

SEL TEXTILES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2018

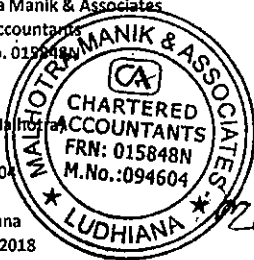
PARTICULARS	NOTE NO.	(Rs. in Lakhs)	
		AS AT 31.03.2018	AS AT 31.03.2017
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	68,278.43	71,952.86
(b) Capital Work in Progress	4	37,634.71	37,657.21
(c) Investment Property	4	265.36	269.61
(d) Goodwill		-	-
(e) Other Intangible Assets	4	-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets			
(i) Investments	5	8,103.22	8,103.22
(ii) Trade Receivable		-	-
(iii) Loans		-	-
(iv) Others		-	-
(i) Deferred Tax Assets (Net)	6	-	16,313.14
(j) Other Non-Current Assets	7	579.89	9,588.86
		114,861.62	143,884.90
(2) Current Assets			
(a) Inventories	8	4,585.42	18,699.15
(b) Financial Assets			
(i) Current Investments		-	-
(ii) Trade Receivables	9	7,591.71	22,479.72
(iii) Cash & Cash Equivalents	10	105.50	319.17
(iv) Bank Balances other than (iii) above	11	-	167.50
(v) Loans		-	-
(vi) Others	12	6,331.28	6,873.62
(c) Current Tax Assets (Net)	13	210.54	96.95
(d) Other Current Assets	14	3,343.43	5,441.21
		22,167.88	54,077.30
TOTAL ASSETS		137,029.50	197,962.20
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	15	12,705.72	12,705.72
(b) Other Equity	16	(55,838.89)	3,855.46
		(43,133.17)	16,561.18
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	77,361.87	91,987.02
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions	18	106.71	31.51
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
		77,468.59	92,018.53
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	36,708.28	37,830.54
(ii) Trade Payables	20	12,537.72	11,764.82
(iii) Other Financial Liabilities	21	53,295.22	38,337.21
(b) Other Current Liabilities	22	92.64	1,298.92
(c) Provisions	23	60.23	151.00
(d) Current Tax Liabilities (Net)		-	-
		102,694.08	89,382.49
TOTAL EQUITY & LIABILITIES		137,029.50	197,962.20

See accompanying notes to the financial statements

As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

(CA. Manik Malhotra)
Prop.
M.No.: 094604

Place: Ludhiana
Date: 04.07.2018



For and on the behalf of Board of
SEL Textiles Limited

(R S Saluja)
Managing Director
DIN: 01145051

(Navneet Gupta)
Director
DIN: 02122420

(Abhay Sharma)
Company Secretary

Manik Malhotra

SEL TEXTILES LIMITED

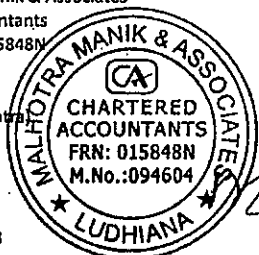
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

PARTICULARS	NOTE NO.	(Rs. in Lakhs)	
		CURRENT YEAR	PREVIOUS YEAR
I. Revenue From Operations	24	31,549.80	40,420.63
II. Other Income	25	646.51	916.49
III. Total Income (I+II)		32,196.30	41,337.11
IV. Expenses			
Cost of Materials Consumed	26	12,503.92	33,939.30
Purchases of Stock-in-Trade		3,013.08	1,357.49
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	27	8,037.66	12,634.68
Employee Benefits Expense	28	2,730.44	2,305.41
Finance Cost	29	276.50	2,426.61
Depreciation and Amortization Expense	30	3,708.29	4,316.70
Other Expense	31	7,875.00	7,948.34
Total Expenses (IV)		38,144.89	64,928.53
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		(5,948.58)	(23,591.41)
VI. Exceptional Items	32	36,492.10	-
VII. Profit/(Loss) Before Tax (V-VI)		(42,440.68)	(23,591.41)
VIII. Tax Expense			
a) Deferred Tax		15,845.63	(7,518.47)
b) MAT Credit Entitlement		920.99	-
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		(59,207.30)	(16,072.94)
X. Profit/(Loss) from Discontinued Operations		-	-
XI. Tax Expense of Discontinued Operations		-	-
XII. Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		-	-
XIII. Profit/(Loss) for the period (IX+XII)		(59,207.30)	(16,072.94)
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		116.63	20.46
B (i) Items that will be reclassified to Profit or Loss		(603.69)	801.98
Total Other Comprehensive Income(net of taxes)		(487.05)	822.44
XV. Total Comprehensive Income for the Period (XIII+XIV)		(59,694.35)	(15,250.50)
XVI. Earning per Equity Share (for Continuing Operations) (Rs.)	35		
1) Basic		(46.60)	(12.65)
2) Diluted		(46.60)	(12.65)
XVII. Earning per Equity Share (for Discontinued Operations) (Rs.)			
1) Basic		-	-
2) Diluted		-	-
XVIII. Earning per Equity Share (for Discontinued & Continuing Operations) (Rs.)	35		
1) Basic		(46.60)	(12.65)
2) Diluted		(46.60)	(12.65)
See accompanying notes to the financial statements			

As per our report of even date attached
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

(CA. Manik Malhotra)
Prop.
M.No.: 094604

Place: Ludhiana
Date: 04.07.2018



For and on the behalf of Board of
SEL Textiles Limited

(Signature)
(R S Saluja)
Managing Director
DIN: 01145051

(Signature)
(Navneet Gupta)
Director
DIN: 02122420

(Signature)
(Abhay Sharma)
Company Secretary

Manik Malhotra

SEL TEXTILES LIMITED

Cash Flow Statement for the Year Ended 31st March, 2018

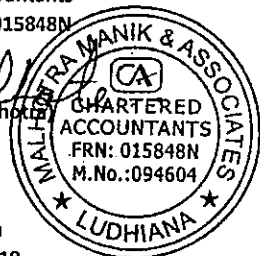
(Rs. In Lakhs)

Particulars		Details	31.03.2018	Details	31.03.2017
A	Cash Flow from Operating Activities				
	Net Profit before Taxes & Extraordinary Items		(42,440.68)		(23,591.41)
	Adjustments for Non Cash Items:				
	-Depreciation	3,708.29		4,316.70	
	-Provision for Doubtful Debts	20,858.28		-	
	-Reduction in Value of Inventories	6,891.35		-	
	-Allowances for Loans & Advances	8,742.47		-	
	-Interest Paid	189.68		2,248.50	
	-Interest Received	(52.65)		(60.58)	
	-Actuarial Gain on Defined Plan	116.63		31.28	
	-(Profit)/Loss on Sale of Fixed Assets	9.37	40,463.41	0.71	6,536.61
	Adjustments for Changes in Working Capital:				
	-Increase/ (Decrease) in Other Current Liabilities	14,433.84		9,807.56	
	-(Increase)/ Decrease in Trade Receivables	(5,970.27)		9,270.80	
	-(Increase)/ Decrease in Other Current Assets	2,097.78		(726.26)	
	-(Increase)/ Decrease in Current Assets Tax (Net)	(113.59)		(96.95)	
	-(Increase)/ Decrease in Other Financial Assets	709.84		272.97	
	-(Increase)/ Decrease in Inventories	7,222.38		13,339.35	
	-(Increase)/ Decrease in Other Financial Non Current A	266.50		1,081.43	
	-Increase/(Decrease)in Non Current Provisions	75.20		9.96	
	-(Increase)/ Decrease in Inventories		18,721.68		32,958.87
	Cash Generation from Operations		16,744.41		15,904.07
	-Taxes Paid		920.99		-
	Net Cash from Operating Activities		15,823.42		15,904.07
B	Cash Flows from Investing Activities				
	-Purchase of Plant, Property & Equipments	(69.98)		(1,596.03)	
	-(Increase)/Decrease in Capital Work in Process	22.50		-	
	-Sale of Plant, Property & Equipments	31.00		68.00	
	-Interest Received	52.65		60.58	
	Net Cash Flows from Investing Activities		36.17		(1,467.46)
C	Cash Flows from Financing Activities				
	-Proceeds/(Repayment) of Non Current Borrowings	(14,761.32)		(12,597.51)	
	-Proceeds/(Repayment) of Current Financial Borrowing	(1,122.25)		(717.16)	
	-Interest Paid	(189.68)		(2,248.50)	
	Net Cash Flows from Financing Activities		(16,073.26)		(15,563.18)
	Net Increase/(Decrease) in Cash & Cash Equivalent		(213.66)		(1,126.56)
	Cash & Cash Equivalents - Opening Balance		319.17		1,445.72
	Cash & Cash Equivalents - Closing Balance		105.50		319.17

Subject to our Separate Report of Even Date
For Malhotra Manik & Associates
Chartered Accountants
Firm Reg. No. 015848N

For and on the behalf of Board of
SEL Textiles Limited

Manik Malhotra
(CA. Manik Malhotra)
Prop.
M.No.: 094604



(R S Saluja)
(R S Saluja)
Managing Director
DIN: 01145051

(Navneet Gupta)
(Navneet Gupta)
Director
DIN: 02122420

(Abhay Sharma)
(Abhay Sharma)
Company Secretary

Place: Ludhiana
Date: 04.07.2018

SEL TEXTILES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

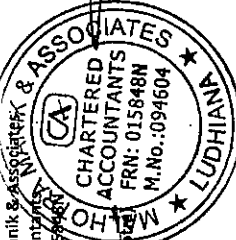
A. Equity Share Capital		Changes in equity share capital during the year		As At 31.03.2017		12,705.72		As At 31.03.2018		12,705.72		(in Lakhs)			
As At 01.04.2016		12,705.72		As At 31.03.2017		12,705.72		As At 31.03.2018		12,705.72					
B. Other Equity															
Particulars	Share application money pending allotment	Equity component of compound financial	Capital Reserve	Securities Premium Reserve	Reserves and Surplus	General Reserve	Foreign Exchange Fluctuation Reserve	Retained Earnings	Debt Instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of	Other items of Other Comprehensive Income	Total
As at 01.04.2016	-	-	-	38,329.77	-	-	-	(20,192.10)	-	-	-	-	-	988.75	19,126.42
General Reserve transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(16,072.94)	-	-	-	-	-	801.98	(15,270.96)
As at 31.03.2017	-	-	-	38,329.77	-	-	-	(36,265.05)	-	-	-	-	-	1,790.73	3,855.46
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 31.03.2017	-	-	-	38,329.77	-	-	-	(36,265.05)	-	-	-	-	-	1,790.73	3,855.46
Total Comprehensive Income for the year	-	-	-	-	-	-	-	(59,207.30)	-	-	-	-	-	(487.05)	(59,694.35)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any other change	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31.03.2018	-	-	-	38,329.77	-	-	-	(95,472.34)	-	-	-	-	-	1,303.68	(55,838.89)

See accompanying notes to the financial statements

As per our report of even date attached

For and on the behalf of Board of

SEL Textiles Limited



Manik Malhotra
 Prop.
 M.No.: 094604

Navneet Gupta
 Director
 DIN: 02122420

Abhay Sharma
 Company Secretary

Place: Ludhiana

Date: 04.07.2018

I. Property, Plant and Equipment

NOTE NO.-4

Particulars	Freehold Land	Building & Roads	Plant & Machinery	Fixture & Fittings	Vehicles	Office Equipments	Total	Investment Property*	Other Intangible Assets	Capital Work In Progress
	1	2	3	4	5	6	7=(1+2+3+4+5+6)	8	9	10
Gross Value as at 1st April, 2016	7,279.59	24,957.67	64,564.62	84.21	391.15	35.74	97,312.99	301.01	71.07	40,099.68
Addition during the year	-	2,957.35	1,055.04	17.32	7.34	1.45	4,038.50	-	-	1,596.03
Deduction during the year	-	-	-	-	107.95	-	107.95	-	-	4,038.50
Gross Value as at 31st March, 2017	7,279.59	27,915.01	65,619.66	101.54	290.55	37.18	101,243.54	301.01	71.07	37,657.21
Addition during the year	-	69.98	-	-	-	-	69.98	-	-	47.48
Deduction during the year	-	-	-	-	78.89	-	73.89	-	-	69.98
Gross Value as at 31st March, 2018	7,279.59	27,985.00	65,619.66	101.54	211.66	37.18	101,234.63	301.01	71.07	37,634.71
Depreciation & Impairment										
Depreciation as at 1st April, 2016	-	2,881.94	21,927.01	31.74	158.76	18.02	25,017.47	27.16	71.07	-
Depreciation for the year	-	847.65	3,414.85	8.95	35.41	5.60	4,312.46	4.24	-	-
Disposal during the year	-	-	-	-	39.24	-	39.24	-	-	-
Depreciation as at 31st March, 2017	-	3,729.59	25,341.86	40.69	154.93	23.62	29,290.68	31.40	71.07	-
Depreciation for the year	-	793.72	2,867.91	10.22	27.99	4.21	3,704.04	4.24	-	-
Disposal during the year	-	-	-	-	38.53	-	38.53	-	-	-
Depreciation as at 31st March, 2018	-	4,523.30	28,209.77	50.91	144.39	27.83	32,956.20	35.64	71.07	-
Net Book Value										
As at 31st March, 2018	7,279.59	23,461.69	37,409.90	50.62	67.26	9.36	68,278.43	265.36	-	37,634.71
As at 31st March, 2017	7,279.59	24,185.43	40,277.80	60.85	135.62	13.57	71,952.86	269.61	-	37,657.21

*Details of Investment Property

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Rental Income derived from Investment Properties	0.12	0.12
Direct Operating Expenses (including repairs and maintenance) generating rental income	4.24	4.24
Profit arising from Investment Properties	-4.12	-4.12

The Company's Investment Property consist of Commercial properties in India. The fair value of the properties as at 31st March, 2018, are Rs. 978.98 lakhs (Previous Year Rs. 978.98 lakhs). These valuations performed by an accredited independent valuer. Fair Valuation is based on replacement Cost Method.

