301.46	32.58
Other current assets	13	533.23	706.38	277.07
		6,056.30	5,802.73	5,256.99
TOTAL		15,260.27	16,882.71	17,392.25
Equity and liabilities				
Equity				
Equity share capital	14	11,309.06	11,309.06	11,309.06
Other equity	15	(4,330.42)	(3,887.99)	(4,444.69)
		6,978.64	7,421.07	6,864.37
Non-current liabilities				
Government grants - Deferred government subsidy	16	41.44	77.93	115.94
Financial liabilities				
Borrowings	17	575.02	1,659.50	3,055.10
Other financial liabilities	18	115.44	122.86	248.61
Provisions	19	428.26	353.91	319.61
		1,160.16	2,214.20	3,739.26
Current liabilities				
Financial liabilities				
Borrowings	20	2,318.04	1,690.48	412.86
Trade payables	21	-	-	-
Total outstanding dues of micro enterprises and small enterprises		55.65	-	-
Total outstanding dues of creditors other than micro		3,431.31	3,644.29	4,316.93
Other current financial liabilities	22	824.72	1,479.58	1,595.52
Other current liabilities	23	102.65	96.77	161.59
Provisions	24	389.10	336.32	301.72
		7,121.47	7,247.44	6,788.62
TOTAL		15,260.27	16,882.71	17,392.25
Summary of significant accounting policies	2.1			

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number : 324982E / E300003

per Tejdevlal Khandelwal
Partner
Membership number : 501160

Date: 12 August 2019
Pune



For and on behalf of the board of directors of
Grasim Premium Fabric Private Limited

Hutokshi R. Wadia
Director
DIN 00103357

Ashish Adukia
Director
DIN 08512890

Sachin Kumar
Chief Financial Officer
PAN: ALTPK9835H

Chintamani Malkar
Company Secretary
PAN: APRPM7798D

Date: 12 August 2019
Mumbai



Grasim Premium Fabric Private Limited
(Formerly known as Saktas India Private Limited)
Statement of profit and loss for the year ended 31 March 2019
All amounts are Rupees in lacs unless stated otherwise

Particulars	Notes	31 March 2019	31 March 2018
Income			
Revenue from contracts with customers	25	16,483.00	18,520.87
Other income	26	95.31	292.51
Total Income		16,578.31	18,813.38
Expenses:			
Cost of raw material and components consumed	27	6,861.70	7,864.21
Purchase of traded goods	28	-	386.24
Change in inventories of finished goods and work-in-	29	146.50	(339.85)
Excise duty expenses		-	4.71
Employee benefits expense	30	3,284.47	3,096.03
Depreciation and amortization expense	31	1,953.92	1,805.66
Finance costs	32	744.24	561.56
Other expenses	33	4,017.66	4,720.78
Total Expenses		17,008.49	18,099.34
(Loss) / profit before tax		(430.18)	714.04
Tax expense:			
Current Tax	4	-	167.50
Minimum alternative tax (MAT) payable		-	(167.50)
MAT credit entitlement		-	226.23
Provision for MAT credit		3.41	(19.17)
Deferred Tax		3.41	(19.17)
Total tax expense		3.41	207.06
(Loss) / profit after tax		(433.59)	506.98
Other comprehensive income (OCI)			
Items not to be reclassified to profit or loss in subsequent			
Re-measurement (loss) / gain on defined benefit plans		(12.25)	68.89
Income tax effect		3.41	(19.17)
Net other comprehensive income not to be reclassified to		(8.84)	49.72
profit or loss in subsequent period			
Total comprehensive income for the year		(442.43)	556.70
Earnings per equity share :			
[nominal value per share Rs. 10]	34	(0.38)	0.45
Basic and diluted			
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number : 324982E / E300003

per Tridevjal Khandelwal
Partner
Membership number : 501160

Date: 12 August 2019
Pune



For and on behalf of the board of directors of
Grasim Premium Fabric Private Limited

Hutokshi R. Wadia
Director
DIN 00103357

Ashish Adukda
Director
DIN 08512890

Sachin Kumar
Chief Financial Officer
PAN: ALTPK9835H

Chintamani Malkar
Company Secretary
PAN: APRPM7798D

Date: 12 August 2019
Mumbai



Grasim Premium Fabric Private Limited
(Formerly known as Soktas India Private Limited)
Cash flow statement for the year ended 31 March 2019
All amounts are Rupees in lacs unless stated otherwise

	31 March 2019	31 March 2018
Cash flow from operating activities		
(Loss) / profit before tax	(430.18)	714.04
Adjustment to reconcile (loss) / profit before tax to net cash flows		
Depreciation and amortization expense	1,953.92	1,805.66
(Profit) on sale of fixed assets	(19.07)	(0.02)
Unrealized foreign exchange loss	15.10	1.84
Provision for doubtful debts	8.59	-
Amortization of TUFs subsidy	(36.49)	(38.01)
Interest income	(21.39)	(25.39)
Finance costs	721.89	553.22
Operating profit before working capital changes	2,192.37	3,011.34
Movements in working capital :		
Trade receivables	(648.61)	531.87
Inventories	(1.69)	(318.98)
Financial and other assets	337.32	(610.43)
Trade payables	(158.05)	(672.67)
Other current liabilities	(1.54)	(303.47)
Current and non current provisions	114.88	137.79
Cash generated from operations	1,834.68	1,775.45
Direct taxes refund/paid (net)	10.90	(195.02)
Net cash from operating activities (A)	1,845.58	1,580.43
Cash flow used in investment activities		
Purchase of property, plant and equipment and intangible asset, including capital advances	(339.63)	(1,210.28)
Investments in bank deposits (having original maturity of more than three months)	(37.19)	(100.74)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	89.91	60.19
Proceeds from sale / deductions of property, plant and equipment	19.75	328.30
Interest received	45.43	24.58
Net cash flow used in investment activities (B)	(221.73)	(897.95)
Cash flow used in financing activities		
Repayment of non current borrowings	(1,755.19)	(1,408.41)
Proceeds from long term borrowings		
Proceeds from / repayment of current borrowings (net)	627.56	1,277.62
Interest paid	(496.70)	(553.73)
Net cash flow (used in) financing activities (C)	(1,624.33)	(684.52)
Net (decrease) / Increase in cash and cash equivalents (A+B+C)	(0.48)	(2.04)
Effect of exchange differences on cash and cash equivalents held in foreign	0.18	0.01
Cash and cash equivalents at the beginning of the period	4.33	6.36
Cash and cash equivalents at the end of the period	4.03	4.33
Components of cash and cash equivalents		
Cash on hand	0.82	1.07
Balances with banks		
- Current accounts	3.21	3.26
Total cash and cash equivalents (note 10)	4.03	4.33

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants

ICAI Firm Registration Number : 324982E / E300003

per Tivedal Khandelwal
Partner
Membership number : 501160

For and on behalf of the board of directors of
Grasim Premium Fabric Private Limited

Hutokshi R. Wadia
Director
DIN 00103357

Ashish Adulka
Director
DIN 08512890

Sachin Kumar
Chief Financial Officer
PAN: ALTPK9835H

Chintamani Malkar
Company Secretary
PAN: APRPM7798D

Date: 12 August 2019
Pune

Date: 12 August 2019
Mumbai



Grasim Premium Fabric Private Limited
(Formerly known as Soktas India Private Limited)
Statement of changes in equity for the year ended 31 March 2019
All amounts are Rupees in lacs unless stated otherwise

A) Equity share capital

Particulars	Amount
As at 1 April 2017	11,309.06
Changes in equity share capital	-
As at 31 March 2018	11,309.06
Changes in equity share capital	-
As at 31 March 2019	11,309.06

B) Other equity

Particulars	Retained earnings
As at 1 April 2017	(4,444.69)
Add: Profit for the year	506.98
Add: Other comprehensive Income	49.72
Total comprehensive income for the year	556.70
As at 31 March 2018	(3,887.99)
Add: (loss) for the year	(433.59)
Add: Other comprehensive income	(8.84)
Total comprehensive income for the year	(442.43)
As at 31 March 2019	(4,330.42)

The accompanying notes are an integral part of these financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number : 324982E / E300003

per Tridevjal Khandelwal
Partner
Membership number : 501160

Date: 12 August 2019
Pune



For and on behalf of the board of directors of
Grasim Premium Fabric Private Limited

Hutokshi R. Wadia
Director
DIN 00103357

Ashish Adukia
Director
DIN 08512890

Sachin Kumar
Chief Financial Officer
PAN: ALTPK9835H

Chintamani Malkar
Company Secretary
PAN: APRPM7798D

Date: 12 August 2019
Mumbai



1 Corporate Information

Grasim Premium Fabric Private Limited (formerly known as Soktas India Private Limited) ("the Company") is a private limited Company domiciled in India. The Company is engaged in manufacture and sale of grey and dyed shirting fabrics. The Company has started the commercial production from weaving section and fabric processing unit from 1 January 2009 and from 12 May 2009 respectively. The CIN of the Company is U24233PN2007PTC133637. The Equity Share Capital is held by Soktas Tekstil Sanayi Ve Ticaret A.S. upto 29 March 2019. Soktas Tekstil Sanayi Ve Ticaret A.S. has sold the shares of the Company to Grasim Industries Limited on 29 March 2019.

Pursuant to a resolution passed at the extraordinary general meeting of the Company held on 9 April 2019 and receipt of the fresh certificate of incorporation dated 3 May 2019 from the registrar of companies, the name of the Company has been changed from "Soktas India Private Limited" to "Grasim Premium Fabric Private Limited".

The financial statements for the year ended 31 March 2019 were authorised for issue by the Board of Directors of the Company at their meeting held on 12 August 2019.

2 Significant Accounting Policies

2.1 Basis of Preparation:

These financial statements are prepared and presented in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time as notified under Section 133 of Companies Act, 2013, the relevant provisions of the Companies Act, 2013 ("the Act").

