

SORAB S. ENGINEER & CO. (Regd.)

CHARTERED ACCOUNTANTS

TELEPHONE : +91 79 29700466
: +91 79 48006782
EMAIL : sseahm@sseco.in
: sseahm@hotmail.com
WEB : www.sseco.in



804, SAKAR-IX,
BESIDES OLD RBI,
ASHRAM ROAD,
AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND OG NONWOVENS PRIVATE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Arvind OG Nonwovens Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

Head Office : 902, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400 021.
Telephone : +91 22 2282 4811, 2204 0861 • Email : sorabsengineer@yahoo.com, ssemum@sseco.in

Bengaluru Branch : F-1, Vaastu Jayalaxmi, B Street, Opp. Fortis Hospital, 1st Main Road, Sheshadripuram, Bengaluru-560020.
Telephone : +91 9925879234 • Email : sseblr@sseco.in

SORAB S. ENGINEER & CO. (Regd.)

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



SORAB S. ENGINEER & CO. (Regd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

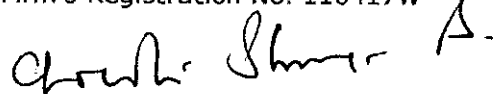
1. As required by the Companies (Auditor's report) Order, 2016 ("The Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



SORAB S. ENGINEER & CO. (Regd.)

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has does not have any pending litigation which would affect its financial position;
 - ii. The Company did not have any long term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm's Registration No. 110417W



CA. Chokshi Shreyas B.
Partner
Membership No.100892

Ahmedabad
May 16, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arvind OG Nonwovens Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Arvind OG Nonwovens Private LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective 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.

Auditor's Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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


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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm's Registration No. 110417W



CA. Chokshi Shreyas B.
Partner
Membership No.100892

Ahmedabad
May 16, 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Arvind OG Nonwovens Private Limited of even date)

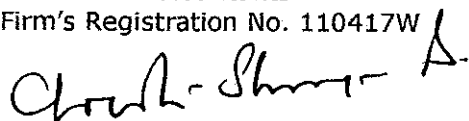
- i. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold and other than self-constructed, are held in the name of the Company as at the balance sheet date.
- ii. As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- iii. The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) There are no disputed amounts outstanding as at March 31, 2019.



SORAB S. ENGINEER & CO. (Regd.)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the Company has not paid any managerial remuneration.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**
Chartered Accountants
Firm's Registration No. 110417W



CA. Chokshi Shreyas B.
Partner
Membership No.100892

Ahmedabad
May 16, 2019

Arvind OG Nonwovens Private Limited
 CIN : U17120GJ2013PTC073807
 Balance Sheet as at March 31, 2019

Particulars	Notes	As at March 31, 2019 Rupees	As at March 31, 2018 Rupees
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	27,59,33,828	30,58,12,367
(b) Capital work-in-progress	5	4,90,000	-
(c) Intangible assets	6	4,36,441	21,82,202
(d) Financial assets			
(i) Loans	7	11,400	5,000
(ii) Other financial assets	7	1,53,59,530	1,13,47,154
(e) Deferred tax Assets (net)	26	2,49,77,790	2,00,04,405
Total non-current assets		31,72,08,989	33,93,51,128
II. Current assets			
(a) Inventories	9	12,90,74,884	8,68,18,285
(b) Financial assets			
(i) Trade receivables	7	8,45,22,422	18,68,93,877
(ii) Cash and cash equivalents	7	1,04,625	1,82,374
(iii) Bank balance other than (ii) above	7	21,138	19,673
(iv) Loans	7	-	21,836
(v) Others financial assets	7	62,30,142	79,14,724
(c) Current tax assets (net)	10	6,97,966	8,05,075
(d) Other current assets	8	5,02,51,187	4,18,78,407
Total current assets		27,09,02,364	32,45,34,251
Total Assets		58,81,11,353	66,38,85,379
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	3,12,79,860	3,12,79,860
Other equity	12	24,91,28,981	26,33,64,934
Total equity		28,04,08,841	29,46,44,794
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	11,55,47,315	15,30,47,319
(b) Long-term provisions	14	11,88,499	4,55,234
(c) Government grants	15	89,69,040	1,09,08,276
Total non-current liabilities		12,57,04,854	16,44,10,829
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	35,60,005	3,22,90,896
(ii) Trade payables	13		
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro-enterprises and small enterprises		13,52,66,936	13,85,99,384
(ii) Other financial liabilities	13	4,05,38,112	3,13,35,731
(b) Other current liabilities	16	5,46,674	6,46,514
(c) Short-term provisions	14	1,46,683	17,971
(d) Government grants	15	19,39,248	19,39,260
Total current liabilities		18,19,97,658	20,48,29,756
Total equity and liabilities		58,81,11,353	66,38,85,379
Summary of significant accounting policies			
3			