INVESTMENTS (NON CURRENT)
NOTE NO. - 5

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(a) Investment in Equity Instruments (Unquoted) Subsidiaries (At Cost)		
i) 4,041,000 Equity Shares of Rs. 10/- each fully paid up of Silverline Corporation Limited	4,041.00	4,041.00
(b) Investment in Preference Shares (Unquoted) (At Cost)		
i) 3,692,930 9% Non Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid up of Rhythm Textiles & Apparel Park Limited	4,062.22	4,062.22
TOTAL	8,103.22	8,103.22
Aggregate Value of UnQuoted Investments	8,103.22	8,103.22

DEFERRED TAX (ASSET)/LIABILITY
NOTE NO. - 6

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
Deferred Tax Liabilities	-	6,981.12
Deferred Tax Assets	-	(23,294.25)
Net Deferred Tax (Asset)/Liability	-	(16,313.14)

The following is the analysis of deferred tax liabilities/(assets) presented in the Balance sheet

Deferred tax liabilities/(assets) in relation to:	Balance as on 01.04.2017	Recognised in Statement of Profit and Loss	Balance as on 31.03.2018
Expenses allowable on payment basis	(5,104.20)	5,104.20	-
Unused tax losses/depreciation	(17,722.55)	17,722.55	-
Difference in carrying amount of plant, property & equipments	6,981.12	(6,981.12)	-
	(15,845.63)	15,845.63	-
Fair value of investment (adjusted through other comprehensive income)	(467.51)	467.51	-
Total	(16,313.14)	16,313.14	-

Deferred tax liabilities/(assets) in relation to:	Balance as on 01.04.2016	Recognised in Statement of Profit and Loss	Balance as on 31.03.2017
Expenses allowable on payment basis	(5,682.62)	578.42	(5,104.20)
Unused tax losses/depreciation	(8,567.45)	(9,155.10)	(17,722.55)
Difference in carrying amount of plant, property & equipments	5,922.91	1,058.21	6,981.12
	(8,327.16)	(7,518.47)	(15,845.63)
Fair value of investment (adjusted through other comprehensive income)	-	(467.51)	(467.51)
Total	(8,327.16)	(7,985.98)	(16,313.14)

OTHER NON CURRENT ASSETS
NOTE NO. - 7

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
a) MAT Credit Entitlement	-	920.99
b) Security Deposits	579.89	532.87
c) Capital Advances	8,130.42	8,135.00
	8,710.31	9,588.86
Less: Impairment for Doubtful Loans & Advances	(8,130.42)	-
TOTAL	579.89	9,588.86

INVENTORIES
NOTE NO. - 8

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(Valued at Cost or Net Realisable Value, whichever is lower)		
(a) Raw Materials	2,012.06	5,103.68
(b) Work In Progress	95.71	6,895.51
(c) Finished Goods	1,565.45	6,556.62
-In Godown	1,565.45	5,458.94
-In Transit	-	1,097.67
(d) Stock in Trade	819.06	2.04
(e) Stores & Spares	93.15	141.31
TOTAL	4,585.42	18,699.15

*Inventories pledged as security to Working Capital Lenders

TRADE RECEIVABLES
NOTE NO. - 9

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(Unsecured)		
Considered, Good	7,591.71	22,479.72
Considered, Doubtful	20,858.28	-
	28,449.99	22,479.72
Less: Allowance for Doubtful Receivables	20,858.28	-
TOTAL	7,591.71	22,479.72

*Trade Receivables pledged as security to Working Capital Lenders

CASH & CASH EQUIVALENTS

NOTE NO. - 10

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(a) Cash In Hand	56.43	123.65
(b) Balances With Scheduled Banks		
i) In Current Accounts	49.07	192.85
ii) In Fixed Deposits Accounts	-	2.67
TOTAL	105.50	319.17

BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

NOTE NO. - 11

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
Other Bank Balances		
i) In Fixed Deposits Accounts	-	167.50
TOTAL	-	167.50

OTHERS FINANCIAL ASSETS (CURRENT)

NOTE NO. - 12

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(Unsecured, considered good)		
i) Duty Drawback Receivable	-	503.63
ii) Interest Subsidy Receivable	6,331.28	6,365.82
iii) Interest Receivable	-	4.17
TOTAL	6,331.28	6,873.62

CURRENT TAX ASSETS (NET)

NOTE NO. - 13

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
i) Prepaid Taxes	210.54	96.95
TOTAL	210.54	96.95

OTHER CURRENT ASSETS

NOTE NO. - 14

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(Unsecured, considered good)		
i) Advances to Suppliers	696.56	768.74
ii) Statutory Dues & Taxes	3,231.80	4,619.21
iii) Others	27.12	53.26
	3,955.48	5,441.21
Less: Allowance for Doubtful Loans & Advances	612.05	-
TOTAL	3,343.43	5,441.21

EQUITY SHARE CAPITAL

NOTE NO. - 15

PARTICULARS	AS AT		AS AT	
	31.03.2018		31.03.2017	
(a) Authorised 150,000,000 Equity Shares	15,000.00		15,000.00	
(b) Issued, Subscribed & Paid Up 127,057,200 Equity Shares Fully Paid Up	12,705.72		12,705.72	
	12,705.72		12,705.72	
(c) Par Value per Share Par Value per Share is Rs. 10/-				
(d) Reconciliation of the number of shares outstanding				
Particulars	As at 31st March, 2018		As at 31st March, 2017	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year				
Equity Shares	127,057,200.00	12,705.72	127,057,200.00	12,705.72
Total	127,057,200.00	12,705.72	127,057,200.00	12,705.72
Add: Addition during the year				
Equity Shares	-	-	-	-
Total	-	-	-	-
Less: Deduction during the year				
Equity Shares	-	-	-	-
Total	-	-	-	-
Shares outstanding at the end of the year				
Equity Shares	127,057,200.00	12,705.72	127,057,200.00	12,705.72
Total	127,057,200.00	12,705.72	127,057,200.00	12,705.72

(e) Shares in the company held by each shareholder holding more than 5% shares SEL Manufacturing Co. Ltd., the Holding Company	100%	
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(f) Terms/rights, preference, restrictions attached to shares.

The company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive the realised value of the assets of the company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

OTHER EQUITY		NOTE NO. - 16	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
(a) Securities Premium Reserve			
Opening Balance	38,329.77	38,329.77	
Add: Addition during the year	-	-	
Less: Deduction during the year	38,329.77	38,329.77	
	38,329.77	38,329.77	
(b) Other Comprehensive Income			
Opening Balance	1,790.73	968.29	
Add: Addition during the year	116.63	822.44	
Less: Deduction during the year	1,907.37	1,790.73	
	603.69	-	
	1,303.68	1,790.73	
(c) Retained Earnings			
Opening Balance	(36,265.05)	(20,192.10)	
Add: Addition during the year	(59,207.30)	(16,072.94)	
Less: Deduction during the year	(95,472.34)	(36,265.05)	
	(95,472.34)	(36,265.05)	
TOTAL	(55,838.89)	3,855.46	

BORROWINGS (NON CURRENT)		NOTE NO. - 17	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
(a) Secured Loans			
i) Term Loans			
- From Banks	75,296.64	90,067.96	
(b) Unsecured Loans			
i) Loan from Others	10.00		
ii) Loan from Director (At Amortised Cost)	2,055.24	1,919.06	
(Interest free loans repayable in 2023-24)			
TOTAL	77,361.87	91,987.02	

PROVISIONS (NON CURRENT)		NOTE NO. - 18	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
(a) Provision for Employee Benefits	106.71	31.51	
TOTAL	106.71	31.51	

SHORT TERM BORROWINGS		NOTE NO. - 19	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
(a) Secured Loans			
i) Loans Repayable on Demand			
From Banks	36,708.28	37,830.54	
TOTAL	36,708.28	37,830.54	

Details of security for working capital borrowings
Working Capital Loans are secured by way of first pari passu charge by way of hypothecation on entire current assets of the company both present and future including Stock in Trade and receivables etc. with other consortium members and further secured by second pari passu charge on the entire fixed assets of the company present and future. The working capital loans are further secured by way of corporate guarantee of the promoter company.

Terms of repayment of loans repayable on demand
From banks are repayable on demand and carries interest @ 10.65% p.a.

TRADE PAYABLES		NOTE NO. - 20	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
(a) Trade Payables*	12,537.72	11,764.82	
TOTAL	12,537.72	11,764.82	

*Based on and to the extent of information received from the Suppliers regarding their status under The Micro, Small and Medium Enterprises Development Act, 2006 as identified by Management and relied upon by the Auditors, the relevant particulars as at 31st March, 2018 are Nil.

SEL Textiles Limited**Terms and conditions of secured loans taken from banks and status of containing default as at year end**

Type of Loans	Rupee Term Loan I (RTL-I)	Rupee Term Loan II (RTL-II)	Funded Interest Term Loan I (FITL-I)	Working Capital Term Loan (WCTL)	Funded Interest Term Loan II (WCTL FITL-II)	Rupee Term Loan III (PL-III)
Sanctioned Amount	43,246.00	60,000.00	16,874.00	10,625.00	2,162.62	7,500.00
Balance as on 31.03.2018	42,182.13	62,543.92	8,884.18	11,033.42	2,030.27	857.66
Rate of Interest	10.65%	10.65%	10.65%	10.65%	10.65%	11.15%
Repayment Type	Monthly	Monthly	Monthly	Quarterly	Quarterly	Monthly
Repayment during the year ending						
31/03/2019	5,189.52	7,500.00	-	1,062.50	216.26	85.66
31/03/2020	5,405.75	9,000.00	-	1,593.75	-	102.79
31/03/2021	5,621.98	9,000.00	-	1,859.38	-	102.79
31/03/2022	5,621.98	10,500.00	-	1,860.63	-	119.92
31/03/2023	6,054.44	10,500.00	-	2,656.25	-	119.92
31/03/2024	2,590.06	2,630.99	-	662.81	-	63.39
Overdue Principle Amount	10,007.27	7,596.17	8,126.80	866.27	1,553.40	89.18
Overdue Interest Amount	2,543.73	3,490.70	769.18	699.89	254.39	16.79
Overdue Since	June 2015	Aug. 2015	April 2015	Aug. 2015	Oct. 2015	Feb. 2016

Details of security for term loans

*Long term borrowings from banks are secured by way of first pari-passu charge on the entire fixed assets of the company both present and future including equitable mortgage charge on land and building of the company and 2nd pari passu charge by way of hypothecation on entire current assets of the company both present and future including raw material, finished goods and receivables etc. with other consortium members. The Long term borrowings are further secured by way of corporate guarantee of the promoter company.

OTHER FINANCIAL LIABILITIES (CURRENT)

NOTE NO. - 21

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
i) Current Maturities of Long Term Debts	42,293.03	28,519.38
ii) Interest Accrued and due on borrowings	7,774.71	7,097.85
iii) Employees Benefits	458.70	259.36
iv) Payable to Vendors-Non Trade	1,421.10	470.47
v) Others Payable	1,347.67	1,990.16
TOTAL	53,295.22	38,337.21

OTHER CURRENT LIABILITIES

NOTE NO. - 22

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
i) Statutory Dues & Taxes	64.30	45.91
ii) Advances from Customers	28.33	1,253.01
TOTAL	92.64	1,298.92

PROVISIONS (CURRENT)

NOTE NO. - 23

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(a) Provision for Employee Benefits	60.23	151.00
TOTAL	60.23	151.00

REVENUE FROM OPERATIONS

NOTE NO. - 24

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	Sale of Products	
Finished Goods	21,478.62	36,019.98
Traded Goods	2,219.24	2,254.05
Sale of Services	6,298.28	-
Other	1,553.66	2,146.59
TOTAL	31,549.80	40,420.63

OTHER INCOME

NOTE NO. - 25

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	Export Incentives	232.40
Interest (Gross)	52.65	60.58
Other Income	359.87	1.01
Rental Income	1.59	1.65
TOTAL	646.51	916.49

COST OF MATERIAL CONSUMED

NOTE NO. - 26

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
	Raw Material Consumed	
Opening Stock	5,050.57	5,733.59
Add: Purchases (net)	12,811.86	32,778.99
	17,862.43	38,512.59
Less: Inventories Valued at Net Realisable Value	3,955.05	
Less: Closing Stock	1,964.46	5,050.57
Cost of raw material consumed during the year (A)	11,942.92	33,462.02
Packing Material Consumed		
Opening Stock	53.11	48.67
Add: Purchases (net)	555.49	481.72
	608.60	530.39
Less: Closing Stock	47.60	53.11
Cost of packing material consumed during the year (B)	561.00	477.28
TOTAL (A+B)	12,503.92	33,939.30

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

NOTE NO. - 27

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Opening Stocks		
Work in Process	6,895.51	5,965.29
Finished Goods	6,556.62	14,756.56
Stock in Trade	2.04	5,367.00
(A)	13,454.17	26,088.84
Closing Stocks		
Work in Process	95.71	6,895.51
Finished Goods	1,565.45	6,556.62
Stock in Trade	819.06	2.04
(B)	2,480.21	13,454.17
Inventories Valued at Net Realisable Value	(C)	
	2,936.29	-
Decrease/(Increase) in Inventories	(A-B-C)	
	8,037.66	12,634.68

EMPLOYEE BENEFITS EXPENSE

NOTE NO. - 28

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Wages,Salaries & Other Allowances	2,530.01	2,107.89
Contribution to PF, ESI & Other Funds	176.86	174.23
Staff & Labour Welfare	23.58	23.29
TOTAL	2,730.44	2,305.41

FINANCIAL COSTS

NOTE NO. - 29

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
a) Bank Charges	86.82	178.11
b) Interest on		
i) Working Capital Limits	0.06	520.98
ii) Term Loans	-	1,482.32
iii) Car Loans	-	0.01
iv) Others	189.61	245.19
TOTAL	276.50	2,426.61

DEPRECIATION & AMORTIZATION EXPENSES

NOTE NO. - 30

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Depreciation of Tangible Assets	3,708.29	4,316.70
TOTAL	3,708.29	4,316.70

OTHER EXPENSES

NOTE NO. - 31

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Powel & Fuel	5,669.72	4,676.17
Consumables & Repair Maintenance	628.04	762.77
Printing & Stationery	0.92	0.75
Insurance	55.35	63.38
Fees & Taxes	27.34	83.08
Donation	3.03	0.02
Legal & Professional Charges	63.26	26.10
Postage & Courier Charges	1.54	1.43
Telephone & Fax Expenses	4.20	5.40
Statutory Auditors' Remuneration		
-Audit Fee	1.80	2.80
-Tax Audit Fee	0.75	1.20
-Reimbursement of Expenses	0.25	0.28
-Service Tax	-	0.99
Cost Auditors' Remuneration		
-Audit Fee	0.44	0.51
General Repair & Maintenance	5.82	13.73
Office Expenses	8.16	13.05
Festival Expenses	6.19	13.76
Rent	8.62	7.52
Travelling & Conveyance	10.81	19.70
Service Tax Paid	0.95	7.39
Loss on Sale of Property, Plant & Equipments	9.37	0.71
Foreign Exchange Fluctuation	108.15	597.44
Building Repair & Maintenance	13.48	30.99
Vehicles Expenses	7.59	9.22
Export Incentive Reversal For Earlier Years	402.80	-
Commission	314.75	913.53
Rebate & Discount	13.45	45.36
Clearing Forwarding & Freight Outward	508.22	651.06
TOTAL	7,875.00	7,948.34

EXCEPTIONAL ITEMS

NOTE NO. - 32

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Inventories Valued at Net Realisable Value	6,891.35	-
Allowance for Doubtful Receivables	20,858.28	-
Allowance/impairment for Doubtful Loans & Advances	8,742.47	-
TOTAL	36,492.10	-

NOTES TO THE FINANCIAL STATEMENTS**1. Corporate Information**

SEL Textiles Limited (the Company) is a public company domiciled in India and is incorporated in India under the provisions of the Companies Act, applicable in India. The Company is engaged in the manufacturing, processing & trading of yarns, fabrics, readymade garments and towels. The registered office of the company is located at 274, G.T.Road, Dhandari Khurd, Ludhiana, Punjab.

