

Received on
25th May 2018

Financial Report

Niharika Threads Pvt. Ltd.

Financial Year 2017-18



INDEPENDENT AUDITOR'S REPORT

To,
The Members
NIHARIKA THREADS PVT LTD
(Formerly known as **TARACHAND CLEAN INITIATIVE PVT. LTD.**)
AHMEDABAD

Report on the Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **NIHARIKA THREADS PVT LTD (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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



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

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

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

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit/loss total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by section 143(3) of the Act, we report to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of accounts 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 Other comprehensive income, the statement of cash flows 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 standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
- e) On the basis of written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to our best of our information and according to the explanations given to us :
 - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer note 35 to the financial statements;;
 - ii. the Company did not have any long-term contracts including derivatives 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.

2. 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 - B", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.



Place : Ahmedabad
Date : 17-05-2018

FOR B. A. BEDAWALA & COMPANY
Firm Registration No. 101064W
Chartered Accountants

(B. A. SHARMA)
Partner
Mem. No. 038236

Annexure -A to the Independent Auditors' Report

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

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

We have audited the internal financial controls over financial reporting of **NIHARIKA THREADS PVT LTD** ("the Company") as of 31st March, 2018 in conjunction with our audit of standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in

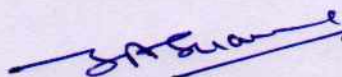


the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR B. A. BEDAWALA & COMPANY

Firm Registration No. 101064W

Chartered Accountants



(B. A. SHARMA)

Partner

Mem. No. 038236

Place : Ahmedabad

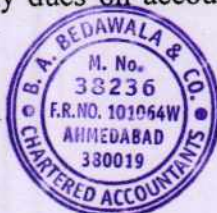
Date : 17-05-2018



ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

- (i)
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
 - b) Fixed assets have been physically verified by the management at reasonable intervals which in our opinion is reasonable having regard to size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property are held in the name of the Company
- (ii) As explained to us,, the Management of the Company has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed on physical verification during the year.
- (iii) According to information and explanation given to us the Company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013
- (iv) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) According to information and explanation given to us the Company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provision of Clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, employee state insurance, service tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and



duty of excise and custom.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, goods and service tax, sales tax, value added tax, duty of custom, employee state insurance, service tax, cess and other material statutory dues were in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31st March, 2018.

- (viii) In our opinion and according to information and explanations given to us, the Company has not defaulted in the repayment of loans and borrowings to financial institutions, banks, government or dues to debenture holders during the year.
- (ix) In our opinion and according to information and explanations given to us the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided any managerial remuneration. Accordingly reporting under clause 3(xi) of the Order is not applicable to the company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act where applicable for all transactions with related parties and details of such transactions have been disclosed in the standalone



Ind AS financial statements as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and therefore, the reporting under clause (xiv) of the Order is not applicable to the company
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into non-cash transactions with directors or persons connected with him. And hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934



Place : Ahmedabad
Date : 17-05-2018

FOR B. A. BEDAWALA & COMPANY
Firm Registration No. 101064W
Chartered Accountants

(B. A. SHARMA)
Partner
Mem. No. 038236

Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)

CIN: U17100GJ2013PTC074885

Balance Sheet as at 31 March, 2018

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	Amount (₹) As at 31 March 2016
Assets				
Non-current assets				
Property, plant and equipment	5	445,592,412	-	-
Capital work-in-progress		44,345	-	-
Financial assets				
- Investments	6	4,000	-	-
Other non-current assets	7	24,818	-	-
Total non-current assets		445,665,575	-	-
Current assets				
- Cash and cash equivalents	8	6,160,450	10	92,574
- Other bank balances	9	11,138,964	-	-
- Other financial assets	10	8,393,368	-	-
Other current assets	11	185,244,015	45,000	-
Total current assets		210,936,797	45,010	92,574
Total assets		656,602,372	45,010	92,574
Equity and liabilities				
Equity				
Equity share capital	12	70,100,000	100,000	100,000
Other equity	13	2,545	(89,845)	(15,846)
Total equity		70,102,545	10,155	84,154
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	14	297,570,112	-	-
Deferred tax liabilities (net)	15	37,854	-	-
Total non-current liabilities		297,607,966	-	-
Current liabilities				
Financial liabilities				
- Trade Payables	16	41,940,201	4,000	2,000
- Other financial liabilities	17	-	1,185	-
Other current liabilities	18	246,951,660	29,670	6,420
Current-tax liabilities		-	-	-
Total current liabilities		288,891,861	34,855	8,420
Total equity and liabilities		656,602,372	45,010	92,574

The accompanying notes form an integral part of these financial statements

As per our report of even date

FOR, FOR, B. A. BEDAWALA & COMPANY

Firm Registration No.: 101064W

Chartered Accountants

(B. A. SHARMA)

PARTNER

M. No. : 038236

Place : Ahmedabad

Date : 17-05-2018



For and on behalf of Board of Directors of
Niharika Threads Pvt. Ltd.