See accompanying notes forming part of the financial statements

As per our report of even date
 For Sorab S. Engineer & Co.
 Chartered Accountants
 Firm Registration No. 110417W

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
 Partner
 Membership No. 100892
 Ahmedabad
 May 16, 2019

For and on behalf of the board of directors of Arvind OG
 Nonwovens Private Limited

[Signature]

Director
 DIN:
 Ahmedabad
 May 16, 2019

[Signature]

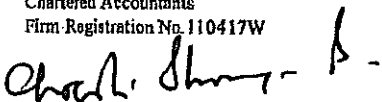
Director
 DIN:
 Ahmedabad
 May 16, 2019

Arvind OG Nonwovens Private Limited
 CIN : U17120GJ2013PTC073807
 Statement of profit and loss for the year ended March 31, 2019

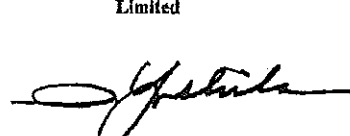
Particulars	Notes	Year ended March 31, 2019 Rupees	Year ended March 31, 2018 Rupees
INCOME			
(a) Revenue from operations			
(i) Sale of Products	17	56,02,41,359	45,51,44,475
(ii) Sale of Services	17	93,75,557	1,70,32,650
(iii) Operating Income	17	23,10,890	14,97,388
Revenue from operations		57,19,27,806	47,36,74,513
(b) Other income	18	44,60,481	62,11,105
TOTAL REVENUE (I)		57,63,88,287	47,98,85,618
EXPENSES			
(a) Cost of raw materials and accessories consumed	19	39,09,81,189	31,44,96,533
(b) Purchase of stock-in-trade	20	5,59,60,449	-
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(37,36,471)	1,33,45,148
(d) Employee benefits expense	22	2,84,64,995	2,66,17,836
(e) Finance costs	23	41,74,413	27,98,704
(f) Depreciation and amortisation expense	24	3,33,12,439	3,29,15,057
(g) Other expenses	25	8,60,69,374	7,82,58,045
TOTAL EXPENSES (II)		59,52,26,389	46,84,31,323
Profit/(Loss) before exceptional items and tax (III)=(I-II)		(1,88,38,101)	1,14,54,295
Exceptional items (IV)		-	-
Profit / (Loss) before tax (V) = (III-IV)		(1,88,38,101)	1,14,54,295
Tax expense			
(a) Current tax	26	-	-
(b) Deferred tax (Credit) / Charge	26	(48,76,863)	72,94,783
Total tax expense (VI)		(48,76,863)	72,94,783
Profit for the year (VII) = (V-VI)		(1,39,61,238)	41,59,512
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans		(3,71,237)	2,40,772
Income tax effect		96,522	(62,601)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(2,74,715)	1,78,171
Total other comprehensive income for the year, net of tax (VIII)		(2,74,715)	1,78,171
Total comprehensive income for the year, net of tax (VII+VIII)		(1,42,35,953)	43,37,683
Earning per equity share (nominal value per share Rs. 10/- (March 31, 2018: Rs. 10/-))			
Basic	31	(4.46)	1.33
Diluted	31	(4.46)	1.33
Summary of significant accounting policies	3		

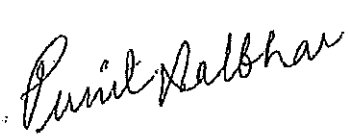
See accompanying notes forming part of the financial statements

As per our report of even date
 For Sorab S. Engineer & Co.
 Chartered Accountants
 Firm Registration No. 110417W


 CA. Chohshi Shreyas B.
 Partner
 Membership No. 100892
 Ahmedabad
 May 16, 2019.