2. Significant Accounting Policies**2.1 Basis of Preparation**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2016, the Company has adopted Ind AS and the adoption was carried out in accordance with IndAS101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. 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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs, except otherwise indicated.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Revenue Recognition

Sale of goods: Revenue from sale of goods is recognised, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax / sales tax / goods & services tax. Revenue from export sales are recognized on shipment basis. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Dividend income: Dividend income is accounted for when the right to receive the same is established, which is generally when shareholders approve the dividend.

Lease income: Lease agreements where the risks and rewards incidental to the ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals are recognised on straight-line basis as per the terms of the agreements in the statement of profit and loss.

Interest income: Income from interest is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Export Incentives: Revenue in respect of the above benefits is recognized on post export basis.

Sale of Services: Revenue from the sale of services is recognized on the basis of the stage of completion. When the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

2.4 Inventories

Inventories are valued at cost or net realizable value, whichever is lower except for waste which is valued at net realizable value. The cost in respect of the various items of inventory is computed as under:

- i) In respect of Raw Materials on FIFO basis.
- ii) In respect of Work in process and Finished Goods, at weighted average cost of raw material plus conversion cost & packing cost incurred to bring the goods to their present condition & location:
- iii) In respect of trading goods, on specific identification method.
- iv) In respect of Consumable Stores on weighted average basis.

The cost of inventories have been computed to include all cost of purchases, cost of conversion and other related costs incurred in bringing the inventories to their present location and condition. Slow and non-moving material, obsolesces, defective inventories are duly provided for and valued at net realizable value. Goods and materials in transit are valued at actual cost incurred up to the date of balance sheet. Materials and supplies held for use in the production of inventories are not written down if the finished products in which they will be used are expected to be sold at or above cost. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.5 Foreign Currency Transactions

The functional currency of SEL Textiles Ltd. is an Indian rupee.

- (i) Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transaction except sales that are recorded at rate notified by the customs for invoice purposes. Such rate is notified in the last week of every month and is adopted for recording export sales of next month.
- (ii) Foreign currency monetary items are reported using the closing rate. Exchange differences arising on the settlement of monetary items or on reporting the same at balance sheet date are recognized as income or expenses in period in which they arise, except the exchange difference in case of fixed assets which have been adjusted to the cost of fixed assets.
- (iii) Foreign currency non monetary items, which are carried in terms of historical cost, re-stated at the rate of exchange prevailing at the year-end and the gain or loss, is accumulated in a foreign exchange fluctuation reserve.

2.6 Property, Plant and Equipment

Property, plant and equipment & Capital Work in Progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013 except for the plant and equipment of spinning and terry towel units where useful life has been technically assessed as 30 years.

Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit or net loss in the Statement of Profit and Loss when incurred. The cost and related accumulated

depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.7 Investment properties:

Investment properties comprise portions of freehold land and factory building that are held for long-term rental yields and/or for capital appreciation. Investment properties are initially recognized at cost. Subsequently investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit and loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted on prospective basis as appropriate, at each financial year end. The effects of any revision are included in the statement of profit and loss when the changes arise.

Investment properties are derecognized when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of profit and loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property and owner-occupied property are at carrying amount of the property transferred.

2.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over useful lives on a straight-line basis, from the date they are available for use.

2.9 Borrowing Costs

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of such assets, up to the date when such assets are ready for intended use. Other borrowing costs are charged as expenditure in the year in which they are incurred. The capitalization of borrowing costs to be suspended during extended periods in which active developments will be interrupted.

2.10 Employee Benefits

(i) **Short term employee benefits:** All employee benefits payable wholly within twelve months for rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

(ii) Post-Employment Benefits:

(a) Defined Contribution Plans:

Provident Fund: Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered the service entitling them to the contribution. The Company contribution to Provident Fund is made in accordance with the provisions of the Employees Provident Fund and Miscellaneous Provision Act, 1952 and is charged to the profit and loss account.

(b) Defined Benefit Plans:

Gratuity: The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined

by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in other comprehensive income. The effect of any plan amendments is recognized in net profit in the Statement of Profit and Loss.

(iii) Long Term Employee Benefits: The liability for leave with wages is recognized on the basis of actuarial valuation at the balance sheet date using projected unit credit method.

2.11 Taxes

Tax Expense comprises of current income tax, deferred tax and MAT Credit Entitlement.

Current Tax: Current Tax is determined as the amount of tax payable in respect of taxable income for the period after considering tax allowances & exemptions.

Deferred Tax: Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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

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

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

Minimum Alternate Tax Credit: Minimum Alternate Tax credit is recognized as a 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 the 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 specific period.

2.12 Impairment of Non-Financial Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

2.13 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash in hand and at bank and short-term deposits with original maturity period of three months or less.

2.14 Provisions and Contingent Liabilities & Contingent Assets

Provisions:

Provisions are recognized for liabilities that can be determined by using a substantial degree of estimation, if:

- (i) The company has a present obligation as a result of a past event;
- (ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
- (iii) The amount of the obligation can be reliably estimated.

Contingent Liabilities

Contingent liability is disclosed in the case of:

- (i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- (ii) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

Contingent Assets

A contingent asset is disclosed when possible asset that arises from past events and whose existence would be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

2.15 Earnings per share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

2.16 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement. 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. Assets acquired/given on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Lease rentals are charged/earned to the statement of profit and loss on straight line basis.

2.17 Financial instruments:

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised 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.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).

- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- **Cash flow characteristics test:** 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.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

Investment in subsidiaries: The Company has accounted for its investment in subsidiaries at cost less impairment.

Other Investments

- **Quoted Investments:** All other quoted investments are measured at fair value through Other Comprehensive Income in the balance sheet.

- **Unquoted Investments:** Unquoted investments are measured at cost.

Derecognition: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

(ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss: Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

2.18 Fair value measurement

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

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

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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.

2.19 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;

- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle: Operating cycle of the Company is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

2.20 Exceptional Items:

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.21 Government Grants & Subsidies

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

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

2.22 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating officer (COO), in deciding how to allocate resources and assessing performance. The Company's chief operating officer is the Managing Director & CEO.

2.23 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) – 7 “Statement of Cash flows” using the indirect method for operating activities.

3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies requires the Company to use a variety of estimation techniques and apply judgement to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgement that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgements, estimates and assumptions made by the management and will seldom equal the estimated results.

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

Critical Judgments

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Deferred Tax Assets: The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Contingences and commitments: In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, we treat them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, we do not expect them to have a materially adverse impact on our financial position.

Key sources of estimation uncertainty: The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Liability for sales return: In making judgment for liability for sales return, the management considered the detailed criteria for the recognition of revenue from the sale of goods set out in Ind AS 18 and in particular, whether the Company had transferred to the buyer the significant risk and rewards of ownership of the goods. Following the detailed quantification of the Company's liability towards sales return, the management is satisfied that significant risk and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the recognition of an appropriate liability for sales return. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

Allowance/impairment for uncollected accounts receivable and other advances: Trade receivables and other advances do not carry any interest and are stated at their normal value as reduced by appropriate allowance/impairment which is made on ECL, and the present value of the cash shortfall over the expected life of the financial assets.

33. Contingent Liabilities and Capital Commitments

A. There is contingent liabilities in respect of the following items: No outflow is expected in view of the past history relating to these items:

Particulars	(Rs. in lakhs)	
	March 31, 2018	March 31, 2017
(i) Income Tax(net of deposit under protest)*	366.99	366.99
(ii)Export Incentives obligation in respect of allowance for foreign receivables **	1,066.19	-

*includes demand from tax authorities for various matters. In respect of the assessment proceedings for the assessment years 2014-15, the Department has levied penalty of Rs. 431.99 Lakhs by making some frivolous additions to the total income of the Company. The Company had deposited Rs 65 Lakhs with the tax authorities and filed the appeals against these additions before appropriate authorities and the Company is hopeful that it will get relief in appeal. Considering the facts of the matters, no provision is considered necessary by management.

** subject to further interest and penalty

B. Capital Commitments

(Rs. in lakhs)

Particulars	(Rs. in lakhs)	
	March 31, 2018	March 31, 2017
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for(net of advances)	6,873.72	12,790.76

Further the company has made impairment provision against capital advances amounting Rs. 8,130.42 lakhs, outstanding since long and the orders placed with capital goods suppliers are more than two year and escalation costs, if any, in these purchase orders shall be in addition to figures reported above.

34. The related party disclosure in accordance with Indian Accounting Standard (Ind AS)-24 "Related Party" issued by the Institute of Chartered Accountants of India is given below:

Sr. No.	Name of the related party	Relationship
1	M/s. SEL Manufacturing Co. Ltd.	Holding Company
2	M/s. Silverline Corporation Ltd.*	Subsidiary Company
3	Mr. R.S. Saluja Mr. Neeraj Saluja* Mr. Dhiraj Saluja* Mr. Navneet Gupta* Mr. V. K. Goyal*	Key Management personnel
4	M/s. Shiv Narayan Investments Pvt. Ltd.* M/s. SEL Aviation Pvt. Ltd.* M/s. Saluja International* M/s. SE Exports* M/s Rythm Textiles & Apparels Park Ltd. M/s SEL Renewable Power Limited*	Enterprises over which key management personnel and relatives of such personnel are able to exercise significant influence
5	Mrs. Sneha Lata Saluja* Mrs. Ritu Saluja* Mrs. Reema Saluja*	Relatives of KMP

*No transactions have taken place during the year.

Related Parties Transactions:

(Rs. in Lakhs)

Particular	Holding Company		Key Management Personnel		Enterprises on which Key Management Personnel Exercise Significant Control	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase & Processing of Goods & Consumables Stores*	1644.73	1357.88	-	-	-	-
Sale & Processing of Goods & Consumables Stores*	2459.02	1952.70	-	-	-	-

Services Received	2.58	72.06	-	-	2.84	5.03
Services Given	117.54	-	-	-	-	-
Rent Paid	4.00	2.20	-	-	4.37	4.37
Corporate Guarantee Received	201324.00	201324.00	-	-	-	-
Managerial Remuneration	-	-	28.80	28.80	-	-
Closing Balances of Related Parties Debit/(Credit)	(7821.66)	(7281.59)	(2055.24)	(1919.06)	-	-

*Excluding all Taxes

35. Earnings Per Share

The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share".

Statement on calculation of Basic & Diluted EPS is as under:

Particulars		March 31, 2018	March 31, 2017
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	127,057,200	127,057,200
Profit/(Loss) for the year (continuing operations)	Lakhs	(59,207.30)	(16,072.94)
Weighted average earnings per shares (basic and diluted)	Rs.	(46.60)	(12.65)
Profit/(Loss) for the year (Discontinued operations)	Lakhs	-	-
Weighted average earnings per shares (basic and diluted) (Discontinued operations)	Rs.	-	-
Profit/(Loss) for the year (total operations)	Lakhs	(59,207.30)	(16,072.94)
Weighted average earnings per shares (basic and diluted)	Rs.	(46.60)	(12.65)

36. The balances of Trade Receivables, Loan and Advances, Deposits and Trade Payables are subject to confirmation/reconciliation and subsequent adjustments, if any. During the year, e-mails/letters have been sent to various parties with a request to confirm their balances as on 31st March, 2018 out of which few parties have confirmed their balances direct to the auditors or to the company.

37. There are no long term contracts, as on the date of balance sheet, including derivative contracts for which there are any material foreseeable losses.

38. The Company followed an aggressive growth path and had considerably grown its balance sheet, including debt. Due to the industry situation in general viz. slowdown and company specific issues such as growing debt, delayed realization of debtors, working capital shortfall, delay in project completion and cash flow mismatch, which had adversely affected the liquidity position of the company. The company was facing financial problems and finding difficulty in servicing its debt obligation. Therefore, it approached the lenders for restructuring its debts under Corporate Debt Restructuring (CDR) mechanism.

The Company's proposals for restructuring of its debts was approved by Corporate Debt Restructuring Cell ("CDR Cell") vide Letter of Approval (LOA) dt. 23.09.2014. The cut-off date (COD) for implementation of CDR was 30th September, 2013. The Company executed Master Restructuring Agreement (MRA) with CDR Lenders on 30th September, 2014. The details of the Restructuring package as approved by CDR cell were as under:-

- Restructuring of repayment schedule for term loans under Technology Upgradation Funds Scheme (TUFS) and Non-TUFS Term Loans, reduction in interest rates, additional facilities in the form of Working Capital Term Loan (WCTL) & Funded Interest Term Loan (FITL).
- The promoters to bring contribution equivalent to 25% of the sacrifice amount of by lenders. Accordingly, promoters have brought in an amount of Rs. 3,211.00 Lakhs as unsecured loan.
- Lenders with the approval of CDR EG shall have the right to recompense the reliefs/sacrifices/waivers extended by respective CDR lenders as per the CDR guidelines. The recompense payable is contingent on various factors including improved performance of the Company and many other conditions, the outcome of which is currently materially uncertain. Tentative recompense amount comes to Rs. 6,883.00 Lakhs.

However, the credit facilities envisaged and sanctioned under CDR package were not released fully by the CDR lenders to the Company, which resulted in sub-optimum utilization of manufacturing facilities. Due to non-disbursement of funds the Company could not complete one of its spinning projects where substantial amount was already invested. All this has led to adverse financial performance and erosion in net worth of the Company. Also the

company is facing cash flow mismatch and is not able to serve debt obligations as per the terms of CDR package sanctioned earlier. However, despite all this, the manufacturing capacities are operational and running. The Company has not defaulted in any of its statutory dues and has been able to retain all its management functionaries.

Since, the Company was finding it difficult to serve its debt obligations, the Company has requested its lenders for a second/deep restructuring of its debts. Considering the state of art manufacturing facilities of the Company, most modernized technology, skilled labour force, professional management and inherent viability of the Company, the lenders have in-principle agreed for second/deep restructuring of the debts. The Company and the lenders have already initiated the steps in this direction and the Company believes that the implementation of an appropriate restructuring scheme, its position shall improve significantly. Keeping in view the above, the financial statements of the company are prepared on going concern basis.