(Mr. HARSH AGRAWAL)

Director

DIN: 00195019

(Mr. YASH AGRAWAL)

Director

DIN: 00671947

Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)

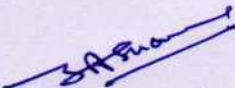
CIN: U17100GJ2013PTC074885

Statement of Profit and Loss for the year ended 31 March 2018

Particulars	Notes	Amount (₹)	
		For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	19	1,006,297	-
Other income	20	723,133	-
Total income		1,729,431	-
Expenses			
Employee benefits expense	21	30,500	-
Depreciation and amortization expense	22	1,341,888	-
Other expenses	23	226,798	73,999
Total expenses		1,599,186	73,999
Profit/(loss) before exceptional items and tax		130,244	(73,999)
Exceptional items			-
Profit before tax		130,244	(73,999)
Tax expense:	24		
Current tax	(a)	24,818	-
Tax of earlier periods		-	-
Deferred tax		37,854	-
Less: MAT credit entitlement		(24,818)	-
Income tax expense		37,854	-
Profit for the year		92,390	(73,999)
Other comprehensive income			
Items not to be reclassified to profit or loss in subsequent periods			
Re-measurement gains/ (losses)-on defined benefit plans		-	-
Foreign exchange (loss)		-	-
Income tax related to item that will not be reclassified to profit and loss	(b)	-	-
Net other comprehensive (expense) not to be reclassified to profit or loss in subsequent periods		-	-
Total comprehensive income for the year		92,390	(73,999)
Earnings per equity share			
Basic and diluted earnings per equity shares	27	0.01	(7.40)

The accompanying notes form an integral part of these financial statements
As per our report of even date

FOR, FOR, B. A. BEDAWALA & COMPANY
Firm Registration No.: 101064W
Chartered Accountants


(B. A. SHARMA)
PARTNER

M. No. : 038236

Place : Ahmedabad
Date : 17-05-2018



For and on behalf of Board of Directors of
Niharika Threads Pvt. Ltd.


(Mr. HARSH AGRAWAL)
Director
DIN: 00195019


(Mr. YASH AGRAWAL)
Director
DIN: 00671947

Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)

CIN: U17100GJ2013PTC074885

Cash flow statement for the year ended 31 March 2018

	(Amount in ₹)	
	Year ended 31-03-2018	Year ended 31-03-2018
A Cash flow from operating activities:		
Profit before tax	130,244	(73,999)
Adjustments for :		
Depreciation and amortisation expense	1,341,888	
Interest expense		
Interest income	(205,602)	
Dividend income on current investments		
Profit on sale of fixed assets		
Profit on sale/fair market valuation of investment		
Fair market valuation of derivatives		
Unclaimed balances written back		
Bad debts written off		
Expected credit loss		
Amortisation of government grant		
Provision for doubtful advances		
Diminution in value of current investments		
Operating profit before working capital changes	1,266,530	(73,999)
Adjustments for changes in working capital :		
(Increase) in trade receivables		
Decrease/(Increase) in inventories		
(Increase) in financial assets		
(Increase) in other assets	(193,617,201)	(45,000)
Increase in trade payables	41,936,201	2,000
Increase in other liabilities	246,920,805	23,250
Increase in financial liabilities		
Cash flow from/ (used in) operations	96,506,335	(93,749)
Income taxes paid		
Net cash flow from/(used in) operating activities	96,506,335	(93,749)
B Cash flow from investing activities:		
Purchase of fixed assets (including capital work-in-progress, capital advances and intangibles under development)	(446,978,645)	
Proceeds from sale of fixed assets		
Purchase of investments	(4,000)	
Proceeds from sale of investments		
Net proceeds (to)/from loans and advances		
Net proceeds (to)/from deposits		
Dividend received		
Interest received	205,602	
Net cash (used in)/flow from investing activities	(446,777,043)	-
C Cash flow from financing activities:		
Net (repayment)/proceeds from Share Capital	70,000,000	
Net (repayment)/proceeds from short-term borrowings		1,185
Proceeds from long-term borrowings	297,570,112	
Repayment of long-term borrowings		
Interest paid		
Net cash (used in)/flow from financing activities:	367,570,112	1,185
D Net increase in cash and cash equivalents	17,299,404	(92,564)
Cash and cash equivalents at the beginning of the year (refer note 19)	10	92,574
Cash and cash equivalents at the end of the year	17,299,414	10



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)

CIN: U17100GJ2013PTC074885

Cash flow statement for the year ended 31 March 2018

E Cash and cash equivalents comprises of:

Balances with banks
on current accounts
Cash on hand
Deposits with maturity less than 3 months

	Year ended 31-03-2018	(Amount in ₹) Year ended 31-03-2018
	6,160,440	-
	10	10
	11,138,964	-
	<u>17,299,414</u>	<u>10</u>

The accompanying notes form an integral part of these financials statements.
As per our report of even date.