For and on behalf of the board of directors of Arvind OG Nonwovens Private Limited


 Director
 DIN:
 Ahmedabad
 May 16, 2019


 Director
 DIN:
 Ahmedabad
 May 16, 2019

Arvind OC Nonwovens Private Limited
 CIN : U17100GJ2013PTC071107
 Statement of cash flows for the year ended March 31, 2019

Particulars	Year ended March 31, 2019 Rupees		Year ended March 31, 2018 Rupees	
	A Cash Flow from Operating activities			
Profit/(Loss) after taxation		(1,39,61,238)		41,59,512
<i>Adjustments to reconcile profit after tax to net cash flows:</i>				
Depreciation /Amortization	3,33,12,439		72,94,783	
Tax Expense	(48,76,863)			
Interest Income	(12,08,197)			
Interest and Other Borrowing Cost	41,74,413		27,98,704	
Government Grant	(19,39,248)			
Sundry Credit Balances Appropriated	(11,40,141)			
Loss on Sale of Property, Plant & Equipment/Intangible assets	-		1,61,707	
		3,83,22,403		3,99,43,265
Operating Profit before Working Capital Changes		1,43,61,165		4,41,02,777
Working Capital Changes:				
(Increase)/Decrease in Inventories	(4,22,56,599)		1,82,79,333	
(Increase)/Decrease in trade receivables	10,23,71,455		(4,97,76,579)	
(Increase)/Decrease in other current/non current financial assets	(14,45,188)		4,48,668	
(Increase)/Decrease in other current/non current assets	(83,72,780)		(19,45,045)	
Increase/(Decrease) in trade payables	(21,92,307)		5,52,32,337	
Increase/(Decrease) in other current financial liabilities	2,66,979		(3,06,646)	
Increase/(Decrease) in other current liabilities	(99,840)		(21,26,314)	
Increase/(Decrease) in provisions	4,90,740		1,44,827	
Net Changes in Working Capital		4,87,62,160		1,76,50,581
Cash Generated from Operations		6,31,23,325		6,17,53,358
Direct Taxes paid (Net of Income Tax refund)		1,07,109		(4,69,170)
Net Cash from Operating Activities		6,32,30,434		6,12,84,188
B Cash Flow from Investing Activities				
Purchase of Property, Plant & Equipment/Intangible assets	(21,78,139)		(31,38,236)	
Sale of Property, Plant & Equipment/Intangible assets	-		6,33,012	
Changes in Loans given	-15,436		43,164	
Interest Income	43,58,267		4,66,292	
Changes in other bank balances not considered as cash and cash equivalents	(40,33,811)		42,79,045	
Net cash flow from/(used to) Investing Activities		(18,38,277)		22,83,277
C Cash Flow from Financing Activities				
Repayment in long term borrowings	(2,85,21,968)		(2,70,08,928)	
Repayment in short term borrowings	(2,87,30,891)		(3,17,15,092)	
Interest and Other Borrowing Cost Paid	(42,17,047)		(27,72,492)	
Net Cash flow from Financing Activities		(6,14,69,906)		(6,14,96,512)
Net Increase/(Decrease) in cash & cash equivalents		(77,749)		79,953
Cash & Cash equivalent at the beginning of the year		1,82,374		1,02,421
Cash & Cash equivalent at the end of the year		1,04,625		1,82,374

Reconciliation of Cash and cash equivalents:

Particulars	Year ended March 31, 2019 Rupees	Year ended March 31, 2018 Rupees
Cash and cash equivalents comprise of: (Note 7)		
Cash on Hand	75,000	75,000
Balances with Banks	29,625	1,07,374
Cash and cash equivalents	1,04,625	1,82,374

Disclosed under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of (liab)lies arising from financing activity	Note No.	As at March 31, 2018	Net cash flows	Non Cash Changes		As at March 31, 2019
				Other changes *	Fair value adjustment on interest free inter corporate deposits	
Borrowings:						
Long term borrowings	13 (a)	18,30,47,319	(2,85,21,968)	-	-	15,45,25,351
Short term borrowings	13 (a)	3,22,90,895	(2,87,30,891)	-	-	35,60,005
Interest accrued on borrowings	13 (c)	42,634	(42,634)	-	-	-
Total		21,53,30,849	(5,72,95,493)	-	-	15,80,35,356

* This sum relates to amount charged in statement of profit and loss.