For all the periods up to and including the year ended 31 March 2018 the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Act read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements are the first, the Company has prepared in accordance with Ind AS. Refer to note no 46 for information on first time adoption of Ind AS.

Based on the balance sheet position as at 31 March 2019, the financial statements are prepared on going concern basis, considering the scheme of amalgamation of the Company with Grasim Industries Limited (Holding Company) (refer note 49).

The financial statements have been prepared and presented at historical cost, except for the following assets and liabilities:

- financial assets and financial liabilities (including derivative instruments) which have been measured at fair value,
- defined benefit plans-Plan assets are measured at fair value.

The financial statements are presented in Indian Rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates, and all values are rounded to the nearest lacs, except as otherwise indicated.

2.2 Summary of Significant Accounting Policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

b. Foreign Currencies

The Company's financial statements are presented in Indian rupees, which is also the functional currency of the Company.

Transactions in foreign currencies are accounted at the functional currency spot rates prevailing on the date of transactions. Monetary foreign currency financial assets and liabilities are translated at functional currency spot rates of exchange at the reporting date. The resulting exchange differences are appropriately recognised in the Statement of profit and loss.

Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non - monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in the fair value of the item.

c. Fair value measurements

The Company measures financial instruments at fair value on initial recognition.

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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes:

Disclosures for valuation methods, significant estimates and assumptions (refer note 38)

Financial instruments (including those carried at amortised cost) (refer note 5, 9, 10, 11, 12, 17, 18, 20, 21 and 22)

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

d. Revenue from contract with customers:

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, excluding taxes or duties collected on behalf of the government e.g. goods and service tax (GST). The Company has generally concluded that it is the principal in its revenue arrangements.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 38.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, on the basis of terms of contract with the customer. The normal credit term is 30 to 90 days upon delivery. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased by them during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer and are reduced from revenue. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Sale of services - Job work charges

Revenue from service contracts is recognised over time i.e. as and when services are rendered. The Company collects revenue based on the units delivered. The Company considers that output method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under Ind AS 115.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays the consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due when billing has been done) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Trade receivables

A receivable represents the Companies right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

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Interest income

Interest income is recognised using effective interest rate method ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross amount of the financial asset or to the amortised cost of a financial liability. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but doesn't consider the expected credit losses. Interest income is included in Other Income in the Statement of profit and loss.

e. Government grants and subsidies:

Government Grants are recognised when there is a reasonable assurance that the same will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in the Statement of profit and loss by way of a deduction to the related expense on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income on a systematic basis over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at transaction amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset.

f. Provision for Current and Deferred Tax:

Current Income Tax:

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

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

Deferred Tax:

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT):

MAT is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised, it is credited to the Statement of profit and loss and is considered as (MAT Credit Entitlement). 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 the Company will pay normal Income Tax during the specified period. Minimum Alternate Tax (MAT) Credit are in the form of unused tax credits that are carried forward by the Company for a specified period of time, hence, it is presented with Deferred Tax Asset.

g. Property, Plant and Equipment (PPE):

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2017, measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Property, plant and equipment are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred.

Items such as spare parts, standby equipment and servicing equipment are recognised as PPE when it is held for use in the production or supply of goods or services, or for administrative purpose, and are expected to be used for more than one year. Otherwise, such items are classified as inventory.

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Gains or losses arising from derecognition of property, plant and equipments are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of profit and loss when the asset is derecognized.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development as at the reporting date.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II of the Companies Act, 2013. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset.

The Company has not technically assessed the useful life of property, plant and equipments and has considered the life specified in Schedule II of the Companies Act, 2013 as the useful life of property, plant and equipments for the purpose of computing depreciation.

The following table summarises the useful lives used by the Company to provide depreciation on property, plant and equipments:

Type of Asset	Schedule II useful life (in years)
Factory buildings	30
Other buildings	60
Roads	10
Plant and equipments (refer note iv)	7.5 to 15
Furniture and fixtures	10
Vehicles	8
Office equipment	5
Computers	3 to 6

Leasehold land is amortized on a straight line basis over the period of lease i.e. 95 years.

Depreciation on additions is provided on a pro-rata basis from the date of installation or acquisition. Depreciation on deductions/ disposals is provided on a pro-rata basis upto the date of deduction/disposal.

h. Intangible Assets acquired separately and Amortisation:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognised as at 1 April 2017 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Intangible assets, acquired separately, are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of profit and loss when the asset is derecognised.

The summary of amortization policy applied to the Company's intangible assets is as below:

Type of Asset	Useful life (in years)	Rate (SLM)
Software	6 years	16.67%
Technical knowhow	5 years	20.00%
Trade mark Royalty	5 years	20.00%

i. Borrowing Costs:

Borrowing cost includes interest expense, ancillary costs incurred in connection with borrowing of funds and exchange difference, arising from foreign currency borrowings, to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction or production of a qualifying asset, are capitalised as part of the cost of such asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as an expense in the period in which they are incurred.

j. Leases:

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

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Company as a lessee: Lease charges under operating leases are recognised as an expense on straight-line basis over the lease term unless the payments are structured to increase in line with general inflation to compensate for lessors expected inflationary cost increase.

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k. Inventories:

Raw materials, traded goods, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on a weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Work-in-progress, finished goods and other items of stores, spares, packing material and waste stock are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

l. Impairment of Non-Financial Assets:

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) the higher of fair value less costs of disposal and value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group's of assets.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

m. Provisions and Contingent Liabilities:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A present obligation that arises from past events, where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

n. Retirement and other employee benefits:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit plan for its employees, viz., gratuity. The costs of providing benefits under this plan is determined on the basis of actuarial valuation at each year end. Actuarial valuation has been carried out using the projected unit credit method. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the Statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as a long term provision.

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o. Financial instruments

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

Financial assets

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. For all subsequent measurements financial assets are classified in following categories:

A) Debt instruments

Debt instruments at amortised cost: A debt instrument is at amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is most relevant to the Company. After initial measurement, such assets are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees for cost that are an integral part of the EIR. EIR amortisation is included in other income in the Statement of profit and loss. This category generally applies to loans and trade and other receivables.

Debt instruments fair value through OCI (FVOCI): A debt instrument is classified as FVOCI if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and 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. The Company has not classified any financial assets under this category.

Debt instruments at fair value through profit and loss (FVTPL): Debt instruments not classified as amortised cost or FVOCI are classified as FVTPL. The Company has not classified any debt under this category.

B) Equity instruments

Equity instruments held for trading are classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI the subsequent changes in fair value. The Company makes such election on an instrument by instrument basis. If the Company decides to classify an equity instrument as FVOCI, then all fair value changes on the instrument, excluding dividends are recognized in OCI. There is no recycling of the amount from OCI to Statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity.

Derecognition

A financial asset (or wherever applicable, a part of the financial asset or part of a group of similar financial assets) is primarily derecognized when the rights to receive cash flow from the assets have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flow in full to a third party under a pass through arrangement and either a) the Company has transferred substantially all risks and rewards of the asset or b) has transferred control of the asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss and credit risk exposure on the financial assets that are debt instruments measured at amortized costs e.g. loans, deposits, trade receivables and bank balances.

The Company follows simplified approach for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period the credit risk reduces since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed. The Company has presumed that default doesn't occur later than when a financial asset is 90 days past due.

Impairment loss allowance including ECL or reversal recognized during the period is recognized as income/ expense in the Statement of profit and loss. This amount is reflected under the head 'Other Expenses' in Statement of profit and loss. The impairment loss is presented as an allowance in the balance sheet as a reduction from the net carrying amount of the trade receivable, loan and deposits respectively.

Financial Liabilities

All financial liabilities are initially recognised at fair value. The Company's financial liabilities include trade and other payables, other financial liabilities, loans and borrowings including bank overdraft and derivative financial instruments.

Subsequent measurement of financial liabilities depends on their classification as FVTPL or at amortized cost.

All changes in fair value of financial liabilities classified as FVTPL is recognized in the Statement of profit and loss. Amortised cost category is applicable to loans and borrowings, trade and other payables. After initial recognition the financial liabilities are measured at amortised cost using EIR method. Gains and losses are recognized in Statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are integral part of EIR. EIR amortization is included as finance cost in the Statement of profit and loss.

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Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognized in the Statement of profit and loss.

Derivatives

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the Statement of profit and loss.

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies the financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

Offsetting financial assets and financial liabilities

Financial assets and 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 realise the assets and settle the liabilities simultaneously.

p. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at banks, including fixed deposit with original maturity period of three months or less and short-term highly liquid investments with an original maturity of three months or less.

q. Earnings Per Share (EPS):

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted-average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted-average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

r. Segment reporting :

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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3.1 Property, plant and equipment

	Leasehold Land	Buildings (refer note 1)	Roads	Plant and equipments	Furniture and fixtures	Vehicles	Office equipment	Computers	Total
Cost									
At 1 April 2017	328.27	5,595.84	53.86	4,995.44	27.98	10.82	5.11	14.34	11,031.66
Additions	-	-	-	248.93	0.09	-	4.83	1.89	255.74
Disposals/write-off/adjustments	-	-	-	(328.28)	-	-	(0.45)	-	(328.73)
At 31 March 2018	328.27	5,595.84	53.86	4,916.09	28.07	10.82	9.49	16.23	10,958.67
Additions	-	-	-	222.18	0.77	17.66	0.90	0.08	241.59
Disposals/write-off/adjustments	-	-	-	(129.97)	-	-	-	-	(129.97)
At 31 March 2019	328.27	5,595.84	53.86	5,008.30	28.84	28.48	10.39	16.31	11,070.29
Depreciation									
At 1 April 2017	-	-	-	-	-	-	-	-	-
Charge for the year	3.85	251.56	24.55	1,424.36	9.88	1.54	3.02	9.42	1,728.18
Disposals/write-off	-	-	-	-	-	-	(0.45)	-	(0.45)
At 31 March 2018	3.85	251.56	24.55	1,424.36	9.88	1.54	2.57	9.42	1,727.73
Charge for the year	3.85	251.56	19.45	1,436.39	9.22	1.82	2.90	5.52	1,730.71
Disposals/write-off	-	-	-	(129.29)	-	-	-	-	(129.29)
At 31 March 2019	7.70	503.12	44.00	2,731.46	19.10	3.36	5.47	14.94	3,329.15
Net Block									
At 31 March 2018	324.42	5,344.28	29.31	3,491.73	18.19	9.28	6.92	6.81	9,230.94
At 31 March 2019	320.57	5,092.72	9.86	2,276.84	9.74	25.12	4.92	1.37	7,741.14
Capital work in progress									
At 1 April 2017	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	16.09	-	-	-	-	16.09

Note 1 : Building includes those constructed on leasehold land.