FOR, FOR, B. A. BEDAWALA & COMPANY

Firm Registration No.: 101064W

Chartered Accountants

(B. A. SHARMA)
PARTNER

Place : Ahmedabad
Date : 17-05-2018



For and on behalf of Board of Directors of
Niharika Threads Pvt. Ltd


(Mr. HARSH AGRAWAL)
Director
DIN: 00195019


(Mr. VASH AGRAWAL)
Director
DIN: 00671947

Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Statement of Changes in Equity for the year ended 31 March 2018

A. Equity share capital

(Amount in ₹)

Equity shares of ₹ 10/- each issued, subscribed and fully paid up	Number of shares	Amount
As at 01 April 2016	7,010,000	70,100,000
Issue/reduction, if any during the year	-	-
As at 31 March 2017	7,010,000	70,100,000
Issue/reduction, if any during the year	-	-
As at 31 March 2018	7,010,000	70,100,000

B. Other equity

(Amount in ₹)

Particulars	Retained earnings	Securities Premium Account	Total
As on 01 April, 2016	(15,846)	-	(15,846)
Profit for the year	(73,999)	-	(73,999)
Movement for the year	-	-	-
As on 31 March, 2017	(89,845)	-	(89,845)
Profit for the year	92,390	-	92,390
Movement for the year	-	-	-
As on 31 March, 2018	2,545	-	2,545

The accompanying notes form an integral part of these financial statements
As per our report of even date

FOR, FOR, B. A. BEDAWALA & COMPANY

Firm Registration No.: 101064W
Chartered Accountants

(B. A. SHARMA)
PARTNER
M. No. : 038236

Place : Ahmedabad
Date : 17-05-2018



For and on behalf of Board of Directors of
Niharika Threads Pvt. Ltd

(Mr. HARSH AGRAWAL) (Mr. YASH AGRAWAL)
Director Director
DIN: 00195019 DIN: 00671947

1 Corporate information

Niharika Threads Private Limited ('the Company') is a private Company, domiciled in India under the provision of the Companies Act, 2013. The Company is engaged in Weaving of Textile fabrics..

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. (Refer Note 4.1 for information on how the Company has adopted Ind AS.)

The Company has adopted all the "Ind AS standards and the adoption was carried out in accordance with Ind AS 101 "First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 4.3 and 4.4.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

The financial statements are presented in Indian rupees (INR) and all values are are presented in full, except otherwise indicated.

3 Summary of significant accounting policies

3.1 Current vs Non Current Classification

The Company presents assets and liabilities in the Balance Sheet base on current/non-current classification.

An asset is current when it is:

- i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Expected to be realised within twelve months after the reporting period, or
- iv) Cash or cash equivalents 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:

- i) Expected to be settled in normal operating cycle
- ii) Held primarily for the purpose of trading
- iii) Due to be settled within twelve months after the reporting period, or
- iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non-current

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

3.2 Revenue recognition

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



Revenue from Services

Revenue from long term service contracts is recognized using the proportionate completion method, and recognised net of service tax. Completion is determined as a proportion of cost incurred till date to the total estimated contract cost. Provision is made for any loss in the period in which it is foreseen.

In case of other service contracts, revenue is recognized when services are rendered.

Interest income

Interest income is recognised using effective interest 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 the 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 the other income in the Statement of Profit and Loss.

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

3.3 Cash and cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.4 Property, plant and equipment (PPE)

Under the previous GAAP (Indian GAAP), fixed assets (including capital work in progress) are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs, if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use. The Company has elected to regard previous GAAP carrying values of property as deemed cost at the date of transition to Ind AS.

Property, plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any). All significant costs relating to the acquisition and installation of property, plant and equipment are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Borrowing cost relating to acquisition / construction of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Depreciation is calculated on written down value (WDV) method using the rates arrived at based on the useful lives estimated by the management. Further, pursuant to the notification of Schedule II of the Companies Act 2013, by the Ministry of Corporate Affairs effective 01st April, 2014, the management has internally reassessed and changed, wherever necessary the useful lives to compute depreciation, to conform to the requirements of the Companies Act, 2013.

Depreciation and Amortisation

Depreciation is charged on the basis of useful life of assets on WDV method which are as follows:-

Asset Category	Life in Year	Basis for useful life
Plant and Machinery	15	
Electrical Installations	10	
Computers	3	
Furniture and Fixtures	10	

*Depreciation on factory building at leasehold land is charged over the period of lease by WDV method.
Freehold land is carried at cost.



An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.5 Borrowing costs

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

3.6 Leases

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

For arrangements entered into prior to the date of transition, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

The Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Assets acquired on leases where substantial risks and rewards incidental to ownership are not transferred to the Company are classified as operating leases.

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term after considering effects of escalation unless the payments are structured to increase in line with general inflation to compensate for lessors expected inflationary cost increase.

3.7 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. 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 period 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.