39. The majority of lenders have stopped charging interest on borrowings, since the accounts from the Company have been categorized as Non Performing Asset. The Company has stopped providing interest accrued and unpaid effective 1 April 2016 in its books. The amount of such accrued and unpaid interest, calculated according to the CDR term, not provided for is estimated at Rs.21659.39 lakhs (Previous year Rs. 15884.38) for the year ended 31st March 2018. Due to non-provision of the interest expense, net loss for the year ended 31st March 31, 2018 is reduced by Rs.21659.39 lakhs. Further the financial liability is reduced by Rs. 37543.70 lakhs and correspondingly the equity is increased by the same amount.

40. Exceptional Items of Rs. 36,492.10 lakhs for the year includes:

- During the year the Company has made an allowance of Rs.20858.28 for trade receivables under expected credit losses in compliance of Ind AS 109 which is charged to Statement of Profit & Loss as an exceptional item. Though the company strongly believes that these trade receivables are fully recoverable.
- The Company has given capital and trade advances amounting to Rs. 8742.47 lakhs to the suppliers that are outstanding for a long time. In view of reduction in activities, the materials and services could not be called from such suppliers. In compliance of Ind AS 36 impairment for capital and trade advances amounting to Rs. 8742.47 lakhs which is charged to Statement of Profit & Loss as an exceptional item. Though the company strongly believes that these advances are fully recoverable/adjustable.
- Loss on sale/write down of inventories, i.e. Raw Material, Work in Progress, Finished Goods, amounting Rs. 6,891.35 lakhs had arisen due to sale/write down of inventories identified as non/slow moving, obsolete and damaged inventory during the year which was below the carrying values/cost of inventories resulting in an exceptional loss on sales/write down, thereof to NRV.

41. The company had recognized prior period errors in respect of measurement of unsecured loans and liability component of compound financial instrument in compliance with Ind AS 8. The said elements were measured at cost in previous year which is now measured at amortized cost and the same have been recasted in the financial statements.

42. Lease Rent

- Factory Building is taken on lease for 15 years & Office Premises is taken on lease for 5 years with the option of renewal. The particulars of these leases are as follows:

Particulars	(Rs. In Lakhs)	
	2017-18	2016-17
Future Minimum lease payments under non-cancellable operating leases		
Not later than one year	7.00	2.20
Later than one year and not later than five years	23.50	5.90
Later than five years	2.50	3.50
Lease payment recognized in Profit and Loss Account	4.00	2.20

- Rent Income also includes Lease Rental received Factory Building premises. Such operating leases are generally for a period of 20 years and may be renewed for a further period of 10 years based on mutual agreement of the parties. The particulars of these leases are as follows:

Particulars	(Rs. In Lakhs)	
	2017-18	2016-17
Future Minimum lease payments on non-cancellable operating leases		
Not later than one year	-	0.12
Later than one year and not later than five years	-	0.48
Later than five years	-	1.02
Lease income recognized in Profit and Loss Account	0.12	0.12

43. Capital Work in Progress includes, Project and Pre-operative Expenses pending allocation to fixed assets: (Rs. in Lakhs)

	2017-18	2016-17
Opening Balance	8,407.28	7,944.65
Add: Expenses incurred during the year	-	-
Foreign Exchange Fluctuations & Other Expenses	-	463.84
Sub Total	8,407.28	8,408.49
Less: Expenses capitalized during the year	-	1.21
Closing Balance	8,407.28	8,407.28

44. The summarized position of Post-Employment benefits and long term employee benefits recognized in the Profit & Loss Account and Balance Sheet as required in accordance with Indian Accounting Standard (Ind AS 19) are as under:

a. **Gratuity**

The following tables set out the funded status of the gratuity plans and the amounts recognized in the Company's financial statements as at March 31, 2018 and March 31, 2017:

Particulars	March 31, 2018	March 31, 2017
(i) Change in benefit obligations		
Present value of obligations at the beginning	197.66	189.71
Current Service cost	35.95	49.63
Interest expense	15.81	9.54
Remeasurements-Actuarial (gains)/ losses	(116.63)	(31.28)
Benefits paid	(17.35)	(19.94)
Present value of obligations as at the end	115.44	197.66
(ii) Change in plan assets		
Fair value of plan assets at the beginning	46.66	37.76
Remeasurements- Return on plan assets excluding amounts included in interest income	4.09	1.69
Contributions	21.81	27.15
Benefits paid	(17.35)	(19.94)
Fair value of plan assets at the end	55.20	46.66
Funded status	(60.23)	(151.00)

(iii) Expenses recognized in Statement of Profit and Loss

Amount for the year ended March 31, 2018 and March 31, 2017 recognized in the Statement of Profit and Loss under employee benefit expenses.

Particulars	March 31, 2018	March 31, 2017
Current Service cost	35.95	49.63
Net interest/cost on the net defined benefit liability/asset	11.72	7.85
Net gratuity cost	47.67	57.48

(iv) Expenses recognized in Other Comprehensive Income

Amount for the year ended March 31, 2018 and March 31, 2017 recognized in statement of other comprehensive income:

Particulars	March 31, 2018	March 31, 2017
Actuarial (gains) / losses	(116.63)	(31.28)

(v) Actuarial assumptions

The weighted-average assumptions used to determine benefit obligations as at March 31, 2017 and March 31, 2016 are set out below:

Particulars	March 31, 2018	March 31, 2017
Discount rate	8.00%	8.00%
Salary Growth Rate (per annum)	7.00%	7.00%
Mortality	Indian Assured Lives Mortality (2006-08)	
Expected rate of return on Plan Assets	7.00%	6.50%

In respect of actuarial gains/losses accumulated for earlier years, the company has transferred all actuarial gains/losses recognized in the past within accumulated profits.

Bank Balances other than above	-	-	-	-	-	-	-	167.50
TOTAL FINANCIAL ASSETS	8103.22	8103.22	-	-	-	-	34886.77	29840.01
FINANCIAL LIABILITIES								
Non Current Liabilities								
Borrowings	-	-	-	-	-	-	77361.87	91987.02
Current Liabilities								
Borrowings	-	-	-	-	-	-	36708.28	37830.54
Trade Payables	-	-	-	-	-	-	12537.72	11764.82
Other Financial Liabilities	-	-	-	-	-	-	53295.22	38337.21
TOTAL FINANCIAL LIABILITIES	-	-	-	-	-	-	179903.09	179919.59

#including allowance for doubtful receivables amounting Rs. 20858.28 lakhs.

48. Fair Value Measurement: The following table presents fair value hierarchy of assets and liabilities measured at fair value as at 31st March 2018

Particulars	Fair Value Measurement using					
	Level 1		Level 2		Level 3	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Assets						
Investment Property	-	-	-	-	978.98	978.98
Liabilities						
Borrowings	-	-	164137.89	165434.79	-	-

(Rs.in Lakhs)

49. Financial Risk Management

The Company's principal financial liabilities comprises of loans and borrowings, trade and other payables, and other current liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has loans and receivables, trade and other receivables, and cash and short-term deposits that arise directly from its operations. The management of the company set out the company's overall business strategies and its risk management policy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including foreign exchange risk, interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the company's policy guidelines are complied with.

There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk. The company is exposed to the following risks related to financial instruments. The company has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The company does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

Market Risk: Market risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans & borrowings and deposits. The sensitivity analyses in the following sections relate to the position as at 31 March 2018 and 31 March 2017.

The following assumptions have been made in calculating the sensitivity analyses:

i) The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the net interest income for one year, based on the average rate of borrowings held during the year ended 31 March 2018, all other variables being held constant. These changes are considered to be reasonably possible based on observation of current market conditions.

Foreign Currency risk management: The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise.

Liquidity risk management: The Company's principal sources of liquidity are cash and cash equivalents that are generated from operations. The Company is passing through a phase of liquidity stress and there is a mismatch in cash flows. Due to this, the capacities of the Company are running at sub-optimal level. The Company has overdue bank borrowings and is in advanced stage of negotiations with the banks for restructuring of its debt which would correct the cash flow mismatch. The Company believes that post restructuring, the Company would be able to generate enough cash-inflows to meet its working capital requirements in the medium and long run.

The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Credit Risk Management: Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

The Company has exposure to credit risk from trade receivable balances on sale of Readymade Garments, Towel and Yarns. The Company has entered into short-term agreements with companies incorporated in overseas to sell the Readymade Garments, Towel and Yarns. Therefore the Company is committed, in the short term, to sell Readymade Garments, Towel and Yarns to these customers and the potential risk of default is considered low. For other customers, the Company ensures concentration of credit does not significantly impair the financial assets since the customers to whom the exposure of credit is taken are well established and reputed industries engaged in their respective field of business. The creditworthiness of customers to which the Company grants credit in the normal course of the business is monitored regularly.

Capital risk management: The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

No Changes were made in the objectives, policies or processes during the years ended 31st March 2018 and 31st March 2017.

50. Segment Information

Products and services from which reportable segments derive their revenues: In accordance with Ind AS 108 "Operating Segments", the chief operating officer (COO) of the Company reported that the company is engaged in the business of manufacturing and processing of textile products i.e. a single business and all business activities revolve around this segment.

Geographical information: The Company operates in two principal geographical areas - India and outside India. The Company's revenue from continuing operations from external customers by location of operations and information about its non-current assets* by location of assets are detailed below.

Particulars	Revenue from Customers		Non-Current Assets*	
	31 March, 2018	31 March, 2017	31 March, 2018	31 March, 2017
India	22,065.26	16,040.18	106,758.40	119,468.54
Outside India	9,484.54	24,380.45	-	-
Total	31,549.80	40,420.63	106,758.40	119,468.54

*Non-current assets exclude those relating to financial assets and deferred tax assets.

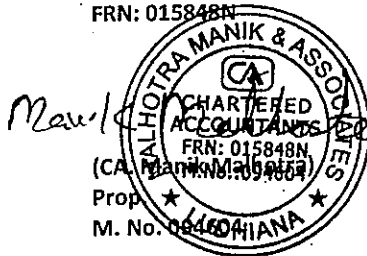
Information about major customers: No single customer contributed 10% or more to the Company's revenue for both 2017-18 and 2016-17.


51. Previous year amounts have been reclassified wherever necessary to make them comparable and conform to Ind AS presentation.
52. Note No. 1-51 forms integral part of Balance Sheet and Statement of Profit and Loss.


Subject to our Separate
Report of Even Date


For Malhotra Manik & Associates
Chartered Accountants
FRN: 015848N

For and on the behalf of Board of
SEL Textiles Limited




(R.S. Saluja)
Managing Director
DIN: 01145051


(Navneet Gupta)
Director
DIN: 02122420


(Abhay Sharma)
Company Secretary

Place: Ludhiana
Date: 04.07.2018

INDEPENDENT AUDITORS' REPORT

To the Members of SEL Textiles Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **SEL Textiles Limited** ("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 significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 the relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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.

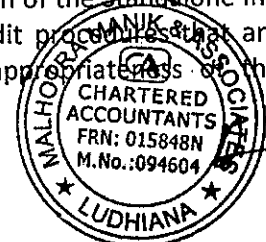
Auditor's Responsibility

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

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 there under.

We conducted our audit of 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

Basis for Qualified Opinion

We refer to:

- (1) Note No. 39 to the Standalone Ind AS financial statements in respect of non provision of interest on borrowings from banks (classified as NPA) amounting Rs21,659Lakhs &Rs. 15,884 lakhs (amount calculated after considering the rates and terms and conditions stipulated originally as per CDR package) for the year ended 31st March, 2018 & 31st March 2017 respectively. The same is not in compliance with the requirements of para 27 of the Ind AS 1-Presentation of Financial Statements w.r.t. preparation of financial statements on accrual basis. Consequently, borrowings are not reflected at fair value in financial statements as required by Ind AS 109, Financial Instruments.
- (2) Note no. 12 (Other Financial Assets) to the Standalone Ind AS financial statements includes interest subsidy receivable amounting to Rs.6331 Lakhs which consists of interest subsidy under TUFs from Ministry of Textiles for the financial years 2013-14 to 2016-17 for which no confirmation was available. The company has not provided for any allowance under ECLthereagainst.
- (3) The company has not provided to us for our review any working regarding impairment testing conducted to assess recoverable amount of Capital work in progress of Rs37635 lakhs outstanding as at 31st march 2018. We are unable to comment on whether the company needs to make a provision in respect of impairment losses on above as required under Ind AS 36.
- (4) Note no. 40(c), to the standaloneInd AS financial statements in relating to loss on sale/write down of inventories of Raw materials, Work in Progress, Finished Goods identified as non-moving, slow moving, obsolete and damaged inventory to net realizable value by Rs 6891 lakhs for which the company has not provided to us any technical market/commercial evaluation for the same to justify its reasonableness. Being a technical matter we are unable to comment on the loss recognized by the company due to sale/ write down of inventories to net realizable value.
- (5) Note no.17, 19 and 21to the Standalone Ind AS financial statements in respect of Borrowings and other financial liabilitiescontain secured loans from banks thereof. There is shortfall in the carrying value of the security against the secured loans consequently the loans are not fully secured.

We further report that, had the impact of our observations made in paragraph 1 of Basis for qualified opinion paragraph been considered, the net loss for the year ended 31st March, 2018 would have been increased by Rs. 21659 lakhs and the borrowings for the year ended 31st March 2018 and 31st March 2017 would have been increased by Rs. 37543 lakhs &Rs. 15884 lakhs and Equity would have been reduced by the same amount for the years ended 31.3.2018 and 31.3.2017 respectively. The financial impact of matters stated in paragraphs 2, 3, 4& 5 of Basis for Qualified Opinion can't be measured reliably.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the above para of "Basis for Qualified Opinion" in our report, that aforesaid Standalone Ind AS financial statements give the information required in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.



