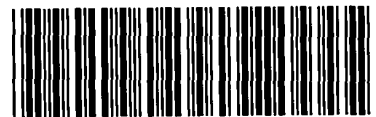




Company Registration No. 06863593 (England and Wales)

POETIC KNITWEAR LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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POETIC KNITWEAR LIMITED

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POETIC KNITWEAR LIMITED

COMPANY INFORMATION

Directors	Mr Gary M Isaacs Mr Pallak Seth Mr Deepak K Seth
Secretary	Mr Krishna Kanodia
Company Number	06863593
Registered Office	Quadrant House - Floor 6 4 Thomas More Square London E1W 1YW
Auditor	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW

POETIC KNITWEAR LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and the audited financial statements for the year ended 31 March 2017.

Principal activities and review of the business

The principal activity of the company is that of import and distribution of knitwear clothing.

Results and dividends

The results for the year are set out on page 6.

Directors

The following directors have held office since 1 April 2016:

Mr Gary M Isaacs
Mr Pallak Seth
Mr Deepak K Seth

Auditor

The auditors, UHY Hacker Young, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

POETIC KNITWEAR LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the financial information included on the ultimate parent company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

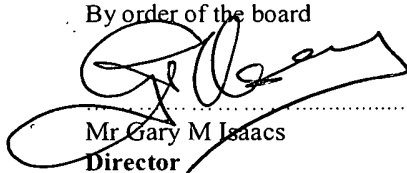
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant information of which the company's auditor is unaware: and
- the director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board



Mr Gary M Isaacs
Director

16 May 2017

POETIC KNITWEAR LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
POETIC KNITWEAR LIMITED
FOR THE YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Poetic Knitwear Limited for the year ended 31 March 2017, which comprise the statement of comprehensive income, statement of financial position, statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

POETIC KNITWEAR LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
POETIC KNITWEAR LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

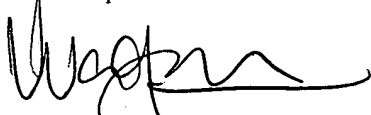
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements, and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the directors were not entitled to prepare financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report.



Vinodkumar Vadgama (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

16 May 2017

POETIC KNITWEAR LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

		Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Continuing operations	Notes		
Revenue		-	-
Cost of Revenue		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		(2,094)	(2,030)
		<hr/>	<hr/>
(Loss) for the year before taxation	4	(2,094)	(2,030)
Taxation	6	-	-
		<hr/>	<hr/>
(Loss) for the financial year	10	(2,094)	(2,030)
		<hr/> <hr/>	<hr/> <hr/>

None of the company's activities were discontinued in the year.

There are no other comprehensive income and expenses other than those passing through the income statement.

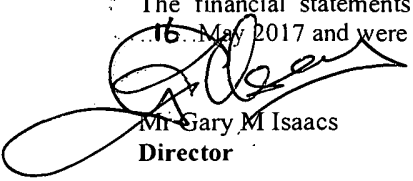
The notes on page 10 to 17 form part of these financial statements.

POETIC KNITWEAR LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2017

		Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
	Notes		
Current assets			
Trade and other receivables	7	406	-
Cash and cash equivalents		2,162	1,786
Total assets		<u>2,568</u>	<u>1,786</u>
Current liabilities			
Trade and other payables	8	(702,044)	(699,168)
Net current liabilities		<u>(699,476)</u>	<u>(697,382)</u>
Total liabilities		<u>(702,044)</u>	<u>(699,168)</u>
Net assets		<u>(699,476)</u>	<u>(697,382)</u>
Shareholder's equity			
Share capital	9	100	100
Retained earnings	10	(699,576)	(697,482)
Total equity		<u>(699,476)</u>	<u>(697,382)</u>

The financial statements were approved by the board of directors and authorised for issue on 16 May 2017 and were signed on its behalf by:


Mr Gary M Isaacs
Director

Company registration no. 06863593

The notes on page 10 to 17 form part of these financial statements.

POETIC KNITWEAR LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2015	100	(695,452)	(695,352)
Comprehensive income			
Loss for the year	-	(2,030)	(2,030)
	<hr/>	<hr/>	<hr/>
Balance at 1 April 2016	100	(697,482)	(697,382)
Comprehensive income			
Loss for the year	-	(2,094)	(2,094)
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	<u>100</u>	<u>(699,576)</u>	<u>(699,476)</u>

The notes on page 10 to 17 form part of these financial statements.

POETIC KNITWEAR LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Year Ended 31 March 2017 £	Year Ended 31 March 2016 £
Cash flows from operating activities		
(Loss) for the year	(2,094)	(2,030)
	<hr/>	<hr/>
Operating cash flows before movements in working capital	(2,094)	(2,030)
Increase in payables	2,876	2,000
Increase in receivables	(406)	-
	<hr/>	<hr/>
Net cash generated by operating activities	376	(30)
Net increase in cash and cash equivalents	376	(30)
Cash and cash equivalents at the start of the year	1,786	1,816
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	2,162	1,786
	<hr/> <hr/>	<hr/> <hr/>
Cash and cash equivalents comprise:		
Cash at bank and in hand	2,162	1,786
	<hr/> <hr/>	<hr/> <hr/>

The notes on page 10 to 17 form part of these financial statements.

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Poetic Knitwear Limited is a company incorporated in England and Wales. The address of the registered office and principal activity of the company is given on pages 1 and 2.