3.8 Taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



Current income tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing and applicable for the relevant assessment year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income taxes are recognised for the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases in the financial statements. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Minimum alternate tax ('MAT') credit is recognized as a deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

3.9 Impairment of non-financial assets

At each balance sheet date, the Company reviews the carrying values of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value 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 in the statement of profit and loss immediately

3.10 Provisions, contingent liabilities, contingent assets and commitments

A provision is recognised when there is a present legal or constructive obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, and in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. A disclosure for a contingent liability is made where there is a possible obligation arising out of past event, 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 or a present obligation arising out of past event 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.

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



3.11 Foreign currency transactions

The standalone financial statements are presented in currency INR, which is also the functional currency of the Company. Functional currency is the currency of the primary economic environment in which the entity operates.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

3.12 Fair value disclosures for financial assets and financial liabilities

The management believes that the fair values of non-current financial assets (e.g. Investments at FVPL, loans and others), current financial assets (e.g. , cash equivalents, trade and other receivables, loans), non-current financial liabilities and current financial liabilities (e.g Trade payables and other payables and others) approximate their carrying amounts.

The Company has not performed a fair valuation of its investment in unquoted equity shares other than subsidiary, which are classified as FVOCI (refer Note 4), as the Company believes that impact of change on account of fair value is insignificant.

Fair value of quoted investment in mutual fund is determined by reference to available net asset value (NAV) available from respective Assets Management Companies ("AMC")

3.13 Fair value measurement

The Company measures financial instruments, such as, investments and derivatives, at fair value at each balance sheet date.

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy,

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

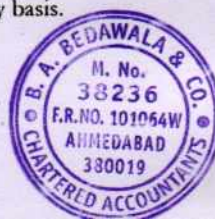
For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as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

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted/quoted financial assets measured at fair value.

External valuers are involved for valuation of unquoted financial assets and financial liabilities. Involvement of external valuers is decided upon annually by the Management. Selection criteria includes market knowledge, reputation, independence and whether professional standards are maintained. The Management decides, after discussions with The Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on a yearly basis.



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.

3.14 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

Initial recognition and measurement

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.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

A) Debt instruments

i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to loans, security deposits given, trade and other receivables.

ii) Debt instrument at FVTOCI

A debt instrument is subsequently measured at fair value through other comprehensive income if it 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 asset into this category.

iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

B) Equity instruments

All equity instruments are subsequently measured at fair value in the balance sheet, with value changes recognised in statement of profit and loss, except for those equity instruments for which the Company has elected to present value changes in "other comprehensive income". If an equity instrument is not held for trading, the Company may make an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income. The Company makes such election on an instrument by instrument basis.

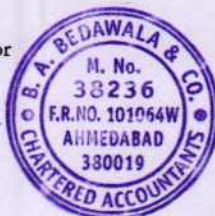
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, The Company may transfer the cumulative gain or loss within equity.

The Company has elected to present all equity instruments, other than those in subsidiary, through FVTPL and all subsequent changes are recognized in Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- > The rights to receive cash flows from the asset 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 flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances
- b) Financial assets that are debt instruments and are measured as at other comprehensive income (FVTOCI)
- c) Lease receivables under Ind AS 17
- d) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- > Trade receivables or contract revenue receivables; and
- > All lease receivables resulting from transactions within the scope of Ind AS 17

Under the simplified approach the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs 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 said 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.

ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income / (expense) in the statement of profit and loss (P&L). This amount is reflected under the head "Other Expense" in the P&L. 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, deposits and lease receivable respectively.

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

Subsequent measurement of financial liabilities depends on their classification as fair value through Profit and loss or at amortized cost.



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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 the EIR method. Gains and losses are recognized in 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 the EIR. The EIR amortization is included as finance cost in the Statement of Profit and Loss.

Derecognition

A financial liability is derecognised 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 a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value through profit or loss (FVTPL) on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivative financial instrument are recognised in the statement of profit and loss.

Reclassification of financial instruments

After initial recognition, no reclassification is made for financial assets which are equity instruments. 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.



4 Explanatory notes to first time adoption of Ind AS

These financial statements of Niharika Threads Private Limited (the Company) for the year ended 31 March 2018 have been prepared in accordance with Ind AS. This is Company's first set of standalone financial statements prepared in accordance with Ind AS for period upto and included the year ended 31 March 2017, the Company prepared its financials statements in accordance with Accounting Standards as notified under section 133 of the Companies Act 2013, read with paragraph 7 of Companies (Accounts) Rules 2014 (Indian GAAP), accordingly the Company has prepared its first of financials statement that comply Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed under Ind AS 101- First Time adoption of Indian Accounting Stanadard, with 1 April 2016 as the transition date.

The transition to Ind AS has resulted in the changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies in note 3 have been applied in preparing the financial statements for the year ended on 31 March 2018. This note explains the principal adjustments made by the Company in restating its IGAAP financial statements including balance sheet as at 1 April 2016 and financials statements as at and for the period ended 31 march 2017. Further, exemption on first time adoption of Ind AS availed in accordance with Ind AS have been set out in note 4.1.