The Company has elected to continue with the carrying value of property, plant and equipment as recognized in the financial statements as per Indian GAAP and regard those values as deemed cost on the date of transition.



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3.2 Intangible Assets

	Computer software	Technical Knowhow	Trademark	Total
Cost				
At 1 April 2017	24.47	-	-	24.47
Additions	-	1,080.58	-	1,080.58
Disposals / discarded	-	-	-	-
At 31 March 2018	24.47	1,080.58	-	1,105.05
Additions	2.00	4.27	68.90	75.17
Disposals / discarded	-	-	-	-
At 31 March 2019	26.47	1,084.85	68.90	1,180.22
Amortization				
At 1 April 2017	-	-	-	-
Charge for the year	5.84	71.64	-	77.48
Disposals / discarded	-	-	-	-
At 31 March 2018	5.84	71.64	-	77.48
Charge for the year	5.96	217.25	-	223.21
Disposals / discarded	-	-	-	-
At 31 March 2019	11.80	288.89	-	300.69
Net Block				
At 31 March 2018	18.63	1,008.94	-	1,027.57
At 31 March 2019	14.67	795.96	68.90	879.53

The Company has elected to continue with the carrying value of property, plant and equipment as recognized in the financial statements as per Indian GAAP and regard those values as deemed cost on the date of transition.

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4. Income tax

a. Deferred tax assets (net)

	31 March 2019	Balance Sheet 31 March 2018	1 April 2017	Statement of profit and loss 31 March 2019	31 March 2018
Gross deferred tax liability					
Difference between WDV as per tax and books of accounts	328.28	534.68	715.22	(206.40)	(180.54)
Gross deferred tax liability	<u>328.28</u>	<u>534.68</u>	<u>715.22</u>	<u>(206.40)</u>	<u>(180.54)</u>
Gross deferred tax asset					
Impact of expenditure charged to the Statement of profit and loss in the current period but allowed for tax purposes on payment basis	287.46	246.09	296.18	41.37	(50.09)
Unabsorbed depreciation / brought forward business losses *	25.06	269.42	419.04	(244.36)	(149.62)
Minimum alternative tax (MAT) credit entitlement	226.23	226.23	58.73	-	-
Provision for MAT credit entitlement #	(226.23)	(226.23)	-	-	(226.23)
Deferred Tax on Items in OCI	15.76	19.17	-	(3.41)	19.17
Gross deferred tax asset	<u>328.28</u>	<u>534.68</u>	<u>773.95</u>	<u>(206.40)</u>	<u>(406.77)</u>
Deferred tax assets (net)	<u>-</u>	<u>-</u>	<u>58.73</u>		
Total tax expense in Statement of profit and loss and OCI				<u>-</u>	<u>(226.23)</u>

* As per Ind AS 11 'Income Tax', the Company has recorded the cumulative deferred tax liability as at 31 March 2019 of Rs. 328.28 Lacs (31 March 2018 Rs. 534.68 Lacs; 1 April 2017 Rs. 715.22 Lacs) and recognized the cumulative deferred tax asset on the basis of prudence, only to the extent of the cumulative deferred tax liability as at 31 March 2019 and 31 March 2018.

As at 31 March 2019, the Company has an accumulated MAT credit entitlement of Rs. 226.23 Lacs (31 March 2018 : Rs. 226.23 Lacs) which is eligible for set off against tax payable under provision of Income Tax Act, 1961. In absence of convincing evidence as at balance sheet date on inflow of economic benefit, the same has not been recognized as an asset.

b. Income tax expense in Statement of profit and loss

Particulars	31 March 2019	31 March 2018
Current tax		
Minimum alternate tax (MAT)	-	167.50
Deferred tax		
MAT credit entitlement	-	(167.50)
Provision for MAT credit	-	226.23
Deferred tax	3.41	(19.17)
Net income tax expense reported in the Statement of profit and loss	<u>3.41</u>	<u>207.06</u>
OCI section	<u>(3.41)</u>	<u>19.17</u>
Total tax expense in Statement of profit and loss and OCI	<u>-</u>	<u>226.23</u>

c. Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for 31 March 2019 and 31 March 2018

Particulars	31 March 2019	31 March 2018
Accounting (loss) / profit before tax	(430.18)	714.04
At India's statutory income tax rate	27.82%	27.82%
Tax at full rate	(119.68)	198.65
Adjustments:		
Deferred tax asset not recognised for unabsorbed losses	119.68	-
Carry forward losses set off against income and tax recognised as per MAT provisions	-	(31.15)
Provision made for earlier period MAT Credit	-	58.73
Deferred tax on OCI section	3.41	(19.17)
Income tax expenses reported in the Statement of profit and loss	<u>3.41</u>	<u>207.06</u>

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5. Other non current financial assets (carried at amortised cost)

	31 March 2019	31 March 2018	1 April 2017
TUFS interest subsidy receivable	366.57	566.34	540.28
Security deposits	42.01	40.01	39.91
Non-current bank balances - Deposits with remaning maturity for more than 12 months	2.96	6.04	55.96
Interest accrued on fixed deposits	0.06	0.15	23.42
	411.60	612.54	659.57

6. Other non-current assets

	31 March 2019	31 March 2018	1 April 2017
Capital advances	6.78	-	126.04
Prepaid expenses	17.74	42.13	70.08
Balances with statutory / government authorities	40.06	64.87	90.30
	64.58	107.00	286.42

7. Income tax assets (net)

	31 March 2019	31 March 2018	1 April 2017
Advance income-tax (net of provision)	91.03	101.93	74.41
	91.03	101.93	74.41

8. Inventories

	31 March 2019	31 March 2018	1 April 2017
Raw materials [includes goods in transit]	687.78	494.68	554.76
Work-in-progress [includes stock lying with third parties]	1,180.14	1,253.28	1,105.76
Finished goods [including stock in transit]	828.25	901.61	709.28
Stores, spares and packing material [including goods in transit]	162.23	211.51	180.87
Waste stock and other materials	39.93	35.56	26.99
	2,898.33	2,896.64	2,577.66

9. Trade receivables (carried at amortised cost)

	31 March 2019	31 March 2018	1 April 2017
Trade receivables	1,645.82	1,541.65	1,927.02
Receivables from related party (Refer note 39)	827.80	289.88	431.78
	2,473.62	1,831.53	2,358.80

Break up for security details

Secured, considered good	-	-	-
Unsecured, considered good	2,473.62	1,831.53	2,358.80
Trade receivable which have significant increase in credit risk	-	-	-
Trade receivable - credit impaired	8.59	-	-
	2,482.21	1,831.53	2,358.80

Impairment allowance (allowance for bad and doubtful debts)

Unsecured, considered good	-	-	-
Trade receivable which have significant increase in credit risk	-	-	-
Trade receivable - credit impaired	(8.59)	-	-
	(8.59)	-	-
	2,473.62	1,831.53	2,358.80

Trade receivables include :

	31 March 2019	31 March 2018	1 April 2017
Due from Soktas Dokuma Sanayi Ticaret A.S. in which the Company's non executive director is a director	-	289.88	431.78
Due from Aditya Birla Fashion and Retail Limited in which the Company's non executive director is a director	827.80	-	-

10. Cash and cash equivalents (carried at amortised cost)

	31 March 2019	31 March 2018	1 April 2017
Balances with banks			
- Current accounts	3.21	3.26	6.21
Cash on hand	0.82	1.07	0.15
	4.03	4.33	6.36



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11. Other bank balances (carried at amortised cost)

	31 March 2019	31 March 2018	1 April 2017
Deposits with bank (original maturity more than 3 months but less than 1 year)*	43.96	62.39	4.52
	43.96	62.39	4.52

* Deposits are given against bank guarantees and letter of credit.

12. Other current financial assets (carried at amortised cost)

	31 March 2019	31 March 2018	1 April 2017
Advance to employees	1.76	10.13	5.91
Government grant / export incentive #	97.39	229.49	24.22
TUFS interest subsidy receivable	-	2.70	-
Deposits with bank (original maturity more than 1 year)	3.24	34.45	1.84
Interest accrued on fixed deposits	0.74	24.69	0.61
Total	103.13	301.46	32.58

Government grant / export incentive includes various schemes of export incentives (MEIS, duty drawback, etc.) and electricity subsidy, GST rebate, etc. There are no unfulfilled conditions or other contingencies attached to the said Government grants/export incentives.

13. Other Current Assets

	31 March 2019	31 March 2018	1 April 2017
Prepaid expenses	158.33	115.60	112.32
Balances with statutory / government authorities	236.51	230.81	82.67
Advances to suppliers	100.64	328.23	57.24
Government grant / export incentive #	37.75	31.74	24.84
	533.23	706.38	277.07

Government grant / export incentive includes various schemes of export incentives (MEIS, duty drawback, etc.). There are no unfulfilled conditions or other contingencies attached to the said Government grants/export incentives.