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 March 31, 2018 and its loss, its cash flows and the changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

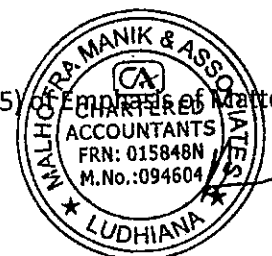
Note no.38 of standalone Ind AS financial statements stating that the terms & conditions of sanctioned CDR package w.r.t. interest & principal repayment were not complied with. Consequently the bank accounts of the company become, non performing . the company has incurred net loss of Rs.59694 lakhs resulting into accumulated losses of Rs 55839 lakhs leading to erosion of entire net worth and current liabilities have exceeded the current assets of the company, Further concerning the company's ability to realize the value of inventories, trade receivables and & interest other financial assets, meet its contractual/ financial obligations w.r.t. repayment of overdue principal and accrued interest on secured borrowings, arranging working capital for ensuring normal operations further investments required towards ongoing projects under construction. Moreover the company has derecognized Deferred Tax assets and MAT credit since availability of future taxable income is not certain. Due to financial constraints, the company has started job work operations in major spinning plants instead of pursuing its own manufacturing activities since September 2017. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Emphasis of Matter

We draw attention to the following matters:

- (1) Note No.38(c) of the Standalone Ind AS financial statements in respect of Contingency related to 'compensation payable in lieu of bank sacrifice,' the outcome of which is materially uncertain and cannot be determined currently.
- (2) Note No. 33 A (ii) of the Standalone Ind AS financial statements in respect of contingency related to export incentives obligation refundable amounting Rs 1066 lakhs in respect of Allowance for foreign trade receivables, which is further subject to interest and penalties, the amount of such obligation cannot be determined currently.
- (3) Note no. 36, to the Standalone Ind AS financial statements regarding the balance confirmations of Trade Receivables, Capital/Trade Advances & Trade Payables. During the course of preparation of Standalone Ind AS financial statements, e-mails/letters have been sent to various parties by the company with a request to confirm their balances as on 31st March, 2018 out of which few parties have confirmed their balances direct to us or to the company.
- (4) As reported vide note 40(a) to the Standalone Ind AS financial statements, the company has provided for allowance of Rs.20858 lakhs in respect of Trade Receivables due to change in probability factor in estimating Expected credit losses (under ECL Model) as reported in para 3 to the financial statements. Further, Note No. 40(b) to the Standalone Ind AS financial statements, the company has provided for impairment loss of Rs. 8742 Lakhs in respect of long outstanding Capital/Trade Advances given to suppliers.
- (5) Note No. 33(B), to the Standalone Ind AS financial statements in respect of Capital Commitments contains uncertainty regarding contracts yet to be executed, escalation costs and other additions to the reported figures, if any. Being a technical matter, we are unable to comment on the total contingent capital commitment figure as reported the same cannot be measured with sufficient reliability.

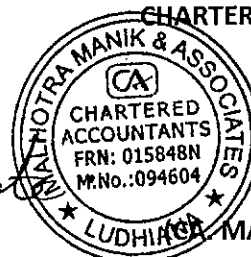
Our opinion is not modified in respect of matters reported in paragraph (1) to (5) of Emphasis of Matter.



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 the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the matters described in the "basis of qualified opinion" and "emphasis of matter" paragraphs above may have adverse impact on functioning of the company.
 - e. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Companies Act, 2013, read with relevant rules except non compliance of provisions of para 42(b) of Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, which requires disclosure of restated opening balances of assets, liabilities and equity for the earliest prior period presented which had not been made by the company in the Standalone Ind AS statement of assets and liabilities.
 - f. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013;
 - g. 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 B".
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note no. 33 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR MALHOTRA MANIK & ASSOCIATES,
CHARTERED ACCOUNTANTS
FRN.: 015848N



Manik Malhotra

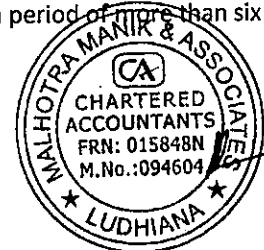
PLACE: LUDHIANA
DATED: 04.07.2018

MANIK MALHOTRA)
PROPRIETOR
M.No.:094604

Annexure - A to the Independent Auditors' Report

The Annexure referred to the Independent Auditors' Report to the members of the company on the Standalone Ind AS financial statements for the year ended on 31st March, 2018. We report that:

- (i) (a) The Company has maintained proper records showing particulars including quantitative details and situation of fixed assets except for certain items of fixed assets, the quantitative details of which are in the process of being compiled. As explained to us, the same will be compiled by the management in due course of time.
- (b) According to the information and explanations given to us, the Company has adopted a policy of physical verification of fixed assets once in every three years. However, the Company has not physically verified any of the fixed assets during the year under audit.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) In our opinion and according to the information and explanation given to us, the physical verification of inventories has been conducted at reasonable interval by the management and no material discrepancies were noticed on physical verification of inventories as compared to the book records.
- (iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans secured or unsecured, to Companies, Firms and other parties covered in the register maintained section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the 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) The Company has not accepted deposits from the public within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under. No order under the aforesaid sections has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost records sub-section (1) of the section 148 of the Companies Act, 2013 and are of opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the such records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the books and records examined by us, we state that the company is regular in depositing undisputed statutory dues including income tax, provident fund, employees state insurance, custom duty, Goods & services tax, excise duty, service tax, value added tax, cess and other statutory dues to the appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, provident fund, employees state insurance, custom duty, Goods & services tax, excise duty, service tax, value added tax, cess and other material statutory dues in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.



(b) According to the information and explanations given to us there are no dues of income tax, provident fund, employees state insurance, custom duty, goods & services tax, excise duty, service tax, value added tax, cess and other statutory dues, which have not been deposited on account of any dispute except disclosed as under:

Name of the statute	Nature of dues	Amount (In Lakhs)	Accounting year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	366.99*	2014-15	Commissionerate (Appeals)

*Net of Rs. 65 lakhs paid under protest

(viii) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of loans or borrowings and interest thereon to banks as given below:

Particulars	Nature of default	Amount of the default as at Balance sheet date	Period of default
A. Term Loans			
ALLAHABAD BANK	INTEREST	2169819109	31.08.2015
	PRINCIPAL	668488136	30.09.2015
BANK OF MAHARASHTRA	INTEREST	214315032	30.10.2015
	PRINCIPAL	231845157	30.09.2015
CENTRAL BANK OF INDIA	INTEREST	2066066361	30.11.2015
	PRINCIPAL	659145480	31.10.2015
CORPORATION BANK	INTEREST	383404376	30.01.2016
	PRINCIPAL	209444071	31.01.2016
INDIAN OVERSEAS BANK	INTEREST	655360667	31.10.2015
	PRINCIPAL	217922133	31.10.2015
PUNJAB NATIONAL BANK	INTEREST	570358644	30.04.2016
	PRINCIPAL	304908468	30.01.2016
PUNJAB & SIND BANK	INTEREST	214239295	28.02.2016
	PRINCIPAL	79500000	30.01.2016
UCO BANK	INTEREST	244912367	31.08.2015
	PRINCIPAL	194914670	31.10.2015
UNITED BANK	INTEREST	48014578	31.10.2015
	PRINCIPAL	83315988	30.09.2015
UNION BANK OF INDIA	INTEREST	107812510	30.04.2015
	PRINCIPAL	174424459	31.03.2015

(ix) In our opinion and according to the information and explanations given to us, no money was raised by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

(x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company, by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and the audit procedures conducted by us, managerial remuneration has been paid or provided was in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

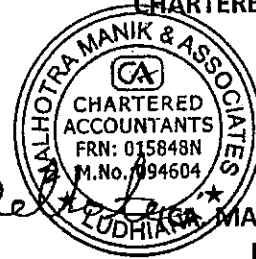
(xii) The Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the company, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details of the transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.



- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions with directors or persons connected with the directors and therefore, the provisions of clause 3 (xv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

FOR MALHOTRA MANIK & ASSOCIATES,
CHARTERED ACCOUNTANTS
FRN.: 015848N



Manik Malhotra

MANIK MALHOTRA)
PROPRIETOR
M.No.:094604

PLACE: LUDHIANA
DATED: 04.07.2018

SILVERLINE CORPORATION LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	0.34	0.44
(b) Capital Work in Progress		1,302.87	1,301.69
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets		-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivable		-	-
(iii) Loans		-	-
(iv) Others	5	18.34	16.20
(i) Deferred Tax Assets (Net)	6	-	0.09
(j) Other Non-Current Assets	7	2,423.25	2,413.25
(2) Current Assets			
(a) Inventories		-	-
(b) Financial Assets			
(i) Current Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash & Cash Equivalents	8	44.58	46.68
(iv) Bank Balances other than (iii) above		-	-
(v) Loans		-	-
(vi) Others		-	-
(c) Current Tax Assets (Net)		-	-
(d) Other Current Assets	9	282.29	282.64
TOTAL ASSETS		4,071.67	4,060.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	10	413.91	413.91
(b) Other Equity	11	3,647.21	3,646.88
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions			
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	12	10.55	0.20
(c) Provisions		-	-
(d) Current Tax Liabilities(Net)		-	-
TOTAL EQUITY & LIABILITIES		4,071.67	4,060.98

See accompanying notes to the financial statements

This is the Balance Sheet referred to in our report of even date.

Dr. Dinesh Mehtani & Co.

Chartered Accountants

Reg. No. 025897N

Dinesh Kumar

M.No. 091676

M.No. 091676

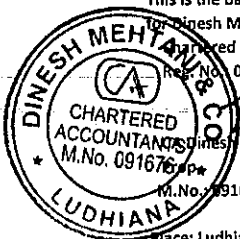
Place: Ludhiana

Dated: 27.06.2018

For and on the behalf of Board of Directors
of Silverline Corporation Limited


(Neeraj Saluja)
Director
DIN: 00871939


(Navneet Gupta)
Director
DIN: 02122420



SILVERLINE CORPORATION LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	CURRENT YEAR	PREVIOUS
I. Revenue From Operations		-	-
II. Other Income	13	2.00	1.95
III. Total Income (I+II)		2.00	1.95
IV. Expenses			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		-	-
Employee Benefits Expense	14	1.00	1.05
Finance Cost	15	0.02	0.02
Depreciation and Amortization Expense	16	0.10	0.19
Other Expense	17	0.25	0.16
Total Expenses (IV)		1.36	1.41
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		0.63	0.54
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before Tax (V-VI)		0.63	0.54
VIII. Tax Expense			
1) Current Tax		0.20	0.19
2) Deferred Tax		0.10	(0.03)
3) Earlier Years		-	0.03
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		0.33	0.35
X. Profit/(Loss) from Discontinued Operations		-	-
XI. Tax Expense of Discontinued Operations		-	-
XII. Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		-	-
XIII. Profit/(Loss) for the period (IX+XII)		0.33	0.35
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		(0.01)	-
XV. Total Comprehensive Income for the Period (XIII+XIV)		0.32	0.35
XVI. Earning per Equity Share (for Continuing Operations) (Rs.)	19		
1) Basic		0.01	0.01
2) Diluted		0.01	0.01
XVII. Earning per Equity Share (for Discontinued Operations) (Rs.)			
1) Basic		-	-
2) Diluted		-	-
XVIII. Earning per Equity Share (for Discontinued & Continuing Operations) (Rs.)	19		
1) Basic		0.01	0.01
2) Diluted		0.01	0.01
See accompanying notes to the financial statements			

This is the Profit & Loss Statement referred to in our report of even date.

for Dinesh Mehtani & Co.

Chartered Accountants

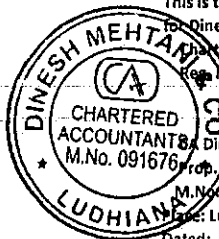
Reg. No.: 025897N

Dinesh Kumar

M.No. 091676

Ludhiana

Dated: 27.06.2018



For and on the behalf of Board of Directors
of Silverline Corporation Limited

Neeraj Saluja
(Neeraj Saluja)
Director
DIN: 00871939

Navneet Gupta
(Navneet Gupta)
Director
DIN: 02122420

SILVERLINE CORPORATION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	(Rs. In Lakhs)	
Particulars	31.03.2018	31.03.2017
A Cash Flow from Operating Activities		
Net Profit before Taxes & Extraordinary Items	0.63	0.54
Adjustments for Non Cash Items:		
Depreciation and Amortisation Expenses	0.10	0.19
Adjustments for Changes in Working Capital:		
Decrease/(Increase) in Other Current Assets	0.35	15.39
Decrease/(Increase) in Current Tax Assets	(0.00)	-
Decrease/(Increase) in Inventories	(12.14)	5.92
(Decrease)/Increase in Other Current Liabilities	10.35	(8.51)
Cash Generation from Operations	(0.72)	13.53
Taxes Paid	0.20	0.22
Net Cash from Operating Activities	(0.92)	13.31
B Cash Flows from Investing Activities		
Expenditure on Property Plant and Equipments and	(1.18)	(11.63)
Net Cash Flows from Investing Activities	(1.18)	(11.63)
C Cash Flows from Financing Activities		
Net Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent	(2.10)	1.68
Cash & Cash Equivalents - Opening Balance	46.68	45.00
Cash & Cash Equivalents - Closing Balance	44.58	46.68

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

for Dinesh Mehtani & Co.

Chartered Accountants

Reg. No.: 025897N

Dinesh Kumar

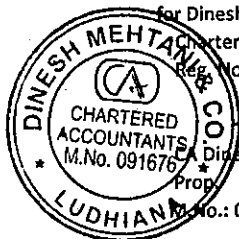
Prop.

M. No.: 091676

For and on the behalf of Board of Directors
of Silverline Corporation Limited


(Neeraj Saluja)
Director
DIN: 00871939


(Navneet Gupta)
Director
DIN: 02122420



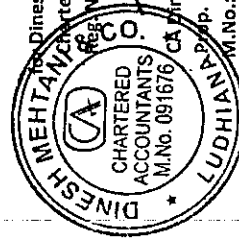
Place: Ludhiana
Dated: 27.06.2018

SILVERLINE CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

		As At 01.04.2016		Changes in equity share capital during the year		As At 31.03.2017		Changes in equity share		As At 31.03.2018		(Rs. in Lakhs)
		413.91	413.91	413.91	413.91	413.91	413.91	413.91	413.91	413.91	413.91	413.91
A. Equity Share Capital												
	Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-
	Equity component of compound financial instruments	-	-	-	-	-	-	-	-	-	-	-
	Capital Reserve	-	-	-	-	-	-	-	-	-	-	-
	Securities Premium Reserve	-	3,636.90	-	3,636.90	-	3,636.90	-	3,636.90	-	3,636.90	-
	General Reserve	-	-	-	-	-	-	-	-	-	-	-
	Foreign Exchange Fluctuation Reserve	-	-	-	-	-	-	-	-	-	-	-
	Retained Earnings	-	9.64	-	9.64	-	9.64	-	9.64	-	9.64	-
	Debt instruments through Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
	Revaluation Surplus	-	-	-	-	-	-	-	-	-	-	-
	Other items of Comprehensive Income	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-
	As at 01.04.2016	-	-	-	3,636.90	-	9.64	-	-	-	(0.01)	3,646.53
	General Reserve transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-
	Total Comprehensive Income for the year	-	-	-	-	-	0.35	-	-	-	-	0.35
	As at 31.03.2017	-	-	-	3,636.90	-	9.99	-	-	-	(0.01)	3,646.88
	Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
	Restated balance as at 31.03.2017	-	-	-	3,636.90	-	9.99	-	-	-	(0.01)	3,646.88
	Total Comprehensive Income for the year	-	-	-	-	-	0.33	-	-	-	0.01	0.34
	Dividends	-	-	-	-	-	-	-	-	-	-	-
	Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-
	Any other change	-	-	-	-	-	-	-	-	-	-	-
	As at 31.03.2018	-	-	-	3,636.90	-	10.32	-	-	-	-	3,647.22