4.1 Ind AS optional exemption and exceptions availed:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following Ind AS 101 exemptions from the transition date i.e. 01 April 2016 :

- (a) The Company has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying value as deemed cost at the date of transition for all items of property, plant and equipment, intangible assets and investment properties as per the statement of financial position prepared in accordance with Indian GAAP.
- (b) The Company has elected to avail exemption under Ind AS 101 to use Indian GAAP carrying values as deemed cost at the date of transition for investments in subsidiaries as per the statement of financial position prepared in accordance with Indian GAAP.

Ind AS mandatory exemptions:

- (c) Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provide relief in determining cumulative currency translation differences in accordance with Ind AS 21 from the date, the branch was formed. The Company elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.
- (d) Estimates:
The estimates as at 01 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
Impairment of financial assets based on the risk exposure and application of expected credit loss model
The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 01 April 2016, the date of transition to Ind AS and as of 31 March 2017.
- (e) Ind AS 109: Designation of previously recognized financial instruments: Financial assets and financial liabilities are classified as fair value through profit and loss or fair value through other comprehensive income based on facts and circumstances as at the date of transition to Ind AS. Financial assets and liabilities are recognized at fair value as at the date of transition to Ind AS and not from the date of initial recognition.
- (f) The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition.
Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.
- (g) At the date of transition to Ind AS, determining whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

4.2 Significant accounting 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 outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates 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 that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.



Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Depreciation

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.

Taxes

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

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.



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4.3. Reconciliation of equity as on 31 March 2017 and 01 April 2016

Particulars	Note No.	As at 31 March 2017			As at 01 April 2016			Amount (₹)
		IGAAP	Adjustments	Ind AS	IGAAP	Adjustments	Ind AS	
Assets								
Non-current assets								
Other non-current assets	4.6(a)	89,845	(89,845)	-	15,846	(15,846)	-	
		89,845	(89,845)	-	15,846	(15,846)	-	
Current assets								
Cash and cash equivalents		10	-	10	92,574	-	92,574	
Other current assets		45,000	-	45,000	-	-	-	
		45,010	-	45,010	92,574	-	92,574	
Total assets		134,855	(89,845)	45,010	108,420	(15,846)	92,574	
Equity and liabilities								
Equity								
Equity share capital		100,000	-	100,000	100,000	-	100,000	
Retained Earnings	4.6(a)	-	(89,845)	(89,845)	-	(15,846)	(15,846)	
Total equity		100,000	-	10,155	100,000	-	84,154	
Liabilities								
Current liabilities								
Financial liabilities								
Trade payables		4,000	-	4,000	2,000	-	2,000	
Other financial liabilities		1,185	-	1,185	-	-	-	
Other current liabilities		29,670	-	29,670	6,420	-	6,420	
		34,855	-	34,855	8,420	-	8,420	
Total liabilities		34,855	-	34,855	8,420	-	8,420	
Total equity and liabilities		134,855	-	45,010	108,420	-	92,574	



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financials statements for the year ended 31 March 2018

4.4. Reconciliation of Statement of Profit and Loss for the year ended 31 March 2017

Particulars	Note No.	IGAAP	Amount (₹)	
			Adjustments	Ind AS
Expenses				
Other expenses	4.6 (a)	-	73,999	73,999
Total expenses		-	73,999	73,999
Profit/(loss) before exceptional items and tax		-	(73,999)	(73,999)
Exceptional items		-	-	-
Profit/(loss) before tax		-	(73,999)	(73,999)
Other comprehensive income ('OCI')				
Items not to be reclassified to profit or loss in subsequent periods				
Re-measurement losses on defined benefit plans		-	-	-
Income tax effect		-	-	-
Net other comprehensive expense not to be reclassified to profit or loss in subsequent periods		-	-	-
Items to be reclassified to profit or loss in subsequent periods		-	-	-
Other comprehensive expense for the year		-	-	-
Total comprehensive income for the year		-	(73,999)	(73,999)



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financials statements for the year ended 31 March 2018

4.5. Statement of reconciliation of other equity

Particulars	Note No.	Amount (₹)	
		As at 31 March 2017	As at 01 April 2016
Other equity as per IGAAP		-	-
Written off Pre-operating Expenses	4.6(a)	(89,845)	(15,846)
Net increase/(decrease)		(89,845)	(15,846)
Other equity as per Ind AS		(89,845)	(15,846)

4.6 Notes to reconciliation between Indian GAAP and Ind AS

a) Unamortized expenses

Under Indian GAAP, certain preliminary expenses were amortized over a period of time.

Under Ind AS, all such expenses were adjusted and Statement of Profit and Loss for the year to which they pertain.