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14. Equity Share capital

	31 March 2019	31 March 2018	1 April 2017
Authorized			
1,180 Lacs (31 March 2018 : 1,180 Lacs ; 1 April 2017 : 1,180 Lacs) equity shares of Rs. 10/- each	11,800.00	11,800.00	11,800.00
Issued, subscribed and fully paid up shares			
1,130.90 Lacs (31 March 2018 : 1,130.90 Lacs ; 1 April 2017 : 1,130.90 Lacs) equity shares of Rs. 10/- each	11,309.06	11,309.06	11,309.06
Total	11,309.06	11,309.06	11,309.06

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31 March 2019		31 March 2018		1 April 2017	
	No. In Lacs	Amount	No. In Lacs	Amount	No. In Lacs	Amount
Balance as at the beginning and end of	1,130.90	11,309.06	1,130.90	11,309.06	1,130.90	11,309.06

(b) Terms/ rights attached to equity shares

The Company has two classes of equity shares having a par value of Rs. 10 per share with differential voting rights. Class "A" share holders are entitled to one vote per share and Class "B" share holders are entitled to one vote for entire class. For Class "B" shareholders, dividend and other voting rights rank pari passu with existing Class "A" equity shares. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by Holding Company

	Type	31 March 2019	31 March 2018	1 April 2017
Sotkas Tekstil Sanayi Ve Ticaret A.S., Turkey Nil (31 March 2018 : 1,026.59 Lacs ; 1 April 2017 : 905.45 Lacs) equity shares of Rs.10 each	Class 'A'	-	10,265.90	9,054.52
Sotkas Tekstil Sanayi Ve Ticaret A.S., Turkey Nil (31 March 2018 : 104.31 Lacs ; 1 April 2017 : 104.31 Lacs) equity shares of Rs.10 each	Class 'B'	-	1,043.16	1,043.16
Grasim Industries Limited, India # 1,026.59 Lacs (31 March 2018 : Nil ; 1 April 2017 : Nil) equity shares of Rs.10 each	Class 'A'	10,265.90	-	-
Grasim Industries Limited, India # 104.31 Lacs (31 March 2018 : Nil ; 1 April 2017 : Nil) equity shares of Rs.10 each	Class 'B'	1,043.16	-	-
Total		11,309.06	11,309.06	10,097.68

(d) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	31 March 2019		31 March 2018		1 April 2017	
	No. of shares	% of Holding in	No. of shares	% of Holding	No. of shares	% of Holding
Equity shares of Rs.10 each fully paid						
Sotkas Tekstil Sanayi Ve Ticaret A.S.*	-	-	1,130.90	100.00%	1,009.76	89.29%
International finance corporation	-	-	-	-	121.14	10.71%
Grasim Industries Limited #	1,130.90	100.00%	-	-	-	-
Total	1,130.90	100.00%	1,130.90	100.00%	1,130.90	100.00%

The shareholding information is based on the legal ownership of shares and has been abstracted from the record of the Company including register of shareholders / member. As at 31 March 2019, Grasim Industries Limited has purchased 1,130.90 Lacs shares from Sotkas Tekstil Sanayi Ve Ticaret A.S. (including shares held by Mr. Fadil Erten as nominee).

* Including one share held by Mr. Fadil Erten as nominee shareholder.

Including six shares held by other individuals in capacity of nominee shareholders

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15. Other equity

	31 March 2019	31 March 2018
Retained earnings		
Opening balance as at April 1	(3,887.99)	(4,444.69)
(Loss) / profit for the year	(433.59)	506.98
Items of other comprehensive income recognised in retained earnings		
- Remeasurements of post employment benefit obligations, net of tax	(8.84)	49.72
Closing balance as at March 31	(4,330.42)	(3,887.99)
Total other equity	(4,330.42)	(3,887.99)

16. Deferred government subsidy

	31 March 2019	31 March 2018	1 April 2017
Capital subsidy sanctioned by Ministry of Textiles under Technology Upgradation Fund Scheme (TUFS) on specific fixed assets			
Opening balance as at April 1	77.93	115.94	153.95
Less : Transfer to Statement of profit and loss	(36.49)	(38.01)	(38.01)
Closing balance as at March 31	41.44	77.93	115.94

17. Non-current borrowings

	31 March 2019	31 March 2018	1 April 2017
Term loans			
Indian rupee loan from banks (refer note A)	1,126.18	2,364.57	1,958.32
Foreign currency loans from banks (refer note B)	272.29	772.04	2,578.40
Total	1,398.47	3,136.61	4,536.72
Less : Current maturities of non current borrowings			
Indian rupee loan from banks (refer note A)	635.37	1,238.39	817.73
Foreign currency loans from banks (refer note B)	188.08	238.72	663.89
Total	823.45	1,477.11	1,481.62
Non Current Portion			
Indian rupee loan from banks (refer note A)	490.81	1,126.18	1,140.59
Foreign currency loans from banks (refer note B)	84.21	533.32	1,914.51
Total	575.02	1,659.50	3,055.10
The above amount includes			
Secured borrowings (Current & Non Current Portion)	1,398.47	3,136.61	4,536.72

A) Indian rupee loans from banks :

Terms loans from banks are secured by a pari passu charge on entire fixed assets (movable and immovable), present and future.

Term loan taken from Bank of Baroda which was disbursed in foreign currency (USD) in previous years has converted into an INR loan in November 2018. The loan is repayable in fixed monthly installments. Other details of the loan are given in the table below.

B) Foreign currency loan from banks :

Foreign currency loan from banks has been secured by first hypothecation charge on entire current assets, on a pari-passu basis with member bank. The loan has also been secured collaterally by a first pari-passu charge on entire fixed assets (movable and immovable) including mortgage of factory land & building.

Details of outstanding borrowings as at 31 March 2019:

Name of Bank / party	Period of Maturity from 31 March 2019	Terms of repayment	Currency	Outstanding Amount of Loans as on 31 March 2019 (respective currency)	Rates during the period
SBI-Corporate Loan	1 year 5 months (Up to Aug 2020)	Monthly	USD	3.94	Spread @ 4.00% + 6 M LIBOR
SBI - FTL	1 year 10 months (Up to January 2021)	Monthly	INR	114.37	1 year MCLR + +3.30%
ICICI Bank	1 year 9 months (Up to December 2020)	Monthly	INR	1,011.81	1 year MCLR* + 1.85%

* Marginal Cost Lending Rate

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Details of outstanding borrowings as at 31 March 2018:

Name of Bank / party	Period of Maturity from 31 March 2018	Terms of repayment	Currency	Outstanding Amount of Loans as on 31 March 2018 (respective currency)	Rates during the period
State Bank of India	1.0 Yr. (Up to March 2019)	Quarterly	INR	399.69	MCLR* + 3.30%
Bank of Baroda	7 months (Up to October 2018)	Quarterly	INR	213.65	MCLR* + 2.65%
SBI-Corporate Loan	2 Yrs.5 months (Up to Aug 2020)	Monthly	USD	6.17	Spread @ 4.00% + 6 M LIBOR
SBI - FTL	2 Yrs.10 months (Up to January 2021)	Monthly	INR	161.25	1 year MCLR* + 3.30%
BOB-Corporate Loan	3 Yrs.1 month (Up to April 2021)	Monthly	In INR till 31 August 2017 then onwards converted to USD	5.70	Spread @ 3.50% + 6 M LIBOR
ICICI Bank	2 Yrs.9 months (Up to December 2020)	Monthly	In USD till 31 January 2018 then onwards converted to INR	1,589.98	1 year MCLR* + 1.85%

* Marginal Cost Lending Rate

Details of outstanding borrowings as at 1 April 2017:

Name of Bank / party	Period of Maturity from 1 April 2017	Terms of repayment	Currency	Outstanding Amount of Loans as on 1 April 2017 (respective currency)	Rates during the period
State Bank of India	2.0 Yrs. (Up to March 2019)	Quarterly	INR	799.68	MCLR* + 3.30%
Bank of Baroda	1 Yr 7 months (Up to October 2018)	Quarterly	INR	498.25	Base rate + 3.00%, (but not less than any)
SBI-Corporate Loan	3 Yrs.5 months (Up to Aug 2020)	Monthly	USD	7.91	1 year MCLR* + 3.20%
SBI - FTL	3 Yrs.10 months (Up to January 2021)	Monthly	INR	196.88	1 year MCLR* + 3.20%
BOB-Corporate Loan	4 Yrs.1 month (Up to April 2021)	Monthly	INR	436.00	Base rate + 2.90%, (but not less than any)
BOB-FTL	4 Yrs. (Up to March 2021)**	Monthly	INR	27.50	Base rate + 2.90%, (but not less than any)
ICICI Bank	3 Yrs.9 months (Up to December 2020)	Monthly	In USD till 31 January 2018 then onwards converted to INR	31.85	1 year MCLR* + 1.85%

* Marginal Cost Lending Rate

** Of the above loan Rs. 175.00 Lacs is not yet disbursed and the closing outstanding was repayable by January 2018.

18. Other non-current financial liabilities

	31 March 2019	31 March 2018	1 April 2017
Deposits and retention amount payable	115.44	122.86	115.19
Other payables	-	-	133.42
	115.44	122.86	248.61

19. Non-current provisions

	31 March 2019	31 March 2018	1 April 2017
Provision for employee benefits			
Provision for gratuity (refer note 41)	428.26	353.91	319.61
Total	428.26	353.91	319.61



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20. Current Borrowings

	31 March 2019	31 March 2018	1 April 2017
Cash credit from banks (refer note i)	1,579.65	1,201.32	132.33
Post-shipment credit from bank (refer note ii)	37.15	-	23.12
Bill discounting with financial institution (refer note iii) (refer note 39)	701.24	489.16	257.41
	2,318.04	1,690.48	412.86
The above amount includes			
Secured borrowings	2,318.04	1,690.48	412.86
Unsecured borrowings	-	-	-
	2,318.04	1,690.48	412.86

i) Cash credit from banks are secured against hypothecation of current assets of the Company. These loans are repayable on demand and carry interest base rate + 2.75%.

ii) Post-shipment credit carries interest chargeable at base rate + rate determined as per RBI directives and are secured against hypothecation of current assets of the Company.

iii) Bill discounting with financial institution is secured against trade receivables against which the bills are discounted and carries an interest rate in the range of 10% to 11% p.a.