DINESH MEHTANI & Co.
Chartered Accountants
Reg. No.: 025897N



Place: Ludhiana
Dated: 27.06.2018

For and on the behalf of Board of Directors
of Silverline Corporation Limited

Neeraj Saluja
(Neeraj Saluja)
Director
DIN: 00871939

Harvneet Gupta
(Harvneet Gupta)
Director
DIN: 02122420

PROPERTY, PLANT AND EQUIPMENT

NOTE NO.- 4

Particulars	Plant & Equipment	Total
Gross Value as at 1st April 2016	2.15	2.15
Addition during the year	-	-
Deduction during the year	-	-
Gross Value as at 31st March 2017	2.15	2.15
Addition during the year	-	-
Deduction during the year	-	-
Gross Value as at 31st March 2018	2.15	2.15
Depreciation & Impairment		
Depreciation as at 1st April 2016	1.52	1.52
Depreciation for the year	0.19	0.19
Disposal during the year	-	-
Depreciation as at 31st March 2017	1.71	1.71
Depreciation for the year	0.10	0.10
Disposal during the year	-	-
Depreciation as at 31st March 2018	1.81	1.81
Net Book Value		
As at 31st March 2018	0.34	0.34
As at 31st March, 2017	0.44	0.44

FINANCIAL ASSETS-OTHERS

NOTE NO. - 5

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
	In Rupees	In Rupees
a) Fixed Deposits	18.29	16.15
b) Others	0.05	0.05
TOTAL	18.34	16.20

DEFERRED TAX ASSET/(LIABILITY)

NOTE NO. - 6

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
Unused Tax Losses/Depreciation	-	0.09
Other Temporary Differences	-	-
Net Deferred Tax Asset/(Liability)	-	0.09

OTHER NON CURRENT ASSETS

NOTE NO. - 7

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
	In Rupees	In Rupees
(Unsecured considered good) Capital Advances	2,423.25	2,413.25
TOTAL	2,423.25	2,413.25

CASH & CASH EQUIVALENTS

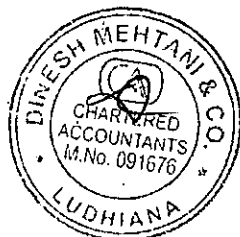
NOTE NO. - 8

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
Cash in Hand	43.77	44.77
Balances with Scheduled Banks	0.81	1.91
TOTAL	44.58	46.68

OTHER CURRENT ASSETS

NOTE NO. - 9

PARTICULARS	AS AT	AS AT
	31.03.2018	31.03.2017
(Unsecured, considered good) Advances to Suppliers	6.12	6.47
Others	276.17	276.17
TOTAL	282.29	282.64



DEPRECIATION & AMORTIZATION EXPENSES

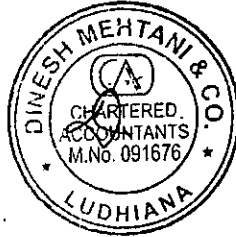
NOTE NO. - 16

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Depreciation of Tangible Assets	0.10	0.19
TOTAL	0.10	0.19

OTHER EXPENSES

NOTE NO. - 17

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Fees & Taxes	0.01	0.05
Legal & Professional Charges	0.19	0.06
<u>Auditors' Remuneration</u>		
Audit Fee	0.05	0.05
TOTAL	0.25	0.16



NOTES TO IND AS FINANCIAL STATEMENTS**1. Corporate Information**

Silverline Corporation Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. Company has not started its manufacturing operations as on 31.03.2018. The registered Office of the company is located at 274, G.T.Road, Dhandari Khurd, Ludhiana, Punjab.

2. Significant Accounting Policies**2.1 Basis of Preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective April 1, 2016, the Company has adopted Ind AS standards in accordance with IndAS101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. 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 (Indian GAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs, except otherwise indicated.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Revenue Recognition**Sale of goods**

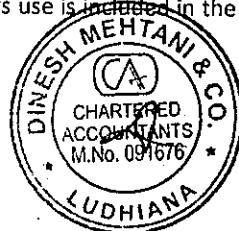
Revenue from sale of goods is recognised, when all significant risks and rewards are transferred to the buyer, as per the terms of the contracts and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods. It also includes excise duty and price variations based on the contractual agreements and excludes value added tax/sales tax/goods & services tax. It is measured at fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.4 Property, Plant and Equipment

Property, plant and equipment & Capital Work in Progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.



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

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit or net loss in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.5 Employee Benefits

All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

2.6 Accounting for Taxes on Income

Current Tax: Current Tax is determined as the amount of tax payable in respect of taxable income for the period after considering tax allowances & exemptions.

Deferred Tax: Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

2.7 Impairment of Non Financial Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

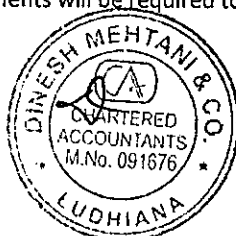
2.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash in hand and at bank and short-term deposits with original maturity period of three months or less.

2.9 Provisions and Contingent Liabilities & Contingent Assets

Contingent Liabilities

- (a) Provisions are recognized for liabilities that can be determined by using a substantial degree of estimation, if:
- (i) The company has a present obligation as a result of a past event;
 - (ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - (iii) The amount of the obligation can be reliably estimated
- (b) Contingent liability is disclosed in the case of:
- (i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or



- (j) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

Contingent Assets

Where an inflow of economic benefit is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of reporting period, and, where practicable, an estimate of their effect, measured using the principles set out as per provisions.

2.10 Earnings per share:

Basic earning per share is computed by dividing the net profit from the continuing operations attributable to equity shareholders by the weighted average number of shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average numbers of equity shares outstanding during the period.

2.11 Financial instruments:

(i) Financial assets:

Initial recognition and measurement

All financial assets are recognised 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. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

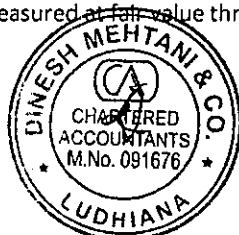
- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** 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.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.



All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in "other comprehensive income".

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the 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 derecognized (i.e. removed from the Company's statement of financial position) 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

(ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and redeemable preference shares.

Subsequent measurement

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

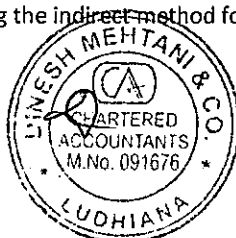
Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied.

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

2.12 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 "Statement of Cash flows" using the indirect method for operating activities.



3. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies requires the Company to use a variety of estimation techniques and apply judgement to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgement that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgements, estimates and assumptions made by the management and will seldom equal the estimated results.

Judgements

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Deferred Tax Assets: The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Estimates and assumptions

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Similarly, the Company provides for inventory obsolescence and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. If market conditions and actual demands are less favorable than the Company's estimates, additional inventory provisions may be required. In all cases inventory is carried at the lower of historical cost and net realizable value.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- i) Recoverability of deferred tax assets: The recognition of deferred tax assets requires assessment of future taxable profit.
- ii) Estimation of fair value of financial assets and financial liabilities: while preparing the financial statements the Company makes estimates and assumptions that affect the reported amount of financial assets and financial liabilities.



18. The related party disclosure in accordance with Indian Accounting Standard (Ind AS)-24 "Related Party" issued by the Institute of Chartered Accountants of India is given below:

Sr. No.	Name of the related party	Relationship
1	M/s. SEL Manufacturing Co. Ltd.	Ultimate Holding Company
2	M/s. SEL Textiles Limited	Holding Company
3	Mr. R.S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja Mr. Navneet Gupta Mr. V . k. Goyal	Key Management personnel
4	M/s. Shiv Narayan Investments Pvt. Ltd. M/s. Saluja International M/s. SEL Aviation Pvt. Ltd. M/s. Rythm Textiles & Apparels Park Ltd. M/s. SE Exports	Enterprises over which key management personnel and relatives of such personnel are able to exercise significant influence
5	Mrs. Sneha Lata Saluja Mrs. Ritu Saluja Mrs. Reema Saluja	Relatives of KMP

19. Earnings Per Share

The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share". A statement on calculation of Basic & Diluted EPS is as under:

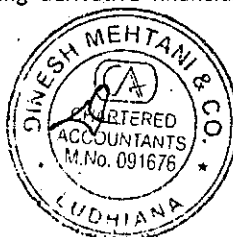
Particulars	Unit	March 31, 2018	March 31, 2017
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	4,139,050	4,139,050
Profit/(Loss) for the year (continuing operations)	Lakhs	0.33	0.35
Weighted average earnings per shares (basic and diluted)	Rs.	0.01	0.01
Profit/(Loss) for the year (Discontinued operations)	Lakhs	-	-
Weighted average earnings per shares (basic and diluted) (Discontinued operations)	Rs.	-	-
Profit/(Loss) for the year (total operations)	Lakhs	0.33	0.35
Weighted average earnings per shares (basic and diluted)	Rs.	0.01	0.01

20. In opinion of the board, all the current assets, loans & advances have the value on realization in the ordinary course of business at least equal to amount at which they are stated.

21. Financial Risk Management

The management of the company set out the company's overall business strategies and its risk management policy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the company's policy guidelines are complied with.

There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk. The company is exposed to the following risks related to financial instruments. The company has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The company does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.



a) Liquidity risk management

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

b) Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain.

With respect to credit risk arising from the other financial assets of the company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

c) Capital risk management

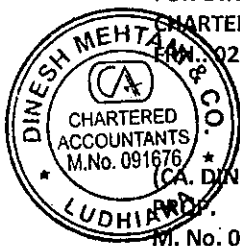
The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less Cash at Bank. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

No Changes were made in the objectives, policies or processes during the years ended 31st March 2018 and 31st March 2017.

22. According to the information and explanation given by the management, Company has no Contingent liability to be provided for.
23. The figures of the previous year has been rearranged and/ or regrouped wherever considered necessary to facilitate comparison.

FOR DINESH MEHTANI & CO.
CHARTERED ACCOUNTANTS
Firm No. 025897N



(CA. DINESH KUMAR)
M. No: 091676

FOR AND ON BEHALF OF THE BOARD OF
SILVERLINE CORPORATION LIMITED

Neeraj Saluja
(NEERAJ SALUJA)
DIRECTOR
DIN: 00871939

Navneet Gupta
(NAVNEET GUPTA)
DIRECTOR
DIN: 02122420

PLACE: LUDHIANA
Date: 27.06.2018



DINESH MEHTANI & CO.
CHARTERED ACCOUNTANT

Office: Pindi Street, Ludhiana.
Resi: B-XI-1916, Old Civil Hospital Road, Ludhiana.
Phone: +91-161-2225785, Mobile: 98151-00355
E-mail: mehtanidinesh_1969@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT

Ref. No.

Dated.....

To the Members of Silverline Corporation Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Silverline Corporation Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, 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.

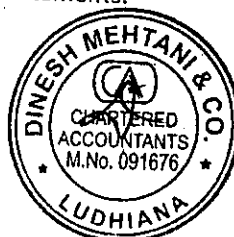
Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial statements.

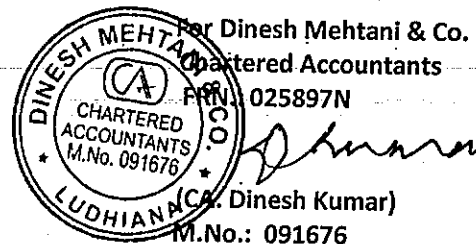


Opinion

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 March 31, 2018 and its profit and its cash flows 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 the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and proper returns adequate for the purpose of our audit.
 - c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - e. in our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - f. on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013;
 - g. 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 B"; and
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigation which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

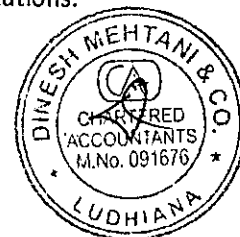


Place: Ludhiana
Dated: 27.06.2018

Annexure - A to the Auditors' Report

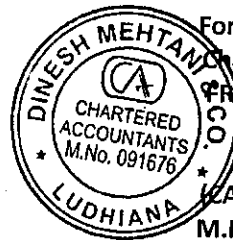
The Annexure referred to in our report to the members of Silverline Corporation Limited for the year ended on 31st March, 2018. We report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed Assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The company has no immovable Property, Therefore the provision of the clause3 (i) (c) of the Company (Audit Report). Order 2016 are not applicable to the company.
- (ii) The Company has no Inventories, Therefore the provision of the clause3 (ii) of the Company (Audit Report) Order 2016 are not applicable to the company.
- (iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans secured or unsecured, to the parties covered in the register maintained section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and for sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- (vi) In our opinion, since Company has no manufacturing activities, the Rules made by the Central Government for the maintenance of Cost records under sub-section (1) of the section 148 of the Companies Act, 2013 are not applicable to the company.
- (vii) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including income tax, wealth tax, provident fund, employees state insurance, custom duty, sales tax, excise duty, service tax, value added tax, cess and other material statutory dues applicable to it though there has been slight delays in few cases of income tax deducted at source, employee state insurance and provident fund which are not material.
- (b) According to the information and explanations given to us, there were no undisputed amounts payable in respect of income tax, wealth tax, provident fund, employees state insurance, custom duty, sales tax, excise duty, service tax, value added tax, cess and other material statutory dues in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions.



- (ix) During the year, there were no moneys raised by way of Bank Loans, initial public offer or further public offer.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company by its officers or employees during the year was noticed or reported, nor have we been informed of such case by the management.
- (xi) In our opinion and according to the information and explanation given to us, no any managerial remuneration being paid or provided during the year under audit.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ludhiana
Dated: 27.06.2018



For Dinesh Mehtani & Co.
Chartered Accountants
FRN.: 025897N
(Signature)
(CA. Dinesh Kumar)
M.No.: 091676

Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of Silverline Corporation Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the 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

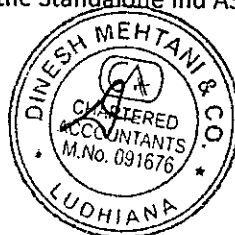
Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Standalone Ind AS 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 Standalone Ind AS 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.



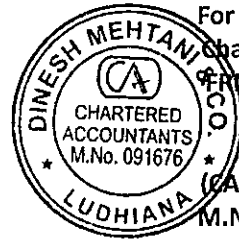
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, 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 31 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.

Place: Ludhiana
Dated: 27.06.2018



For Dinesh Mehtani & Co.