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)

Notes to standalone financials statements for the year ended 31 March 2018

Note 5 - Property, plant and equipment

(Amount in ₹)

Particulars	Plant and Machinery	Computer equipment	Electrical Installations	Furniture and Fixtures	Total
Deemed cost					
As at 31 March 2017		-	-	-	-
Additions	437,501,328	4,000	9,368,621	60,352	446,934,300
Deductions		-	-	-	-
As at 31 March 2018	437,501,328	4,000	9,368,621	60,352	446,934,300
Accumulated depreciation					
As at 31 March 2017	-	-	-	-	-
Depreciation for the year	1,301,717	42	39,872	257	1,341,888
Deductions					
As at 31 March 2018	1,301,717	42	39,872	257	1,341,888
Net block					
As at 31 March 2018	436,199,611	3,958	9,328,749	60,095	445,592,412
As at 31 March 2017		-	-	-	-



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financial statements for the year ended 31 March 2018

		(Amount in ₹)		
		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
6 Investments				
Non current investments				
Unquoted equity instruments - at cost				
Investment in equity shares				
(i) Investment in other companies				
400 shares of AGHT of Rs.10 each		4,000	-	-
		4,000	-	-
7 Other non-current assets				
Capital advances		-	-	-
MAT credit entitlement		24,818	-	-
Preliminary and Preoperating expenses		-	-	-
		24,818	-	-
8 Cash and cash equivalents				
Balance in current account		6,160,440	-	92,564
Cash on hand		10	10	10
		6,160,450	10	92,574
9 Bank balances other than cash and cash equivalents				
(i) Bank fixed deposits held as margin money or as security deposit				
(a) Guarantees - margin money		11,138,964	-	-
		11,138,964	-	-
10 Other current financial assets				
Advances given to creditors		8,393,368	-	-
		8,393,368	-	-
11 Other current assets				
Advances to suppliers		130,000,000	-	-
Balances with statutory authorities		55,244,015.38	45,000	-
		185,244,015	45,000	-
12 Share capital				
A). Authorized, issued, subscribed and paid up share capital				
Authorised				
Equity Shares of Rs.10 each		300,000,000	300,000,000	300,000,000
		300,000,000	300,000,000	300,000,000
Issued, subscribed and fully paid up shares				
Equity Shares of Rs.10 each with voting rights		70,100,000	100,000	100,000
		70,100,000	100,000	100,000



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financials statements for the year ended 31 March 2018

Notes:

(a) Reconciliation of the number of the shares outstanding as the beginning and end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	10,000	100,000	10,000	100,000
Movement during the year	7,000,000	70,000,000	-	-
At the end of the year	7,010,000	70,100,000	10,000	100,000

(b) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholder holding more than 5% shares in the Company

Equity shares of ₹10 each fully paid		As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Jindal Worldwide Limited	Number of Shares	7,010,000		
	% Holding	100.00%		
Dr. Yamunadut Agrawal*	Number of Shares	-	9999	
	% Holding	-	99.99%	
		100.00%	99.99%	0.00%

(d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options

(e) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

The Company has neither issued any bonus shares, shares for consideration other than cash nor has there been any buyback of shares in the current year and preceding five years from 31 March 2018.

13 Other equity

(i) Retained earnings

Opening balance
Add: Profits for the year
Closing balance
Total

	(Amount in ₹)		
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Opening balance	(89,845)	(15,846)	(15,846)
Add: Profits for the year	92,390	(73,999)	-
Closing balance	2,545	(89,845)	(15,846)
Total	2,545	(89,845)	(15,846)

14 Borrowings

Non-current borrowings
Secured term loans from banks

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Secured term loans from banks	297,570,112	-	-
	297,570,112	-	-

Details of security and repayment thereof

14.1 Term loans are secured by way of hypothecation of the asset purchased. The interest is 12.5% per annum. The aforementioned loans are repayable in 32 equal quarterly instalments after 2 year moratorium period.

15 Deferred tax liabilities (net)

On difference between book base and tax base of depreciable assets

	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
On difference between book base and tax base of depreciable assets	37,854	-	-
	37,854	-	-

16 Trade payables

Creditors for Expenses
Creditors for for Goods

	(Amount in ₹)		
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Creditors for Expenses	528,972	4,000	2,000
Creditors for for Goods	41,411,229	-	-
	41,940,201	4,000	2,000



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financials statements for the year ended 31 March 2018

17 Other financial liabilities

Other current financial liabilities

Short term borrowings

-	1,185	-
-	1,185	-

18 Other current liabilities

Statutory dues

Advance from customers

Provision for Electricity

Salary Payable

Other

60,408	-	-
246,770,012	-	-
90,740	-	-
30,500	-	-
-	29,670	6,420
246,951,660	29,670	6,420

(Amount in ₹)

For the year ended 31 March 2018 For the year ended 31 March 2017

19 Revenue from operations

Sale of products and services (including excise duty)

Sale of Services-Weaving Income

1,006,297	-
1,006,297	-

20 Other income

Interest income on

Fixed deposits

Profit on High Seas Sale

205,602	-
517,531	-
723,133	-

(Amount in ₹)

For the year ended 31 March 2018 For the year ended 31 March 2017

21 Employee benefits expense

Salaries, wages and allowance

30,500	-
30,500	-

22 Depreciation and amortization expenses

Depreciation of property, plant and equipment

1,341,888	-
1,341,888	-

23 Other expenses

Stores and Spare parts

Electric Consumption

Audit fees

Preliminary Expense written off

Certificate Charges

Consultancy Charges

Interest on TDS

Printing & Stationery Charges

Software Charges

Sundry balances written off

33,414	-
90,740	-
25,000	-
-	73,999
2,000	-
4,000	-
16,761	-
2,880	-
52,000	-
3	-
226,798	73,999