21. Trade payables

	31 March 2019	31 March 2018	1 April 2017
Trade payables *			
Total outstanding dues of micro enterprises and small enterprises	55.65	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,431.31	3,644.29	4,316.93
	3,486.96	3,644.29	4,316.93

* Including acceptances amounting to Rs. 1,961.34 Lacs (31 March 2018: Rs. 2,368.46 Lacs; 1 April 2017: Rs. 2,650.61 Lacs)

22. Other financial liabilities

	31 March 2019	31 March 2018	1 April 2017
Current maturities of non-current borrowings (secured) (refer note 17)	823.45	1,477.11	1,481.62
Interest accrued on borrowings	1.27	2.47	-
Derivative contract payable	-	-	113.90
	824.72	1,479.58	1,595.52

23. Other current liabilities

	31 March 2019	31 March 2018	1 April 2017
Contract Liabilities	59.79	52.22	7.75
Statutory dues payable #	42.86	44.55	34.67
Retention amount payable	-	-	119.17
	102.65	96.77	161.59

Statutory dues payable includes due towards tax deducted at source, provident fund, professional tax, other taxes, etc.

24. Current provisions

	31 March 2019	31 March 2018	1 April 2017
Provision for employee benefits			
Provision for gratuity (refer note 41)	-	-	10.86
Provision for leave benefits	389.10	336.32	290.86
Total	389.10	336.32	301.72

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25. Revenue from contracts with customers

	31 March 2019	31 March 2018
Sale of products (including excise duty as applicable)	15,968.80	17,760.92
Sale of services	0.49	14.60
	15,969.29	17,775.52
Other operating revenues		
Scrap sales	186.46	195.18
Government grant - export incentives	35.89	32.85
Others*	291.36	517.32
	513.71	745.35
Total revenue from contracts with customers	16,483.00	18,520.87

* Others primarily includes sale of yarn, chemicals and other material

Revenue from contracts with customers for period up to 30 June 2017 includes excise duty. From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the government and hence, GST is not included in revenue from contracts with customers. In view of the aforesaid change in indirect taxes, revenue from contracts with customers for the year ended 31 March 2019 is not comparable with 31 March 2018.

Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers

	31 March 2019	31 March 2018
Location		
India	15,024.01	16,437.55
Outside India	1,458.99	2,083.32
Total revenue from contracts with customers	16,483.00	18,520.87

Timing of revenue recognition

Goods transferred at a point in time	16,482.51	18,506.27
Services transferred over time	0.49	14.60
Revenue from contract with customers	16,483.00	18,520.87

Set out below is the amount of revenue recognised from

Amounts included in contract liabilities at the beginning of the year
Performance obligations satisfied in previous years

52.22	7.75
-	-

Reconciling the amount of revenue recognised in the Statement of profit and loss with the contracted price

Revenue as per contracted price		
Adjustments	16,784.58	18,704.83
Discounts	(301.58)	(183.96)
Revenue from contract with customers	16,483.00	18,520.87

26. Other income

	31 March 2019	31 March 2018
Interest income on		
Bank deposits	9.22	9.04
Others	12.17	16.35
Government grant *	36.49	195.18
Exchange differences (net)	-	39.90
Profit on sale of fixed assets	19.07	0.02
Miscellaneous Income	18.36	32.02
	95.31	292.51

*Details of government grant

	31 March 2019	31 March 2018
Capital subsidy under TUFS	36.49	38.01
Package scheme of incentives	-	157.17
	36.49	195.18

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27. Cost of raw material consumed

	31 March 2019	31 March 2018
Inventory at the beginning of the year	494.68	554.76
Add: Purchases	7,054.80	7,804.13
	7,549.48	8,358.89
Less: Inventory at the end of the year	687.78	494.68
Cost of raw material consumed	6,861.70	7,864.21

28. Purchase of traded goods

	31 March 2019	31 March 2018
Yarn	-	386.24
	-	386.24

29. Changes in inventories of finished goods and work in progress

	31 March 2019	31 March 2018
Inventories at the end of the year (refer note 8)		
Work-in-progress	1,180.14	1,253.28
Finished goods	828.25	901.61
Subtotal (A)	2,008.39	2,154.89
Inventories at the beginning of the year (refer note 8)		
Work-in-progress	1,253.28	1,105.76
Finished goods	901.61	709.28
Subtotal (B)	2,154.89	1,815.04
Changes in inventories of finished goods and work in progress (B-A)	146.50	(339.85)

30. Employee benefit expense

	31 March 2019	31 March 2018
Salaries, wages and bonus	2,912.88	2,710.10
Contribution to provident fund	177.42	191.26
Gratuity expenses (refer note 41)	82.20	95.56
Recruitment and training expenses	1.81	5.81
Staff welfare expenses	110.16	93.30
	3,284.47	3,096.03

31. Depreciation and amortization expense

	31 March 2019	31 March 2018
Depreciation of property, plant and equipments	1,730.71	1,728.18
Amortization of intangible assets	223.21	77.48
	1,953.92	1,805.66

32. Finance costs

	31 March 2019	31 March 2018
Interest on borrowings and other	672.91	503.57
Other borrowing costs	48.98	49.65
Exchange differences to the extent considered as an adjustment to borrowing cost	22.35	8.34
	744.24	561.56

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33. Other expenses

	31 March 2019	31 March 2018
Consumption of stores, spares and packing material	394.98	436.94
Power and fuel	1,270.04	1,274.56
Freight and forwarding charges	45.23	72.41
Rent (refer note 42)	30.26	29.92
Outsourcing expenses	853.97	1,296.87
Rates and taxes	8.22	21.17
Insurance	38.33	53.48
Repairs and maintenance		
Plant and Machinery	146.41	139.42
Buildings	2.94	9.90
Others	27.40	33.44
Advertising and sales promotion expenses	126.91	144.80
Commission expenses	445.07	542.64
Travelling and conveyance	87.41	92.97
Legal and professional fees	150.59	143.34
Exchange differences (net)	14.98	-
CSR expenses (refer note 48)	10.22	1.63
Provision for doubtful debts	8.59	-
Auditor's remuneration		
Statutory audit	15.50	12.00
Tax audit	3.78	3.00
Others (including certification)	25.65	18.44
Out of pocket expenses	4.55	3.60
Miscellaneous expenses	306.63	390.25
	4,017.66	4,720.78

34. Earnings per share (EPS)

	31 March 2019	31 March 2018
Net (loss) / profit attributable to equity shareholders	(433.59)	506.98
Weighted average number of equity shares for calculating basic EPS (No. in Lacs)	1,130.90	1,130.90
Earnings per share (in absolute rupees per share)	(0.38)	0.45

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35. Segment Information

The Company is engaged in manufacturing and sale of grey and dyed shirting fabrics. On review of all the relevant aspects including, in particular, the system of internal financial reporting to the Board of Directors which is the Chief Operating Decision Maker ('CODM') and considering the economic characteristics of the operations, the Company is of the view that it operates in a single primary segment. The said treatment is in the accordance with the guiding principles enacted in Indian Accounting Standard 108 Operating Segment (Ind AS 108).

	31 March 2019	31 March 2018
Segment Revenue		
Within India	15,024.01	16,437.55
Outside India	1,458.99	2,083.32
Total	16,483.00	18,520.87
Addition to Non-Current Assets		
Within India	339.63	1,210.28
Outside India	-	-
Total	339.63	1,210.28

The following is the carrying amount of segment assets by geographical area in which the assets are located.

	Carrying amount of segment assets		
	31 March 2019	31 March 2018	1 April 2017
Within India	15,205.75	16,349.06	16,839.95
Outside India	54.52	533.65	552.30
	15,260.27	16,882.71	17,392.25

Amount of sales to customers to more than 10% of total sales:

	31 March 2019	31 March 2018
Amount of sales to customers to more than 10% of total sales	2,572.69	2,465.41

36. Contingent Liabilities

	31 March 2019	31 March 2018	1 April 2017
Income tax matters	-	117.67	1.84
Sales tax matters	10.35	2.26	-
Letters of guarantee given to customs and other authorities	115.10	381.36	468.03
Export Promotion Capital Goods (EPCG) - Liability if export obligations are not fulfilled in future years (excluding interest and penalty) (note i)	47.79	97.95	329.30
	173.24	599.24	799.17

Note (i) : Differential amount of customs duty payable by the Company in case of non-fulfillment of export obligation against the import of capital goods made at concessional rate of duty. Based on the future sales plan, the management is quite hopeful to meet out the balance obligations by executing the required volume of exports in the future.

(ii) The Supreme Court had passed judgement on 28 February 2019 that all allowances paid to employees are to be considered for the purposes of provident fund wage determination. There are numerous interpretative issues relating to the above judgement, hence the company has not made any provision in the books of accounts. The company will update its position, on receiving further clarity on the subject.

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37. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. 51.63 Lacs (31 March 2018 Rs. Nil ; 1 April 2017 Nil), net of advances of Rs. 6.78 Lacs (31 March 2018 Rs. Nil ; 1 April 2017 Rs.126.03 Lacs). For other commitments refer note 42 relating to lease arrangements.

38. Significant accounting judgements, estimates and assumptions

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

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

• Determining method to estimate variable consideration and assessing the constraint

Certain contracts for the sale of goods include volume rebates and discounts that give rise to variable consideration. In estimating the variable consideration, the Company applies either the most likely amount method or the expected value method. The most likely amount method is applied for contracts with a single-volume threshold and the expected value method is applied for contracts with more than one volume threshold.

The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

Estimates and assumptions

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

Defined benefit plans:

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

The discount rate is the parameter most subject to change. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for India. Mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 41.