Chartered Accountants

FRN.: 025897N

(CA. Dinesh Kumar)

M.No.: 091676

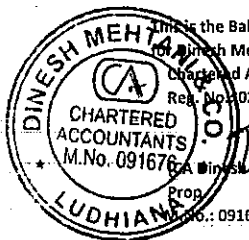
SEL AVIATION PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

(Rs. in Lakhs)

PARTICULARS	NOTE NO.	AS AT 31.03.2018	AS AT 31.03.2017
ASSETS			
(1) Non Current Assets			
(a) Property, Plant and Equipment	4	795.38	850.89
(b) Capital Work in Progress		-	-
(c) Investment Property		-	-
(d) Goodwill		-	-
(e) Other Intangible Assets		-	-
(f) Intangible Assets under Development		-	-
(g) Biological Assets Other Than Bearer Plants		-	-
(h) Financial Assets		-	-
(i) Investments		-	-
(ii) Trade Receivable		-	-
(iii) Loans		-	-
(iv) Others		-	-
(i) Deferred Tax Assets (Net)	5	-	248.84
(j) Other Non-Current Assets		-	-
(2) Current Assets			
(a) Inventories		-	-
(b) Financial Assets		-	-
(i) Current Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash & Cash Equivalents	6	7.28	9.86
(iv) Bank Balances other than (iii) above		-	-
(v) Loans		-	-
(vi) Others		-	-
(c) Current Tax Assets (Net)	7	5.29	3.64
(d) Other Current Assets	8	16.45	14.87
TOTAL ASSETS		824.40	1,128.09
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	9	409.00	409.00
(b) Other Equity	10	183.15	542.39
LIABILITIES			
(1) Non-Current Liabilities			
(a) Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(iii) Other Financial Liabilities		-	-
(b) Provisions		-	-
(c) Deferred Tax Liabilities (Net)		-	-
(d) Other Non-Current Liabilities		-	-
(2) Current Liabilities			
(a) Financial Liabilities		-	-
(i) Borrowings		-	-
(ii) Trade Payables	11	13.93	11.00
(iii) Other Financial Liabilities		-	-
(b) Other Current Liabilities	12	218.32	165.70
(c) Provisions		-	-
(d) Current Tax Liabilities(Net)		-	-
TOTAL EQUITY & LIABILITIES		824.40	1,128.09

See accompanying notes to the financial statements



This is the Balance Sheet referred to in our report of even date.

Dinesh Mehtani & Co.

Chartered Accountants

Reg. No. 025897N

(Prop. Dinesh Kumar)

M.No. 091676

Place: Ludhiana

Dated: 27.06.2018

For and on the behalf of Board of Directors
of SEL Aviation Private Limited

(R S Saluja)
Director
DIN: 01145051

(Neeraj Saluja)
Director
DIN: 00871939

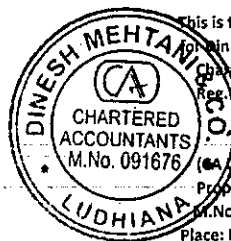
SEL AVIATION PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. in Lakhs)

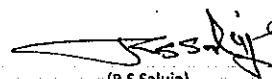
PARTICULARS	NOTE NO.	CURRENT YEAR	PREVIOUS YEAR
I. Revenue From Operations	13	85.11	68.86
II. Other Income	14	0.01	-
III. Total Income (I+II)		85.12	68.86
IV. Expenses			
Cost of Materials Consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade		-	-
Employee Benefits Expense	15	35.23	22.44
Finance Cost	16	0.02	0.08
Depreciation and Amortization Expense	17	55.51	55.51
Other Expense	18	104.76	118.36
Total Expenses (IV)		195.53	196.40
V. Profit/(Loss) Before Exceptional Items And Tax (I-IV)		(110.40)	(127.54)
VI. Exceptional Items		-	-
VII. Profit/(Loss) Before Tax (V-VI)		(110.40)	(127.54)
VIII. Tax Expense			
a) Deferred Tax		504.59	(38.64)
IX. Profit/(Loss) for the period from Continuing Operations (VII-VIII)		(614.99)	(88.89)
X. Profit/(Loss) from Discontinued Operations		-	-
XI. Tax Expense of Discontinued Operations		-	-
XII. Profit/(Loss) from Discontinuing Operations (After Tax) (X-XI)		-	-
XIII. Profit/(Loss) for the period (IX+XII)		(614.99)	(88.89)
XIV. Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to Items that will not be reclassified to Profit or Loss		-	-
B (i) Items that will be reclassified to Profit or Loss		-	-
(ii) Income Tax relating to Items that will be reclassified to Profit or Loss		-	-
XV. Total Comprehensive Income for the Period (XIII+XIV)		(614.99)	(88.89)
XVI. Earning per Equity Share (for Continuing Operations) (Rs.)	21		
1) Basic		(15.04)	(2.17)
2) Diluted		(15.04)	(2.17)
XVII. Earning per Equity Share (for Discontinued Operations) (Rs.)			
1) Basic		-	-
2) Diluted		-	-
XVIII. Earning per Equity Share (for Discontinued & Continuing Operations) (Rs.)	21		
1) Basic		(15.04)	(2.17)
2) Diluted		(15.04)	(2.17)
See accompanying notes to the financial statements			

For and on the behalf of Board of Directors
of SEL Aviation Private Limited



This is the Profit & Loss Statement referred to in our report of even date.

Dinesh Mehtani & Co.
Chartered Accountants
Reg. No.: 025897N
(CA Dinesh Kumar)
Prop.
M.No.: 091676
Place: Ludhiana
Dated: 27.06.2018


(R S Saluja)

Director
DIN: 01145051


(Neeraj Saluja)

Director
DIN: 00871939

SEL AVIATION PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

(Rs. In Lakhs)

Particulars	31.03.2018	31.03.2017
A Cash Flow from Operating Activities		
Net Profit before Taxes & Extraordinary Items	(110.40)	(127.54)
Adjustments for Non Cash Items:		
Depreciation and Amortisation Expenses	55.51	55.51
Adjustments for Changes in Working Capital:		
Decrease/(Increase) in Other Current Assets	(1.58)	(1.52)
Decrease/(Increase) in Current Tax Assets	(1.65)	(1.59)
Decrease/(Increase) in Trade Receivable	-	2.74
(Decrease)/Increase in Trade Payables	2.93	10.91
(Decrease)/Increase in Other Current Liabilities	52.61	61.84
Cash Generation from Operations	(2.58)	0.36
Taxes Paid	-	-
Net Cash from Operating Activities	(2.58)	0.36
B Cash Flows from Investing Activities		
Net Cash Flows from Investing Activities	-	-
C Cash Flows from Financing Activities		
Net Cash Flows from Financing Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalent	(2.58)	0.36
Cash & Cash Equivalents - Opening Balance	9.86	9.50
Cash & Cash Equivalents - Closing Balance	7.28	9.86

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

For Dinesh Mehtani & Co.

Chartered Accountants

Reg. No.: 025897N

(CA Dinesh Kumar)

M.No.: 091676

M.No.: 091676

For and on the behalf of Board of Directors
of SEL Aviation Private Limited

R S Saluja

Director

DIN: 01145051

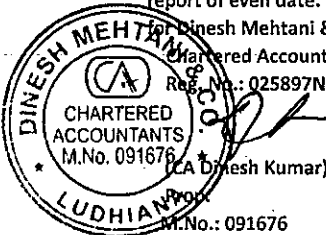
Neeraj Saluja

Director

DIN: 00871939

Place: Ludhiana

Dated: 27.06.2018

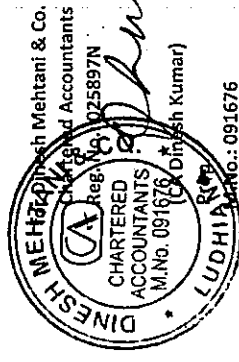


SEL AVIATION PRIVATE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2018

A. Equity Share Capital		As At 01.04.2016		Changes in equity share capital during the year		As At 31.03.2017		Changes in equity share		As At 31.03.2018		(Rs. in Lakhs)
		409.00				409.00						409.00
B. Other Equity												
Particulars	Share application money pending allotment	Equity component of compound financial instruments	Capital Reserve	Securities Premium Reserve	General Reserve	Foreign Exchange Fluctuation Reserve	Retained Earnings	Debt instruments through Other Comprehensive Income	Revaluation Surplus	Other Items of Other Comprehensive Income	Total	
As at 01.04.2016	-	-	-	1,037.54	-	-	(150.51)	-	-	(255.75)	631.28	
General Reserve transferred to Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive Income for the year	-	-	-	-	-	-	(88.89)	-	-	-	(88.89)	
As at 31.03.2017	-	-	-	1,037.54	-	-	(239.40)	-	-	(255.75)	542.39	
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	
Restated balance as at 31.03.2017	-	-	-	1,037.54	-	-	(239.40)	-	-	(255.75)	542.39	
Total Comprehensive Income for the year	-	-	-	-	-	-	(614.99)	-	-	-	(614.99)	
Dividends	-	-	-	-	-	-	-	-	-	-	-	
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	
Any other change	-	-	-	-	-	-	-	-	-	-	-	
As at 31.12.2017	-	-	-	1,037.54	-	-	(854.40)	-	-	-	183.15	

For and on the behalf of Board of Directors
of SEL Aviation Private Limited



Place: Ludhiana
Dated: 27.06.2018

(Signature)
(R S Saluja)
Director
DIN: 01145051

(Signature)
(Neera) Saluja
Director
DIN: 00871939

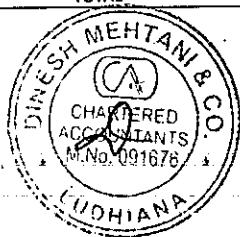
PROPERTY, PLANT AND EQUIPMENT		NOTE NO. - 4	
Particulars	Plant & Equipments	Total	
Gross Value as at 1st April 2016	1,200.59	1,200.59	
Addition during the year	-	-	
Deduction during the year	-	-	
Gross Value as at 31st March 2017	1,200.59	1,200.59	
Addition during the year	-	-	
Deduction during the year	-	-	
Gross Value as at 31st March 2018	1,200.59	1,200.59	
Depreciation & Impairment			
Depreciation as at 1st April 2016	294.19	294.19	
Depreciation for the year	55.51	55.51	
Disposal during the year	-	-	
Depreciation as at 31st March 2017	349.70	349.70	
Depreciation for the year	55.51	55.51	
Disposal during the year	-	-	
Depreciation as at 31st March 2018	405.21	405.21	
Net Book Value			
As at 31st March 2018	795.38	795.38	
As at 31st March, 2017	850.89	850.89	

DEFERRED TAX ASSET/(LIABILITY)		NOTE NO. - 5	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
Unused Tax Losses/Depreciation	-	248.63	
Other Temporary Differences	-	0.20	
Net Deferred Tax Asset/(Liability)	-	248.84	

CASH & CASH EQUIVALENTS		NOTE NO. - 6	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
Cash in Hand	3.31	2.74	
Balances with Scheduled Banks	2.97	7.12	
Balances with Scheduled Banks (In Fixed Deposits)	1.00	-	
TOTAL	7.28	9.86	

CURRENT TAX ASSETS (NET)		NOTE NO. - 7	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
Prepaid Taxes	5.29	3.64	
TOTAL	5.29	3.64	

OTHER CURRENT ASSETS		NOTE NO. - 8	
PARTICULARS	AS AT 31.03.2018	AS AT 31.03.2017	
(Unsecured, considered good)			
Advances to Suppliers	15.28	14.00	
Statutory Dues & Taxes	0.91	-	
Others	0.27	0.87	
TOTAL	16.45	14.87	



REVENUE FROM OPERATIONS		NOTE NO. - 13	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
Air Fare	85.11	68.86	
TOTAL	85.11	68.86	

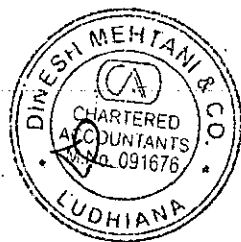
OTHER INCOME		NOTE NO. - 14	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
Interest	0.01	-	
TOTAL	0.01	-	

EMPLOYEE BENEFIT EXPENSE		NOTE NO. - 15	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
Salaries & Other Allowances	34.80	20.35	
Staff & Labour Welfare	0.43	2.09	
TOTAL	35.23	22.44	

FINANCIAL EXPENSES		NOTE NO. - 16	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
Bank Charges	0.02	0.08	
TOTAL	0.02	0.08	

DEPRECIATION & AMORTIZATION EXPENSES		NOTE NO. - 17	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
Depreciation of Tangible Assets	55.51	55.51	
TOTAL	55.51	55.51	

OTHER EXPENSES		NOTE NO. - 18	
PARTICULARS	CURRENT YEAR	PREVIOUS YEAR	
Air Craft Maintenance	94.79	104.18	
Printing & Stationery	0.06	-	
Insurance	2.41	2.79	
Fees & Taxes	4.51	0.25	
Legal & Professional Charges	1.74	0.60	
<u>Auditors' Remuneration</u>			
Audit Fee	0.10	0.10	
Rent	0.30	0.55	
Travelling & Conveyance	0.86	9.86	
Miscellaneous Expenses	-	0.03	
TOTAL	104.76	118.36	



NOTES TO IND AS FINANCIAL STATEMENTS**1. Corporate Information**

SEL Aviation Private Limited (the Company) is a private limited company incorporated in India under the provisions of the Companies Act, applicable in India. The Company is engaged in the business of aviation sector. The registered office of the company is located at 274, G.T.Road, Dhandari Khurd, Ludhiana, Punjab.

2. Significant Accounting Policies**2.1 Basis of Preparation**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Effective April 1, 2016, the Company has adopted the Ind AS standards and the adoption was carried out in accordance with IndAS101-First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. 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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest lakhs, except otherwise indicated.

2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

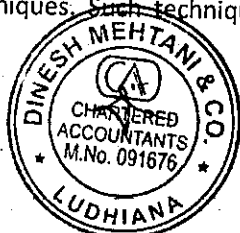
2.3 Revenue Recognition

Aircraft Income: Passenger Income is recognized on flown basis, i.e. when the services are rendered.

Interest income: Interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

2.4 Fair value of financial instruments

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market prices at the close of business on the statement of financial position date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions;



reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

2.5 Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Depreciation on the property, plant and equipment is provided over the useful life of assets as specified in Schedule II to the Companies Act, 2013. Property, plant and equipment which are added/ disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition/deletion. The company depreciates property, plant and equipment over their estimated useful lives using the straight-line method.

Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit or net loss in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.6 Accounting for Taxes on Income

Current Tax

Current Tax is determined as the amount of tax payable in respect of taxable income for the period after considering tax allowances & exemptions.

Deferred Tax

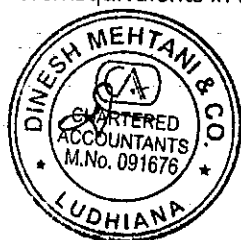
Deferred tax assets and liabilities arising on account of timing difference and which are capable of reversal in subsequent periods, are recognized using the tax rates and tax laws that have been enacted or substantively enacted as on the Balance Sheet date. Deferred Tax Assets are recognized and carried forward only if there is a virtual certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each Balance Sheet date.