See accompanying notes forming part of the financial statements

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Purchase of property, plant & equipment / intangible assets include movement of capital work-in-progress and intangible assets under development during the year.

As per our report of even date
 For Sarab S. Engineer & Co.
 Chartered Accountants
 Firm Registration No.110417W

CA. Chokhi Shreyas B.
 Partner
 Membership No. 100892
 Ahmedabad
 May 16, 2019.

For and on behalf of the board of directors of Arvind OC Nonwovens Private Limited

Director
 DIN:
 Ahmedabad
 May 16, 2019

Director
 DIN:
 Ahmedabad
 May 16, 2019

Arvind OG Nonwovens Private Limited
 CIN : U17120GJ2013PTC073807
 Statement of changes in Equity for the year ended March 31, 2019

A. Equity share capital

(Amount in Rs.)

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2018	3,12,79,860	-	3,12,79,860
For the year ended March 31, 2019	3,12,79,860	-	3,12,79,860

B. Other equity

(Amount in Rs.)

Particulars	Attributable to the equity holders of the parent				Total Equity
	Share Application Money Pending Allotment	Reserves and Surplus			
		Securities premium	General Reserve	Retained Earnings	
Note 12	Note 12	Note 12	Note 12		
Balance as at April 1, 2017	-	28,02,58,740	-	(2,12,31,489)	25,90,27,251
Profit for the year	-	-	-	41,59,512	41,59,512
Other comprehensive income for the year	-	-	-	1,78,171	1,78,171
Total Comprehensive income for the year	-	-	-	43,37,683	43,37,683
Share Capital issued during the year	-	-	-	-	-
Balance as at March 31, 2018	-	28,02,58,740	-	(1,68,93,806)	26,33,64,934
Balance as at April 1, 2018	-	28,02,58,740	-	(1,68,93,806)	26,33,64,934
Profit for the year	-	-	-	(1,39,61,238)	(1,39,61,238)
Other comprehensive income for the year	-	-	-	(2,74,715)	(2,74,715)
Total Comprehensive income for the year	-	-	-	(1,42,35,953)	(1,42,35,953)
Balance as at March 31, 2019	-	28,02,58,740	-	(3,11,29,759)	24,91,28,981

See accompanying notes forming part of the financial statements

As per our report of even date
 For Sorab S. Engineer & Co.
 Chartered Accountants
 Firm Registration No.110417W

Chokshi Shreyas B.

CA, Chokshi Shreyas B.
 Partner
 Membership No. 100892
 Ahmedabad
 May 16, 2019

For and on behalf of the board of directors of Arvind OG Nonwovens Private Limited

[Signature]

Director
 DIN:
 Ahmedabad
 May 16, 2019

[Signature]

Director
 DIN:
 Ahmedabad
 May 16, 2019

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2019

1. Corporate Information

Arvind OG Nonwovens Private Limited ('the Company') is engaged in the manufacturing of non-woven products. It is a Joint Venture between Arvind Limited and OG Corporation, Japan.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 16, 2019.

2. Statement of Compliance and Basis of Preparation

2.1 Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

2.3 Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest rupee as per the requirement of Schedule III, except when otherwise indicated.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented.

3.1. 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 realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in 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 realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.4. Fair value measurement

The Company measures financial instruments such as derivatives and Investments at fair value at the end of each reporting period.

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

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised 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 recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation.

(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

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

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

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

3.5. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition

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

Depreciation

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery other than Lab equipment and Leasehold Improvements.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation on Plant and Machinery is provided on straight line basis over the useful lives of the assets as estimated by management based on internal assessment. The management estimates the useful lives for Plant & Machinery to be 20 years.

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

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

3.6. Borrowing cost

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

3.7. Intangible Assets

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

losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

Amortisation

Software is amortized over management estimate of its useful life of 5 years or License Period whichever is lower and Patent/Knowhow is amortized over management estimate of its useful life of 5 years.

3.8. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

Net realisable 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.