Taxes

MAT credit entitlement is recognised to the extent it is probable that taxable profit will be available against which the MAT credit can be utilised. Significant management judgement is required to determine the amount of MAT credit that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

In the absence of convincing evidence that future taxable profits would be available to the Company, MAT credit is not recognised in books.

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39. Related party disclosures

Name of related parties where control exists irrespective of whether transactions have occurred or not:

Holding Company	Upto 29 March 2019 : Soktas Tekstil Sanayi Ticaret A.S., Turkey From 29 March 2019 : Grasim Industries Limited, India
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Related parties with whom transactions have taken place during the current and previous year

Description of relationship	Name of the parties
Fellow subsidiary	Upto 29 March 2019 : Soktas Dokuma Sanayi Ticaret A.S., Turkey
Fellow subsidiary	From 29 March 2019 : Aditya Birla Finance Limited, India
Common director	From 29 March 2019 : Aditya Birla Fashion and Retail Limited, India
Key management personnel (KMP)	1) Sadanand Gupta - Director upto 29 March 2019 2) Chintamani Malkar - Company Secretary w.e.f. 10 November 2017 3) Nita Bharamkar - Company Secretary upto 24 August 2017 4) Sushil Agarwal - Director w.e.f. 29 March 2019 5) Thomas Varghese - Director w.e.f. 29 March 2019 6) Sangeeta Pendurkar - Director w.e.f. 29 March 2019

Transactions during the year

Particulars	31 March 2019	31 March 2018
Sale of manufactured goods		
Aditya Birla Fashion and Retail Limited, India (related party w.e.f. 29 March 2019)	49.58	-
Soktas Dokuma Sanayi Ticaret A.S., Turkey	97.68	576.80
Soktas Tekstil Sanayi Ticaret A.S., Turkey	4.61	-
Sale of yarn, dyes and chemicals		
Soktas Dokuma Sanayi Ticaret A.S., Turkey	239.76	464.80
Sale of traded goods		
Soktas Dokuma Sanayi Ticaret A.S., Turkey	-	403.26
Purchase of property, plant and equipment		
Soktas Dokuma Sanayi Ticaret A.S., Turkey	135.89	138.37
Soktas Tekstil Sanayi Ticaret A.S., Turkey	34.11	19.48
Purchase of intangible assets		
Soktas Tekstil Sanayi Ticaret A.S., Turkey	68.90	1,080.58
Purchases of yarn, dyes and chemicals		
Soktas Dokuma Sanayi Ticaret A.S., Turkey	184.53	25.49
Soktas Tekstil Sanayi Ticaret A.S., Turkey	356.70	-
Purchases of stores and spares		
Soktas Dokuma Sanayi Ticaret A.S., Turkey	-	0.41
Reimbursement of expenses		
Soktas Dokuma Sanayi Ticaret A.S., Turkey	5.20	36.16
Soktas Tekstil Sanayi Ticaret A.S., Turkey	60.78	19.54
Reimbursement received		
Soktas Tekstil Sanayi Ticaret A.S., Turkey	-	18.27
Interest paid		
Aditya Birla Finance Limited, India (related party w.e.f. 29 March 2019)	0.04	-
Remuneration		
Sadanand Gupta	89.52	76.00
Nita Bharamkar	-	1.62
Chintamani Malkar	5.50	2.09

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39. Related party disclosures (Continued)

Balances outstanding as at close of the year

Particulars	31 March 2019	31 March 2018	1 April 2017
Corporate guarantee for loan taken (to the extent of closing liability)			
Soktas Tekstil Sanayi Ticaret A.S., Turkey	-	3,136.61	4,536.72
Financial liabilities : Short term borrowings			
Aditya Birla Finance Limited, India	701.24	-	-
Capital advances			
Soktas Dokuma Sanayi Ticaret A.S., Turkey	-	-	125.79
Advance recoverable in cash and kind			
Soktas Dokuma Sanayi Ticaret A.S., Turkey	-	130.08	3.89
Soktas Tekstil Sanayi Ticaret A.S., Turkey	-	111.14	19.63
Sadanand Gupta	-	1.89	-
Trade payables			
Soktas Dokuma Sanayi Ticaret A.S., Turkey	-	26.72	18.29
Soktas Tekstil Sanayi Ticaret A.S., Turkey	-	1.19	4.99
Trade receivables			
Aditya Birla Fashion and Retail Limited, India	827.80	-	-
Soktas Dokuma Sanayi Ticaret A.S., Turkey	-	289.88	431.78

Notes :

1) The amount of corporate guarantee has been restricted to the closing amount of loans as at the balance sheet date. The original guarantee amounts as at the inception of loan is as follows :

Lender	Currency	31 March 2019	31 March 2018	1 April 2017
State Bank of India	INR	-	3,200.00	3,200.00
Bank of India	INR	-	3,500.00	3,500.00
Bank of Baroda	INR	-	2,277.00	2,277.00
State Bank of India	USD	-	9.74	9.74
State Bank of India	INR	-	225.00	225.00
Bank of Baroda-Corporate Loan	USD / INR	-	480.00	480.00
Bank of Baroda-Fresh Term Loan	INR	-	225.00	225.00
ICICI Bank	INR	-	2,312.70	2,312.70

2) The sales to and purchase from related parties are made on terms equivalent to those that prevail in arm's length transaction. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2018: Rs. Nil; 1 April 2017: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

3) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to key managerial person is not ascertainable and therefore, not included.

4) The information given above has been reckoned on the basis of information available with the Company and relied upon by the auditors.

5) There are few free of cost sales made to Group Companies (Soktas Group).

6) Payment term with related party sales range from 120 - 270 days.

40. Details relating to Micro and Small Enterprises:

	31 March 2019	31 March 2018	1 April 2017
Total outstanding dues of micro and small enterprises	55.65	-	-
Details of dues to micro and small enterprises as defined under the MSMED Act,			
1) Principal Amount	55.65	-	-
2) Interest due	0.48	-	-
3) Payment made to suppliers (other than interest) beyond the appointed day, during the year	154.74	-	-
4) Interest paid to suppliers under MSMED Act, 2006 (other than section 16)	-	-	-
5) Interest paid to suppliers under MSMED Act, 2006 (Section 16)	-	-	-
6) Interest due and payable to suppliers under MSMED Act, 2006 for the payments already made	8.28	-	-
7) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	8.28	-	-

The Company has compiled this information based on intimations received from the suppliers of their status as Micro or Small Enterprises and / or its registration with the appropriate authority under the Micro, Small and Medium Enterprises Development Act, 2006. As at 31 March 2018 and 1 April 2017, no supplier had intimated the Company about its status as Micro or Small enterprises or its registration with the appropriate authority under Micro, Small and Medium Enterprises Development Act, 2006.



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41. Gratuity :

A Gratuity scheme is a defined benefit plan that provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. Under the gratuity plan every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. Due to the nature of the plan, the risk commonly affecting the liabilities and the financial result are expected to be:

Interest rate risk: The defined benefit obligation calculated uses a discount rate based on government bonds. If bond rate falls, defined benefit obligation will tends to increase.

Salary inflation risk: Higher than expected increase in salary will increase the defined benefit plan.

Demographic risk: This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrement on the defined benefit obligation is not straight forward depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically cost lesser per year as compared to long service employee.

The following tables summarise the component of net benefit expense recognised in the Statement of profit and loss and amounts recognised in balance sheet:

a. Net Balance Sheet position

Particulars	31 March 2019	31 March 2018
Defined benefit obligation (DBO)	428.26	353.91
Fair value of Plan assets	-	-
Net Defined benefit liability	428.26	353.91

b. A reconciliation of opening and closing balances of the present value of the Defined Benefit Obligation (DBO):

Particulars	31 March 2019	31 March 2018
Opening DBO	353.91	330.47
Current service cost	55.03	62.90
Interest cost	27.17	24.66
Actuarial losses / (gains) - experience	6.10	(47.57)
Actuarial (gains) / losses - demographic changes	(3.29)	0.82
Actuarial losses / (gains) - financial assumptions	9.44	(22.14)
Benefits paid	(20.10)	(3.23)
Past service cost	-	8.00
Closing DBO	428.26	353.91

c. Reconciliation of Net balance sheet position

Particulars	31 March 2019	31 March 2019
Net DBO (liability)	353.91	330.47
Service cost	55.03	70.90
Net interest cost	27.17	24.66
Amount recognized in OCI including adjustments for limit of net assets	12.25	(68.89)
Employer Contribution	-	-
Benefit paid directly by the Company	(20.10)	(3.23)
Net defined benefit (liability)	428.26	353.91

d. The total defined benefit cost:

Particulars	31 March 2019	31 March 2018
Current Service Cost	55.03	62.90
Interest Cost	27.17	24.66
Actuarial losses / (gains) recognized in OCI	12.25	(68.89)
Past service cost	-	8.00
Total	94.45	26.67

e. Statement of profit and loss

Particulars	31 March 2019	31 March 2018
Current service cost	55.03	62.90
Net interest cost	27.17	24.66
Past service costs planned amendments	-	8.00
Cost recognized in Statement of profit and loss	82.20	95.56

f. Other Comprehensive Income

Particulars	31 March 2019	31 March 2018
Actuarial loss / (gain) due to DBO experience	12.25	(68.89)
Actuarial loss / (gain) recognized in OCI	12.25	(68.89)

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41. Gratuity (Continued)

g. Following are the Principal Actuarial Assumption used as at the balance sheet date:

Particulars	31 March 2019	31 March 2018
Discount rate	7.80%	7.90%
Expected rate of return on plan assets	-	-
Salary escalation rate		
For first year	10.00%	10.00%
For next 4 years	9.00%	9.00%
Thereafter	8.00%	8.00%
Withdrawal rate		
Age upto 30 years	3.00%	3.00%
Age 31 - 40 years	3.00%	3.00%
Age 41 - 50 years	3.00%	3.00%
Age above 50 years	3.00%	3.00%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

h. Expected benefit payment for the next years

Particulars	31 March 2019	31 March 2018
31-Mar-19	-	11.98
31-Mar-20	16.84	13.02
31-Mar-21	15.27	15.66
31-Mar-22	18.23	18.69
31-Mar-23	28.01	27.96
31-Mar-24	36.04	-
2025 - 2029 / 2024 - 2028	252.55	248.31

i. A quantitative sensitivity analysis for significant assumption is as shown below:

Particulars	31 March 2019	31 March 2018
Discount Rate		
1% decrease	497.83	412.99
1% increase	372.02	306.31
Future salary increase		
1% decrease	375.75	309.50
1% increase	491.14	407.77
Withdrawal Rate		
1% decrease	429.97	354.70
1% increase	426.77	353.21

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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42. Leases

Operating lease : Company as lessee

Lease commitments as a Lessee

The Company has entered into non-cancellable operating lease for its Bangalore office. This renewal lease arrangement is for a period of 60 months with lock in period of 48 months. This lease also include escalation clauses.