* Payment to auditor (excluding service tax)

As auditor:

Audit fee

Tax audit fees

25,000	-
25,000	-



	(Amount in ₹)	
	For the year ended 31 March 2018	For the year ended 31 March 2017
24 Income tax profit and loss section		
(a) Income tax recognised in statement of profit and loss:		
Current income tax	24,818	-
Adjustment in respect of previous years	-	-
MAT credit entitlement	(24,818)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	37,854	-
Income tax expenses reported in statement of profit and loss	37,854	-
(b) Income tax recognised in other comprehensive income		
Current Income tax	-	-
Net gain/(loss) on re-measurement of defined benefit plans	-	-
Classification of income-tax recognized in other comprehensive income		
Income-taxes related to items that will not be reclassified to Profit and Loss	-	-
Income-taxes related to items that will be reclassified to Profit and Loss	-	-
25 The income tax expense can be reconciled to the accounting profit as follows:		
Accounting profit before tax	130,244	(73,999)
Income tax	24,818	-
Adjustment in respect of:		
Current income tax of previous year	-	-
MAT credit entitlement	(24,818)	-
Non-deductible expenses for tax purpose	-	-
Non-taxable income	-	-
Benefits under chapter VI-A	-	-
Other adjustment- Deferred tax	37,857	-
Reversal of DTA on temporary differences	-	-
Income tax reported in statement of profit and loss	37,857	-
26 Unused tax credits		
The Company had unused MAT credit amounting to ₹ 24818 as at 31 March 2018 (31 March 2017 ₹ NIL)		
Such tax credits have been recognised on the basis that recovery is probable in the foreseeable future. This recognised MAT credit expires, if unutilized, based on the year of origination as follows:		
Financial year ending		
31 March 2028	24,818	-
Unused tax credits carried over to subsequent financial years	24,818	-
27 Earnings per share		
Basic EPS amounts are calculated by dividing the profit for the year attributable on equity holders of the company by the weighted average number of equity shares outstanding during the year.		
The following reflects the income and share data used in the basic & diluted EPS computation		
Basic and diluted earning per share		
Profit attributable to equity shareholders of the Company for basic & diluted earning	92,390	(73,999)
Weighted average number of equity shares for basic & diluted EPS	7,010,000	10,000
Basic and diluted earning per share (in ₹)	0.01	(7.40)



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financial statements for the year ended 31 March 2018

28 Capital management

- (a) The Company's capital management objective are to ensure Company's ability to continue as a going concern as well to create value for shareholders by facilitating the meeting of long term and short term goals of the Company. The Company determines the amount of capital required on the basis of annual business plan coupled with long term and short term strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments. The table below summarises the capital, net debt and net debt to equity ratio of the company.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
Equity share capital	70,100,000	100,000	100,000
Other equity	2,545	(89,845)	(15,846)
Total equity	70,102,545	10,155	84,154
Non-current borrowings	297,570,112	-	-
Current maturities of long term borrowings	-	1,185	-
Gross Debt	297,570,112	1,185	-
Gross debt as above	297,570,112	1,185	-
Less: Cash and cash equivalents	6,160,450	10	92,574
Net Debt	291,409,662	1,175	(92,574)
Net debt to equity	4.157	0.12	(1.10)

29 Fair value measurement

- (a) The carrying value and fair value of financial instruments by categories as of 31 March 2018 is as follows :

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortised Cost
Financial assets			
Investments	-	-	4,000
Cash and cash equivalents	-	-	6,160,450
Other bank balances	-	-	11,138,964
	-	-	17,303,414
Financial liabilities			
Borrowings	-	-	297,570,112
Trade payables	-	-	41,940,201
	-	-	339,510,313



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financial statements for the year ended 31 March 2018

(b) The carrying value and fair value of financial instruments by categories as of 31 March 2017 is as follows :

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortised Cost
Financial assets			
Cash and cash equivalents	-	-	10
	-	-	10
Financial liabilities			
Trade payables	-	-	4,000
	-	-	4,000

The carrying amounts of trade payables and other payables, working capital borrowing current loan and cash & cash equivalents are considered to be the same as fair value, due to short term in nature

(c) The carrying value and fair value of financial instruments by categories as of 01 April, 2016 is as follows :

Particulars	Fair value through other comprehensive income	Fair value through other profit & loss	Amortised Cost
Financial assets			
Investments	-	-	-
Trade receivables	-	-	-
Cash and cash equivalents	-	-	92,574
Other bank balances	-	-	-
Loans	-	-	-
Others financial assets	-	-	-
	-	-	92,574
Financial liabilities			
Borrowings	-	-	6,420
Trade payables	-	-	2,000
Other financial liabilities	-	-	-
	-	-	8,420



Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financial statements for the year ended 31 March 2018

- 30 The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk. Company's principal financial liabilities comprises, loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liability is to finance company's operation. Company's principal financial asset include loan to subsidiaries, investments, trade and other receivables, security deposits and cash and cash equivalent, that directly derive from its business.