3.9. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.10. Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

Effective 01 April 2018, the Company has adopted Indian Accounting Standard 115 (Ind AS 115) - 'Revenue from contracts with customers' using the cumulative catch-up transition method, applied to contracts that were not completed as on the transition date i.e. 01 April 2018. Accordingly, the comparative amounts of revenue and the corresponding contract assets / liabilities have not been retrospectively adjusted. The effect on adoption of Ind-AS 115 was insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Group performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue from sale of products and services are recognised at a time on which the performance obligation is satisfied except Revenue from real estate property development where in revenue is recognised over the time from the financial year in which the agreement to sell or application forms (containing salient terms of agreement to sell) is executed. The period over which revenue is recognised is based on entity's right to payment for performance completed. In determining whether an entity has right to payment, the entity shall consider whether it would have an enforceable right to demand or retain payment for performance completed to date if the contract were to be terminated before completion for reasons other than entity's failure to perform as per the terms of the contract.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net 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 (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

3.11. Financial instruments – initial recognition and subsequent measurement

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

a) Financial assets

(i) Initial recognition and measurement of financial assets

All financial assets, except investment in subsidiaries and joint ventures, 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 assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

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

- Financial assets at amortised cost
 - Financial assets at fair value through other comprehensive income (FVTOCI)
 - Financial assets at fair value through profit or loss (FVTPL)
 - Equity instruments measured at fair value through other comprehensive income (FVTOCI)
- **Financial assets at amortised cost:**
 - A financial asset is measured at amortised cost if:
 - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
 - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- **Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

(iii) Derecognition of financial assets

A financial asset is derecognised when:

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

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

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

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

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FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.
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(v) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

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

- Trade receivables resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component and
- Trade receivables resulting from transactions within the scope of Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head “Other expenses” in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

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

- **Financial liabilities at fair value through profit or loss**

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Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the 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. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

This category generally applies to borrowings.


(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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

c) Offsetting of financial instruments

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



3.12. Cash and cash equivalent

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

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

3.13. Government Grants and Export incentives

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

3.14. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.15. Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, exgratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

3.16. Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.17. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

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

Decommissioning liability

The Company records a provision for decommissioning costs of a manufacturing facility for the production of its goods. Decommissioning costs are provided at the present value of expected costs to settle the obligation, to the extent ascertainable, using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

4. Significant accounting judgements, estimates and assumptions

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

4.1. Estimates and assumption

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

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 33 for further disclosures.

Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is

grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Taxes

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

Further details on taxes are disclosed in Note 26.

Intangible assets

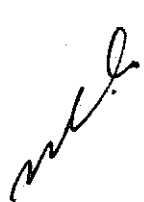
Refer Note 3.7 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

Property, plant and equipment

Refer Note 3.5 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Impairment of non-financial assets

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



Note 5 : Property, plant and equipment

Particulars	(Amount in Rs.)							Total	CWIP
	Freehold land	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Office equipment	Computer, server & network		
Gross Carrying Amount									
As at April 1, 2017	4,59,29,754	7,52,66,163	28,93,80,500	22,14,158	10,28,901	17,50,809	7,78,233	41,63,48,518	15,66,823
Additions	-	-	-	46,37,059	-	68,000	-	47,05,059	-
Deductions	-	-	-	-	10,28,901	-	-	10,28,901	15,66,823
As at March 31, 2018	4,59,29,754	7,52,66,163	28,93,80,500	68,51,217	-	18,18,809	7,78,233	42,00,24,676	-
Additions	-	16,88,139	-	-	-	-	-	16,88,139	4,90,000
Deductions	-	-	-	-	-	-	-	-	-
As at March 31, 2019	4,59,29,754	7,69,54,302	28,93,80,500	68,51,217	-	18,18,809	7,78,233	42,17,12,815	4,90,000
Depreciation and Impairment									
As at April 1, 2017	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	84,72,473	7,30,04,881	5,53,799	2,24,000	7,04,036	3,18,006	8,32,77,195	-
Deductions	-	32,32,450	2,72,44,993	2,33,366	10,182	3,33,174	1,15,131	3,11,69,296	-
As at March 31, 2018	-	-	-	-	2,34,182	-	-	2,34,182	-
Depreciation for the year	-	1,17,04,923	10,02,49,874	7,87,165	-	10,37,210	4,33,137	11,42,12,309	-
Deductions	-	32,32,450	2,72,44,989	6,37,177	-	3,45,020	1,07,042	3,15,66,678	-
As at March 31, 2019	-	1,49,37,373	12,74,94,863	14,24,342	-	13,82,230	5,40,179	14,57,78,987	-
Net Carrying Amount									
As at March 31, 2019	4,59,29,754	6,20,16,929	16,18,85,637	54,26,875	-	4,36,579	2,38,054	27,59,33,828	4,90,000
As at March 31, 2018	4,59,29,754	6,35,61,240	18,91,30,626	60,64,052	-	7,81,599	3,45,096	30,58,12,367	-

Arvind OG Nonwovens Private Limited


CIN : U17120GJ2013PTC073807

Notes to the Financial Statements

Note 6 : Intangible assets

(Amount in Rs.)