The minimum lease payments recognized in the Statement of profit and loss (included under 'Rent' in note 33) for the year amount to Rs.30.26 Lacs (31 March 2018: Rs.29.92 Lacs).

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	31 March 2019	31 March 2018	1 April 2017
Within one year	28.30	26.96	29.52
After one year but not more than five years	48.86	77.17	84.52
More than five years	-	-	-
Total	77.16	104.13	114.04

43. Fair values

The following table provides a comparison by class of the carrying amounts and fair value of the Company's financial instruments other than those with carrying amounts that are reasonable approximations of fair values.

	Carrying value			Fair value		
	31 March 2019	31 March 2018	1 April 2017	31 March 2019	31 March 2018	1 April 2017
Financial assets						
Other non current	411.60	612.54	659.57	411.60	612.54	659.57
Trade receivables	2,473.62	1,831.53	2,358.80	2,473.62	1,831.53	2,358.80
Cash and bank	4.03	4.33	6.36	4.03	4.33	6.36
Other bank balances	43.96	62.39	4.52	43.96	62.39	4.52
Other current financial assets	103.13	301.46	32.58	103.13	301.46	32.58
Total	3,036.34	2,812.25	3,061.83	3,036.34	2,812.25	3,061.83
Financial liabilities						
Non current Borrowings	575.02	1,659.50	3,055.10	575.02	1,659.50	3,055.10
Other Non Current	115.44	122.86	248.61	115.44	122.86	248.61
Current Borrowings	2,318.04	1,690.48	412.86	2,318.04	1,690.48	412.86
Trade payables	3,486.96	3,644.29	4,316.93	3,486.96	3,644.29	4,316.93
Other current financial liabilities	824.72	1,479.58	1,595.52	824.72	1,479.58	1,595.52
Total	7,320.18	8,596.71	9,629.02	7,320.18	8,596.71	9,629.02

The management assessed that cash and cash equivalents, trade receivables, other financial assets, borrowings, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of the financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties.

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44. Financial risk management

Financial risk factors:

The Company's principal financial liabilities comprise of borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, other bank balances and cash and cash equivalents that derive directly from its operations.

The risk management policies of the Company are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized as below:

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk as follows:

i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and Euro. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities denominated in a currency that is not the entity's functional currency.

To manage the foreign exchange risk arising from recognized assets and liabilities, the Company uses forward covers to hedge the risk of fluctuation in some cases, as and when required. The following table demonstrates the sensitivity relating to possible change in foreign currencies with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities.

Currency	Change in FC rate	31 March 2019	31 March 2018
		Effect on Profit before	Effect on Profit before
USD	1%	(2.26)	(5.92)
Euro	1%	-	0.88
Total		(2.26)	(5.04)

ii) Interest rate risk

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

The exposure of the Company's financial liabilities to interest rate risk is as follows:

Loan taken in	Floating rate financial liabilities	
	31 March 2019	31 March 2018
USD	272.29	772.04
INR	2,742.98	3,565.89
Total	3,015.27	4,337.93

The following table demonstrates the sensitivity relating to possible change in interest rates with all other variables held constant. The impact on the Company's profit/(loss) before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Increase / Decrease in Basis Points	31 March 2019	31 March 2018
		Effect on Profit before	Effect on Profit before
USD Loan	+100	(6.67)	(6.95)
USD Loan	-100	6.67	6.95
Rupee Loan	+100	(33.72)	(38.86)
Rupee Loan	-100	33.72	38.86

b) Credit risk

Credit risk is the risk that counterparty will not meet its obligation under financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk primarily from trade receivables, other receivables, loans and deposits with banks.

Trade receivable

Senior management is responsible for managing and analyzing the credit risk for each of its new clients before standard payment, delivery terms and conditions are offered. The Company assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment. The utilization of credit limits is regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company follows simplified approach for recognition of impairment loss allowance on trade receivables.

Financial instruments and cash deposits

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings.



c) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Company's objective is to, at all times to maintain optimum levels of liquidity to meet its cash and other obligations. The Company requires fund both for short term operational needs and as well as for long term investment programs such as investment in fixed assets. The Company closely monitors its liquidity position and deploys a robust cash management system. It aims to minimize these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The current borrowings are payable on monthly/quarterly instalments based on contractual terms with banks. The average credit period taken to settle trades payable is about 60 - 150 days. (Soktas - Grasim to update this as per the actual credit period). Other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value.

Financial Liabilities

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

	31 March 2019		31 March 2018	
	Less than 12 months	1 - 5 years	Less than 12 months	1 - 5 years
Non-current financial liabilities				
Borrowings	823.45	575.02	1,477.11	1,659.50
Other financial liabilities	-	115.44	-	122.86
	823.45	690.46	1,477.11	1,782.36
Current financial liabilities				
Current Borrowings	2,318.04	-	1,690.48	-
Trade Payables	3,486.96	-	3,644.29	-
Other financial liabilities*	1.27	-	2.47	-
	5,806.27	-	5,337.24	-
Total	6,629.72	690.46	6,814.35	1,782.36

* Current maturity is excluded from this grouping and shown under non-current borrowings.

45. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio. The gearing ratio is calculated as net debt divided by total capital. Net Debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the balance sheet plus all other equity reserves attributable to equity holders of the Company.

	31 March 2019	31 March 2018	1 April 2017
Borrowings	3,716.51	4,827.09	4,949.58
Less: Cash and cash equivalents	4.03	4.33	6.36
Net Debt	3,712.48	4,822.76	4,943.22
Equity	6,978.64	7,421.07	6,864.37
Gearing Ratio (times)	0.53	0.65	0.72

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46. First Time Adoption of Ind AS (Ind AS 101):

The Company has prepared financial statements for the year ended 31 March 2019 in accordance with Ind AS for the first time. For the periods upto and including the year ended 31 March 2018, the Company prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Company has prepared its financial statements to comply with Ind AS for the year ending 31 March 2019, together with comparative information as at and for the year ended 31 March 2018, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2017 i.e. the transition date to Ind AS for the Company. This note explains the principal adjustment made by the Company in restating its previous GAAP financial statements, including the balance sheet as at 1 April 2017 and the financial statements as at and for the year ended 31 March 2018.

1 Exemptions availed in accordance with Ind AS 101

• Deemed cost for property, plant and equipment and intangible assets:

The Company has elected to continue with the carrying value of all of its property, plant and equipment and intangible assets recognised as of 1 April 2017 (the transition date), measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date under Ind AS.

• Fair value of financial assets and liabilities:

As per Ind AS exemption, the Company has not fair valued the financial assets and liabilities retrospectively and has measured the same prospectively.

• Estimates

The estimates at 1 April 2017 and at 31 March 2018 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation.

• Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

• Explanation of transition to Ind AS

The below mentioned reconciliations provide a quantification of the effect of significant differences arising from the transition from Indian GAAP to Ind AS in accordance with Ind AS 101 for the following:

- equity as at 1 April 2017;
- equity as at 31 March 2018 and
- profit for the year ended 31 March 2018

There are no material adjustments to the cash flow statements.

In the reconciliations mentioned above, certain reclassifications have been made to Indian GAAP financial information to align with the Ind AS presentation.

2 Notes to the reconciliation of equity as at 1 April 2017 and 31 March 2018 and total comprehensive income for the year ended 31 March 2018

a Other comprehensive income (OCI):

Under Previous GAAP, there was no concept of OCI. Under Ind AS, remeasurement of defined benefit plan liability are recognised in OCI.

b Excise duty:

Under Previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products is inclusive of excise duty amounting to Rs. 4.71 Lacs for the year ended 31 March 2018. Accordingly, excise duty has been included in the cost of production, as it is a liability of the manufacturer, irrespective of whether the goods are sold or not and has been shown separately as 'Excise duty expense' in the Statement of profit and loss.

c Cash discount:

Under previous GAAP, cash discount of Rs.100.42 Lacs was recognised as part of other expenses, which has been adjusted against the revenue from operations under Ind AS during the year ended 31 March 2018.

d Defined benefit obligation:

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gain and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of assets ceiling, excluding amounts included in net interest on the net defined benefit liability and return on plan assets excluding amount included in net interest on the net defined benefit liability) are recognised in the balance sheet through other comprehensive income (OCI) net of tax. Thus, employee benefit expense is reduced by Rs. 68.89 Lacs (tax effect of Rs. 19.17 Lacs) and is recognised in OCI during the year ended 31 March 2018.

e TUFs interest subsidy receivable:

TUFs Interest Subsidy Receivable has been discounted at the rate of interest applicable for the loan. The opening reserves as on 1 April 2017 are adjusted for discounting by Rs.136.39 Lacs.

f Processing fees on term loans

Processing fees of Rs.85.15 Lacs on term loans have been adjusted in the opening reserves as on 1 April 2017 and considered as prepaid expenditure. These processing fees are amortized over the term of the loans in the proportion of interest on these term loans.