(a) Credit Risk

Credit Risk in case of the Company arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit Risk Management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers, placing deposits etc. the Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March 2018, as summarised below:

	As at 31 March 2018	As at 31 March 2018	As at 31 March 2016
Investments	4,000	-	-
Other financial assets	8,393,368	-	-
Cash and cash equivalents	17,299,414	10	92,574
	25,696,782	10	92,574

The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties only.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Floating and fixed rate	31 March 2018	31 March 2017	01 April 2016
- Expiring within one year (cash credit and other facilities- Floating rate)	-	-	-
- Expiring within one year (bank loans - Fixed rate)	-	-	-
- Expiring beyond one year (bank loans - Floating rate)	297,570,112	-	-
	297,570,112	-	-

(ii) Maturities of financial liabilities

31 March 2018	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings				297,570,112	297,570,112
Trade payable	41,940,201				41,940,201
31 March 2017	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings					-
Trade payable	4,000				4,000
01 April 2016	Less than 1 year	1-2 year	2-3 year	More than 3 years	Total
Non-derivatives					
Borrowings					-
Trade payable	2,000				2,000



(c) **Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at 31 March 2018, 31 March 2017 and 1 April 2016.

(d) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any long term borrowings with floating interest rate and carrying short term borrowings with floating interest rate. The company's investment in fixed deposit carries fixed interest rate.

(i) Below is the overall exposure of the Company to interest rate risk:

Particulars	31 March 2018	31 March 2017	1 April 2016
Variable rate borrowing	297,570,112	-	-
Fixed rate borrowing	-	-	-
Total borrowings	297,570,112	-	-
Amount disclosed under other current financial liabilities	-	-	-
Amount disclosed under borrowings	297,570,112	-	-

Sensitivity

Below is the sensitivity of profit or loss in interest rates.

Particulars	31 March 2017	1 April 2016
Interest sensitivity*		
Interest rates – increase by 100 basis points (100 bps)	2,975,701	
Interest rates – decrease by 100 basis points (100 bps)	(2,975,701)	
* Holding all other variables constant		

ii **Assets**

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

31 **Recent accounting pronouncements**

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 certain amendments to Ind AS through (Indian Accounting Standards) Amendment Rules, 2018. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board (IASB) into Ind AS and has amended the following standards:

1. Ind AS 115-Revenue from Contract with Customers
2. Ind AS 21-The effect of changes in foreign exchanges rates
3. Ind AS 40-Investment Property
4. Ind AS 12-Income Taxes
5. Ind AS 28-Investment in Associates and Joint Ventures
6. Ind AS 112-Disclosure of Interest in Other Entities

These amendments are effective for annual periods beginning on or after April 01, 2018. Application of these amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

These amendments does not have material impact on Company's financial statements. The Company will adopt these amendments, if applicable, from their applicability date.

The accompanying notes form an integral part of financials statements

As per our report of even date

FOR, FOR, B. A. BEDAWALA & COMPANY

Firm Registration No.: 101064W

Chartered Accountants

(B. A. SHARMA)

PARTNER

M. No. : 038236

Place : Ahmedabad

Date : 17-05-2018



For and on behalf of Board of Directors of
Niharika Threads Pvt. Ltd

(Mr. HARSH AGRAWAL)

Director

DIN: 00195019

(Mr. YASH AGRAWAL)

Director

DIN: 00671947

Niharika Threads Pvt. Ltd (Formerly known as TARACHAND CLEAN INITIATIVE PVT. LTD.)
Notes to standalone financials statements for the year ended 31 March 2018

32 In accordance with the requirements of Accounting Standard (AS-18), related party disclosures are as follows:

a) List of related parties

Relationship

Entities where significant influence is exercised by KMP having transactions with the Company

Name of related party

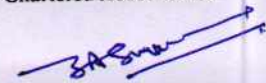
Jindal Denim Inc.
 (A Div. of Jindal Worldwide Limited)

b) Summary of related party transactions

(Amount in ₹)

S.No	Particulars	Wholly owned subsidiaries/ subsidiary		Key management personnel		Entities where significant influence is exercised by KMP	
		2018	2017	2018	2017	2018	2017
i	Transactions during the year Sale of goods and services Jindal Denim Inc. (A Div. of Jindal Worldwide Limited)					1,006,297	

FOR, FOR, B. A. BEDAWALA & COMPANY
 Firm Registration No.: 101064W
 Chartered Accountants



(B. A. SHARMA)
 PARTNER
 M. No. : 038236

Place : Ahmedabad
 Date : 17-05-2018

For and on behalf of Board of Directors of
Niharika Threads Pvt. Ltd.


 (Mr. HARSH AGRAWAL)
 Director
 DIN: 00195019


 (Mr. YASH AGRAWAL)
 Director
 DIN: 00671947