2.7 Impairment of Assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

2.8 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position include cash in hand and at bank.



2.9 Provisions and Contingent Liabilities & Contingent Assets**Contingent Liabilities**

- (a) Provisions are recognized for liabilities that can be determined by using a substantial degree of estimation, if:
- (i) The company has a present obligation as a result of a past event;
 - (ii) A probable outflow of resources embodying economic benefits is expected to settle the obligation; and
 - (iii) The amount of the obligation can be reliably estimated
- (b) Contingent liability is disclosed in the case of:
- (i) a present obligation arising from a past event when it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
 - (ii) a possible obligation, unless the probability of outflow of resources embodying economic benefits is remote.

Contingent Assets

Where an inflow of economic benefit is probable, an entity shall disclose a brief description of the nature of the contingent assets at the end of reporting period, and, where practicable, an estimate of their effect, measured using the principles set out as per provisions.

2.10 Earnings per share

Basic earning per share is computed by dividing the net profit from the continuing operations attributable to equity shareholders by the weighted average number of shares outstanding during the period. Diluted earning per share is computed by taking into account the aggregate of the weighted average numbers of equity shares outstanding during the period.

2.11 Aircraft Maintenance and Repair Costs

Aircraft Maintenance and Repair costs are expensed on incurrence as incurred.

2.12 Leases

Assets acquired on leases wherein a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Lease rentals paid for such leases are recognized as an expense on systematic basis over the term of lease.

2.13 Financial instruments:**(i) Financial assets:****Initial recognition and measurement**

All financial assets are recognised 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.

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortized cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income).



A financial asset that meets the following two conditions is measured at amortized cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The objective of the Company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realize its fair value changes).
- **Cash flow characteristics test:** The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- **Business model test:** The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- **Cash flow characteristics test:** 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.

Even if an instrument meets the two requirements to be measured at amortized cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

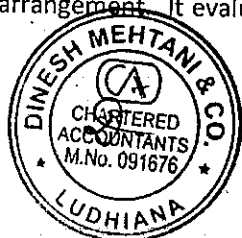
All equity investments are measured at fair value in the balance sheet, with value changes recognised in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in "other comprehensive income".

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in the 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 derecognized (i.e. removed from the Company's statement of financial position) 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 recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

(ii) Financial liabilities:

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and redeemable preference shares.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition and only if the criteria in Ind AS 109 are satisfied.

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

2.14 Cash flow statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 "Statement of Cash flows" using the indirect method for operating activities.

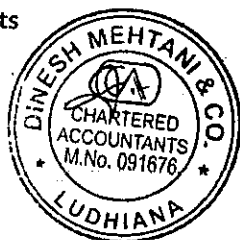
3. Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

The principal accounting policies adopted by the Company in the financial statements are as set out above. The application of a number of these policies requires the Company to use a variety of estimation techniques and apply judgement to best reflect the substance of underlying transactions.

The Company has determined that a number of its accounting policies can be considered significant, in terms of the management judgement that has been required to determine the various assumptions underpinning their application in the financial statements presented which, under different conditions, could lead to material differences in these statements. The actual results may differ from the judgements, estimates and assumptions made by the management and will seldom equal the estimated results.

Judgements



The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Deferred Tax Assets: The assessment of the probability of future taxable income in which deferred tax assets can be utilized is based on the Company's forecast, which is adjusted for significant non-taxable income and expenses, and specific limits to the use of any unused tax loss or credit. The tax rules in India in which the Company operates are also carefully taken into consideration. If a positive forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilized without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties is assessed individually by management based on the specific facts and circumstances.

Estimates and assumptions

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the uncollectability of accounts receivable by analyzing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. Similarly, the Company provides for inventory obsolescence and inventories with carrying values in excess of net realizable value based on assessment of the future demand, market conditions and specific inventory management initiatives. If market conditions and actual demands are less favorable than the Company's estimates, additional inventory provisions may be required. In all cases inventory is carried at the lower of historical cost and net realizable value.

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- i) Recoverability of deferred tax assets: The recognition of deferred tax assets requires assessment of future taxable profit.
- ii) Estimation of fair value of financial assets and financial liabilities: while preparing the financial statements the Company makes estimates and assumptions that affect the reported amount of financial assets and financial liabilities



19. The related party disclosure in accordance with Indian Accounting Standard (Ind AS)-24 "Related Party" issued by the Institute of Chartered Accountants of India is given below:

Sr. No.	Name of Related Party	Relationship
1	SEL Manufacturing Co. Ltd.	Holding Company
2	Mr. R. S. Saluja Mr. Neeraj Saluja Mr. Dhiraj Saluja	Key Management Personnel
3	Mrs. Sneh Lata Saluja Mrs. Ritu Saluja Mrs. Reema Saluja	Relatives of Key Management Personnel
4	Shiv Narayan Investments Pvt. Ltd. Saluja International SE Exports SEL Textiles Ltd. Rythm Textiles & Apparels Park Ltd. Silverline Corporation Ltd.	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence

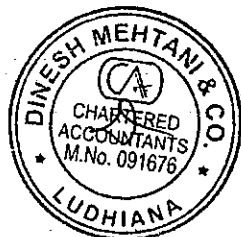
20. **Lease Rent:** Office Premises is taken on lease of 5 years with the option of renewal. The particulars of these leases are as follows:

Particulars	(Rs. in Lakhs)	
	March 31, 2018	March 31, 2017
Future Minimum lease payments obligation on non-cancellable operating leases	-	0.48
Not later than one year	-	0.48
Later than one year and not later than five years	-	-
Later than five years	-	-
Lease payment recognized in Profit and Loss Account	-	0.48

21. **Earnings Per Share:** The calculation of Earnings per Share as disclosed in the statement of Profit & Loss has been in accordance with Indian Accounting Standard (Ind AS)-33 on "Earning per Share" issued by the Institute of Chartered Accountants of India.

A statement on calculation of Basic & Diluted EPS is as under:

Particulars		March 31, 2018	March 31, 2017
Face value of equity shares	Rs.	10	10
Weighted average number of equity shares outstanding	Nos.	4,090,000	4,090,000
Profit/(Loss) for the year (continuing operations)	Lakhs	(614.99)	(88.89)
Weighted average earnings per shares (basic and diluted)	Rs.	(15.04)	(2.17)
Profit/(Loss) for the year (Discontinued operations)	Lakhs	-	-
Weighted average earnings per shares (basic and diluted)	Rs.	-	-
Profit/(Loss) for the year (total operations)	Lakhs	(614.99)	(88.89)
Weighted average earnings per shares (basic and diluted)	Rs.	(15.04)	(2.17)



22. Financial Risk Management

The management of the company set out the company's overall business strategies and its risk management policy. The Company's overall financial risk management program seeks to minimize potential adverse effects on the financial performance of the company. The company policies include financial risk management policies covering specific areas, such as market risk (including interest risk, liquidity risk and credit risk). Periodic reviews are undertaken to ensure that the company's policy guidelines are complied with.

There has been no change to the company's exposure to the financial risks or the manner in which it manages and measures the risk. The company is exposed to the following risks related to financial instruments. The company has not framed formal risk management policies; however, the risks are monitored by management on a continuous basis. The company does not enter into or trade in financial instruments, investment in securities, including derivative financial instruments, for speculative or risk management purposes.

a) Liquidity risk management

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company has no outstanding bank borrowings. The company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The company manages liquidity risk by maintaining adequate reserves, continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of significant financial assets & financial liabilities as on March 31, 2018.

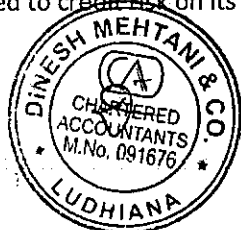
Particulars	Less than 1 year	1-2 years	2-5 years	(Rs. In Lakhs)
				Total
Financial Assets				
Cash and Bank Balances	7.28	-	-	7.28
Other Current Assets	16.45	-	-	16.45
Financial Liabilities				
Trade Payable	13.93	-	-	13.93

The table below provides details regarding the contractual maturities of significant financial assets & financial liabilities as on March 31, 2017.

Particulars	Less than 1 year	1-2 years	2-5 years	(Rs. In Lakhs)
				Total
Financial Assets				
Cash and Bank Balances	9.86	-	-	9.86
Other Current Assets	14.87	-	-	14.87
Financial Liabilities				
Trade Payable	11.00	-	-	11.00

b) Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the company. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company is exposed to credit risk on its Bank Balances and Trade Receivables as follows:



Particulars	(Rs. In Lakhs)	
	31 st March, 2018	31 st March, 2017
Cash at Bank	2.97	7.12
Trade Receivables		

The Company seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting limits for individual customers and monitoring outstanding accounts receivables.

With respect to credit risk arising from the other financial assets of the company, including cash and cash equivalents, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of trade receivables. Further details of credit risk on trade and other receivable are disclosed in the notes to financial statements.

c) Capital risk management

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The director's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less Cash at Bank. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

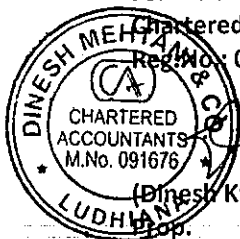
No Changes were made in the objectives, policies or processes during the years ended 31st March 2018 and 31st March 2017.

23. Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/presentation.

Subject to our Separate
Report of Even Date

For Dinesh Mehtani & Co.

For and on the behalf of Board



Chartered Accountants
Reg. No. 025897N

(Dinesh Kumar)

M. No. 091676

(R S Saluja)
Director

DIN: 01145051

(Neera Saluja)
Director

DIN: 00871939

Place: Ludhiana

Date : 27.06.2018



DINESH MEHTANI & CO.
CHARTERED ACCOUNTANT

Office: Pindi Street, Ludhiana.
Resi: B-XI-1916, Old Civil Hospital Road, Ludhiana.
Phone: +91-161-2225785, Mobile: 98151-00355
E-mail: mehtanidinesh_1969@yahoo.co.in

Ref. No.INDEPENDENT AUDITOR'S REPORT

Dated.....

To the Members of SEL Aviation Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **SEL Aviation Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018; and the Statement of Profit and Loss, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matter stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

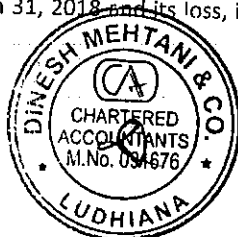
We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2018 and its loss, its cash flows and the changes in equity for the year ended on that date.

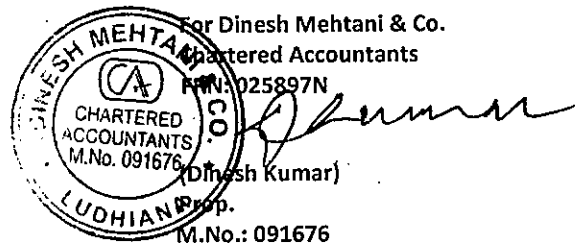


Report on Other Legal and Regulatory Requirements

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 the paragraph 3 and 4 of the order.
2. As required by section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and the Statement of Changes In Equity dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.
 - 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 B"; 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) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:
 1. The Company has no pending litigations on its financial position in its Ind AS financial statements;
 2. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Ludhiana

Date: 27.06.2018

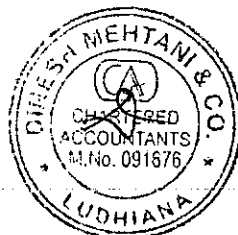


Annexure - A to the Auditors' Report

The Annexure referred to in our report to the members of SEL Aviation Private Limited for the year ended on 31st March, 2018. We report that:

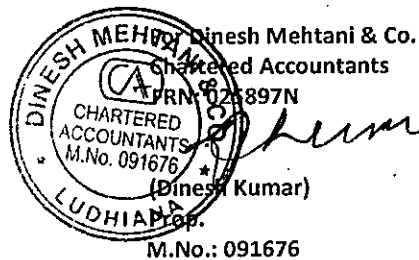
- (i) The Company has no fixed assets except an air craft. The Company has maintained proper records showing full particulars of air craft. Therefore the provisions of clause 3 (i) (b) & (c) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
 - (ii) According to the information and explanation given to us, the Company has no inventories. Therefore the provisions of clause 3 (ii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
 - (iii) In our opinion and according to the information and explanation given to us, the Company has not granted any loans secured or unsecured, to the parties covered in the register maintained section 189 of the Companies Act, 2013.
 - (iv) In our opinion and according to the information and explanations given to us, the Company has no loans, investments, guarantees and security. Therefore the provisions of clause 3 (iv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
 - (v) The Company has not accepted deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal. Therefore the provisions of clause 3 (v) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
 - (vi) We have broadly reviewed the books of accounts maintained by the Company, no manufacturing activities has been made during the year. We have broadly reviewed the accounts and records of the Company in this connection and we are of opinion that prima facie, the prescribed accounts and records have been made and maintained.
 - (vii) (a) The company is regular in depositing undisputed statutory dues including income tax, service tax, cess and other material statutory dues. According to the information and explanation given to us, no undisputed amount payable in respect of the aforesaid dues were in arrears, as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, the company has no disputed dues in case of income tax, service tax, cess and other material statutory dues.
 - (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to banks or financial institutions.
 - (ix) In our opinion and according to the information and explanations given to us, there were no moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans.
 - (x) To the best of our knowledge and belief and according to the information and explanations given to us, no material fraud on or by the Company by its officers or employees during the year was noticed or reported, nor have we been informed of such case by the management.
-
- (xi) In our opinion and according to the information and explanations given to us, no managerial remuneration has been paid or provided during the year under audit. Therefore the provisions of clause 3 (xi) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company
 - (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.



- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3 (xiv) of the Companies (Auditor's Report) Order, 2016, are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Ludhiana
Date: 27.06.2018



Annexure - B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **SEL Aviation Private Limited** ("the Company") as of 31st March 2018 in conjunction with our audit of the 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Ind AS financial statements, whether due to fraud or error.

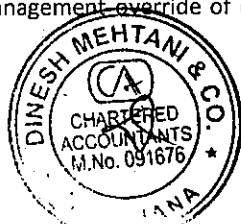
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 Ind AS financial statements for external purposes in accordance with generally accepted accounting principles including the Ind AS. 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 Ind AS financial statements in accordance with generally accepted accounting principles including the Ind AS, 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 unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS 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

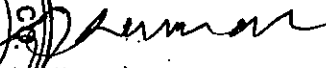


occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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.

Place: Ludhiana
Date: 27.06.2018

For Dinesh Mehtani & Co.
Chartered Accountants
FRN No. 045897N

(Dinesh Kumar)
M.No.: 091676