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g Re-classification of assets and liabilities as per Schedule III of the Companies Act, 2013:

- i TUFs interest subsidy receivable which is financial in nature have been reclassified from loans and advances to other financial assets.
- ii Security deposits which are financial in nature have been reclassified from loans and advances to other financial assets.
- iii Term deposits with banks with maturity greater than twelve months and interest accrued on fixed deposits have been reclassified from other assets to other financial assets.
- iv Capital advances have been reclassified from non-current loans and advances to other non-current assets.
- v Prepaid expenses and balances with statutory / government authorities have been reclassified from loans and advances to other assets.
- vi Current and non-current liabilities have been reclassified into financial and non-financial liabilities as per the nature of liabilities.

3 Disclosures as required by Indian Accounting Standards (Ind AS) 101 First Time Adoption of Indian Accounting Standards

A Effect of Ind AS adoption on the Balance Sheet as at 31 March 2018 and 1 April 2017:

Particulars	Note	31 March 2018			1 April 2017		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
Assets							
Non-current assets							
Property, plant and equipment		9,230.94	-	9,230.94	11,031.66	-	11,031.66
Capital work-in-progress		-	-	-	-	-	-
Intangible assets		1,027.57	-	1,027.57	24.47	-	24.47
Deferred tax assets (net)		-	-	-	58.73	-	58.73
Financial assets							
Other financial assets	2(e)	756.80	(144.26)	612.54	795.96	(136.39)	659.57
Other non-current assets	2(f)	70.55	36.45	107.00	226.05	60.37	286.42
Income tax asset (net)		101.93	-	101.93	74.41	-	74.41
		11,187.79	(107.81)	11,079.98	12,211.28	(76.02)	12,135.26
Current assets							
Inventories		2,896.64	-	2,896.64	2,577.66	-	2,577.66
Financial assets							
Trade receivables		1,831.53	-	1,831.53	2,358.80	-	2,358.80
Cash and bank equivalents	2(g)(iii)	101.17	(96.84)	4.33	12.72	(6.36)	6.36
Other bank balances	2(g)(iii)	-	62.39	62.39	-	4.52	4.52
Other current financial assets	2(g)(iii)	267.01	34.45	301.46	30.74	1.84	32.58
Other current assets	2(f)	682.46	23.92	706.38	252.29	24.78	277.07
		5,778.81	23.92	5,802.73	5,232.21	24.78	5,256.99
TOTAL		16,966.60	(83.89)	16,882.71	17,443.49	(51.24)	17,392.25
Equity and liabilities							
Equity							
Equity share capital		11,309.06	-	11,309.06	11,309.06	-	11,309.06
Other equity	2(e), 2(f)	(3,804.10)	(83.89)	(3,887.99)	(4,393.45)	(51.24)	(4,444.69)
		7,504.96	(83.89)	7,421.07	6,915.61	(51.24)	6,864.37
Non-current liabilities							
Deferred government subsidy		77.93	-	77.93	115.94	-	115.94
Financial liabilities							
Borrowings		1,659.50	-	1,659.50	3,055.10	-	3,055.10
Other financial liabilities		122.86	-	122.86	248.61	-	248.61
Provisions		353.91	-	353.91	319.61	-	319.61
		2,214.20	-	2,214.20	3,739.26	-	3,739.26
Current liabilities							
Financial liabilities							
Borrowings		1,690.48	-	1,690.48	412.86	-	412.86
Trade payables		3,644.29	-	3,644.29	4,316.93	-	4,316.93
Other current financial liabilities		1,479.58	-	1,479.58	1,595.52	-	1,595.52
Other current liabilities		96.77	-	96.77	161.59	-	161.59
Provisions		336.32	-	336.32	301.72	-	301.72
		7,247.44	-	7,247.44	6,788.62	-	6,788.62
TOTAL		16,966.60	(83.89)	16,882.71	17,443.49	(51.24)	17,392.25



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B Effect of Ind AS adoption on the Statement of profit and loss for the year ended 31 March 2018:

Particulars	Note	31 March 2018		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Statement of Profit & Loss
Income				
Revenue from operations	2(b), 2(c)	18,616.59	(95.72)	18,520.87
Other income		292.51	-	292.51
Total Income		18,909.10	(95.72)	18,813.38
Expenses:				
Cost of raw material and components consumed		7,864.21	-	7,864.21
Purchase of traded goods		386.24	-	386.24
Change in inventories of finished goods and work-in-progress		(339.85)	-	(339.85)
Excise duty expenses	2(b)	-	4.71	4.71
Employee benefits expense	2(d)	3,027.14	68.89	3,096.03
Depreciation and amortization expense		1,805.66	-	1,805.66
Finance costs	2(e), 2(f)	528.92	32.64	561.56
Other expenses	2(c)	4,821.21	(100.43)	4,720.78
Total Expenses		18,093.53	5.81	18,099.34
(Loss) / profit before tax		815.57	(101.53)	714.04
Current Tax expense:				
Minimum alternative tax (MAT) payable		167.50	-	167.50
MAT credit entitlement		(167.50)	-	(167.50)
Provision for MAT credit		226.23	-	226.23
Deferred Tax	2(d)	-	(19.17)	(19.17)
Total tax expense		226.23	(19.17)	207.06
(Loss) / profit for the period		589.34	(82.36)	506.98
Other comprehensive income (OCI)				
Items not to be reclassified to profit or loss in subsequent periods :				
Re-measurement gain / (losses) on defined benefit plans	2(d)	-	68.89	68.89
Income tax effect	2(d)	-	(19.17)	(19.17)
Net other comprehensive income not to be reclassified to profit or loss in subsequent period		-	49.72	49.72
Total comprehensive income for the year		589.34	(32.64)	556.70

C Reconciliation of Total Comprehensive Income for the year ended 31 March 2018:

	31 March 2018
Profit as reported under previous GAAP (A)	589.34
Ind AS adjustments on account of:	
i Discounting of TUFs Interest Subsidy	2(e) (7.86)
ii Amortization of Processing Fees	2(f) (24.78)
iii Re-measurement gain / (losses) on defined benefit plans	2(d) (68.89)
iv Income tax effect	2(d) 19.17
Total effect of transition to Ind AS (B)	(82.36)
Profit for the year as per Ind AS (A+B)	506.98
Other Comprehensive Income for the year (net of tax)	49.72
Total Comprehensive Income under Ind AS	556.70

D Reconciliation of Equity as at 31 March 2018 and 1 April 2017:

	31 March 2018	1 April 2017
Total Equity as reported under previous GAAP (A)	7,504.96	6,915.61
Ind AS adjustments on account of:		
Discounting of TUFs Interest Subsidy	2(e) (144.26)	(136.39)
Processing Fees considered as Prepaid Expenses	2(f) 60.37	85.15
Total adjustments to Equity (B)	(83.89)	(51.24)
Total Equity under Ind AS (A + B)	7,421.07	6,864.37

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E Effect of Ind AS adoption on the Cash Flow Statement for the year ended 31 March, 2018

	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flows from Operating Activities	1,580.43	-	1,580.43
Net cash flows from Investing Activities	(897.95)	-	(897.95)
Net cash flows from Financing Activities	(684.52)	-	(684.52)
Net increase/(Decrease) in cash and cash equivalents	(2.04)	-	(2.04)
Effect of exchange differences on cash & cash equivalents held in foreign currency	0.01	-	0.01
Cash and cash equivalents at the beginning of the year	6.36	-	6.36
Cash and cash equivalents at the end of the year	4.33	-	4.33

47. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.
The Ministry of Corporate Affairs ('MCA') has issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 amending the following standards:

A Ind AS 116 - Lease

Ind AS 116 Leases was notified on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company continues to evaluate the available transition methods and its lease contractual arrangements. The ultimate impact resulting from the application of Ind AS 116 will be subject to assessments that are dependent on terms of lease contractual arrangements.

B Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 and does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity has to determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. In determining the approach that better predicts the resolution of the uncertainty, an entity might consider, for example, (a) how it prepares its income tax filings and supports tax treatments; or (b) how the entity expects the taxation authority to make its examination and resolve issues that might arise from that examination.

The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date. The Company does not expect to have any material impact on its financial statements.

C Amendments to Ind AS 19: Plan Amendment, Curtailment or settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event.
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company. The Company does not expect to have any material impact on its financial statements.



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D. Annual improvement to Ind AS (2018)

Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

48. Corporate social responsibility

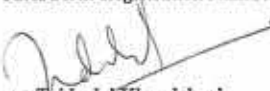
As set out in Section 135 of the Companies Act, 2013, the Company is required to contribute Rs.11.27 Lacs (31 March 2018 : Rs.6.61 Lacs) towards corporate social responsibility activities, as calculated basis 2% of its average net profits of the last three financial years. However, during the current year, the Company has contributed Rs.10.22 Lacs (31 March 2018 : Rs.1.63 Lacs) towards corporate social responsibility activities as mentioned in Schedule VII (including amendments thereto) of the Companies Act, 2013.

49. Subsequent event

The Board of Directors of Grasim Industries Limited (the Holding Company) at its meeting held on 24 May 2019, has considered and approved the Scheme of Amalgamation of the Company, a wholly owned subsidiary of the Holding Company under the relevant provisions of the Companies Act, 2013 ("Scheme"). The scheme is subject to necessary statutory and regulatory approvals.

As per our report of even date

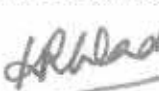
For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration Number : 324982E / E300003

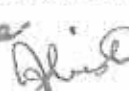

per Tridevjal Khandelwal
Partner
Membership number : 501160


Date: 12 August 2019
Pune




For and on behalf of the board of directors of
Grasim Premium Fabric Private Limited


Hutokshi R. Wadia
Director
DIN 00103357


Ashish Adukia
Director
DIN 08512890


Sachin Kumar
Chief Financial Officer
PAN: ALTPK9835H


Chintamani Malkar
Company Secretary
PAN: APRPM7798D

Date: 12 August 2019
Mumbai