These financial statements are presented in pound sterling because that is the currency of the primary economic environment in which the company operates.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the Companies Act 2006 applicable to companies reporting under IFRSs.

2.1 Going concern

The financial statements have been prepared on a going concern basis even though at the balance sheet date the company's current liabilities exceeded its current assets by £699,476 (2015: £697,382).

The directors consider the going concern basis to be appropriate because in their opinion, the company will continue to obtain sufficient funding from its fellow group companies to enable it to pay its debts as they fall due. If the company were unable to obtain this funding, it would be unable to continue trading and adjustments would have to be made to reduce the value of the assets to their realisable amount and to provide for any further liabilities which might arise.

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Summary of significant accounting policies (continued)

2.2 Taxation

Income tax expense represents the current tax payable and deferred tax provisions.

- Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profits as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

- Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

2.3 Foreign currencies

Transactions in currencies other than in pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Foreign exchange differences arising on translation are included in the income statement in the period in which they arise.

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Summary of significant accounting policies (continued)

2.4 Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

2.5 Financial instruments

The company does not use or trade derivative financial instruments. Financial instruments that the company uses are non-derivative and are recognised initially at fair value. Subject to initial recognition non-derivative financial instruments are measured as described as follows:

- Trade and other payables

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are stated at their nominal value.

- Cash and cash equivalents

Cash for the purpose of the statement of cash flows, comprises cash at bank and in hand. Cash equivalents are short term liquid investments convertible into cash and are subject to insignificant risk of change in value. Bank overdrafts which form part of cash and cash equivalents for the purpose of the statement of cash flows are shown under current liabilities.

2.6 New IFRSs and interpretations not applied

The following standards, amendments and interpretations are not yet effective and have not yet been adopted early by the company:

	Effective for period beginning on or after
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15: Effective date of IFRS 15	1 January 2018

The adoption of these standards, amendments and interpretations is not expected to have a material impact of the company's results for the year or equity.

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

3. Significant judgements and estimates

The preparation of the company's financial statements in conforming to IFRSs require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances. Information about such judgements and estimates is contained in either the accounting policies or in the notes to the financial statements. There are no significant estimates in the current year.

4. Operating profit/ (loss)

Auditor remuneration

During the year the company obtained the following services from the company's auditor and its associates:

Fees payable to the company's auditor:

Audit of annual financial statements	2,000	2,000
	=====	=====

5. Staff numbers and costs

The average number of employees (including directors) during the year was:

	No.	No.
Management and administration	3	3
	=====	=====

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

6.	Taxation for the year	Year ended 31 March 2017 £	Year ended 31 March 2016 £
	Income tax expense	£	£
	Current tax expense:		
	UK corporation tax	-	-
		=====	=====
	Reconciliation of current tax expense to accounting loss		
	(Loss)/profit before taxation	(2,094)	(2,030)
		=====	=====
	National taxation charge at the UK corporation tax rate of 20% (2015: 20%)	(419)	(406)
	Tax effects on:		
	Group relief surrendered	419	406
		-----	-----
	Total current tax charge for the year	-	-
		=====	=====
7.	Other Debtors	31 March 2017 £	31 March 2016 £
	VAT recoverable	406	-
		-----	-----
		406	-
		=====	=====

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

8. Trade and other payables	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Payable to parent company (note 13)	700,044	695,168
Accrued expenses	2,000	4,000
	<u>702,044</u>	<u>699,168</u>
	=====	=====

Trade payables and accrued expenses mainly comprise of amounts owed for administrative costs.

All trade and other payables are due to be paid within 12 months of the balance sheet date. The fair value of all trade and other payables is the same as the carrying value shown above.

9. Share capital	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	=====	=====

10. Retained earnings	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Balance at the start of the year	(697,482)	(695,452)
Net (loss) for the year	(2,094)	(2,030)
	<u>(699,576)</u>	<u>(697,482)</u>
	=====	=====

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

11. Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern whilst maximising the return to stakeholders through the optimisation of the equity balance. The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising of issued capital, reserves and retained earnings.

12. Financial risk management

The following section provides quantitative and qualitative disclosures on the effect that these risks have upon the company.

Credit Risk

As the company has not traded in the year, it was not exposed to such risk.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. Management monitors forecasts of the company's liquidity reserve, comprising cash and cash equivalents, on the basis of expected cash flow. At 31 March 2017, the company held cash and cash equivalents of £2,162 (2016: £1,786).

Foreign currency risk

The company has not undertaken any transactions denominated in foreign currencies. Hence, the company is not exposed to exchange rate fluctuations.

13. Related party transactions

During the year, the company entered into the following transactions with related parties:

	Other income (received) / paid		Amounts owed to / (by) related party	
	2017	2016	2017	2016
	£	£	£	£
Poeticgem Limited, UK	-	-	700,044	695,168

The above companies are related as follows:

Poetic Knitwear Limited is 100% owned by Poeticgem Limited.

The above balances are interest free and repayable on demand.

POETIC KNITWEAR LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

14. Control

The immediate parent company is Poeticgem Limited, a company registered in England and Wales and the ultimate parent company is PDS Multinational Fashions Limited, a company registered in India. PDS Multinational Fashions Limited prepares group financial statements and copies can be obtained from # 758 and 759, 2nd Floor, 19th Main Road, Sector-2, HSR Layout, Bangalore 560102.

PDS Multinational Fashions Limited is listed on the Bombay Stock Exchange and National Stock Exchange in India.