Particulars	Patent & Technical knowhow	Total
Gross Carrying Amount		
As at April 1, 2017	87,28,806	87,28,806
Additions	-	-
Deductions	-	-
As at March 31, 2018	87,28,806	87,28,806
Additions	-	-
Deductions	-	-
As at March 31, 2019	87,28,806	87,28,806
Amortisation and Impairment		
As at April 1, 2017	48,00,843	48,00,843
Amortisation for the Year	17,45,761	17,45,761
Deductions	-	-
As at March 31, 2018	65,46,604	65,46,604
Amortisation for the Year	17,45,761	17,45,761
Deductions	-	-
As at March 31, 2019	82,92,365	82,92,365
Net Carrying Amount		
As at March 31, 2019	4,36,441	4,36,441
As at March 31, 2018	21,82,202	21,82,202



Note 7 : Financial assets

7 (a) Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Current		
Unsecured, considered good	8,45,22,422	18,68,93,877
Credit Impaired	-	-
Less : Allowance for doubtful debts	-	-
Total Trade and other receivables	8,45,22,422	18,68,93,877

Receivables from Directors or from firm / Private company where director is interested is Nil
Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.
Trade Receivables are given as security for borrowings as disclosed under Note-13(a)

Allowance for doubtful debts

Allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix Rs. Nil (Previous Year Rs. Nil).

7 (b) Loans

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Unsecured considered good , unless otherwise stated		
Non-current		
Loans to employees	11,400	5,000
	11,400	5,000
Current		
Loans to		
- Employees	-	10,000
- Others	-	11,836
	-	21,836
Total Loans	11,400	26,836

7 (c) Cash and cash equivalent

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Balance with Bank		
In Current accounts and debit balance in cash credit accounts	29,625	1,07,374
Cash on hand	75,000	75,000
Total cash and cash equivalents	1,04,625	1,82,374

7 (d) Other bank balance

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Deposits with original maturity of more than three months but less than 12 months	21,138	19,673
Total other bank balances	21,138	19,673

7 (e) Other financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Unsecured, considered good unless otherwise stated		
Non-current		
Security deposits		
From Others	27,20,554	27,40,554
Bank deposits with maturity of more than 12 months	1,26,38,976	86,06,600
	1,53,59,530	1,13,47,154
Current		
Income receivable	61,19,064	46,53,576
Accrued Interest	1,11,078	32,61,148
	62,30,142	79,14,724
Total financial assets	2,15,89,672	1,92,61,878

Other current financial assets are given as security for borrowings as disclosed under Note-13(a)

Note 8 : Other current / non-current assets

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Unsecured, considered good		
Current		
Advance to suppliers		
To Others	32,97,413	19,18,678
Advance to employees for expenses	95,000	70,000
Balance with collectorate of central excise and customs	13,32,138	13,32,138
GST/ Sales tax / VAT / service tax receivable (net)	3,18,29,143	1,93,16,235
Export incentive receivable	13,12,936	2,51,635
Income Receivable	1,09,53,485	1,88,31,815
Prepaid expenses	14,31,072	1,57,906
Total	5,02,51,187	4,18,78,407

Advance to Directors or to firm / Private company where director is interested is Nil
 Other current assets are given as security for borrowings as disclosed under Note-13(a)

Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Raw materials		
Raw materials and components	8,36,47,521	4,46,50,086
Raw materials in transit	-	23,40,275
Fuel	5,38,422	5,52,873
Work-in-progress	68,19,503	2,78,22,897
Finished goods	2,93,96,171	48,51,506
Stores and spares	84,78,067	66,00,648
Waste	1,95,200	-
Total	12,90,74,884	8,68,18,285

Inventories are hypothecated as security for borrowings as disclosed under Note 13(a)

Note 10 : Current Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Tax Paid in Advance (Net of Provision)	6,97,966	8,05,075
Total	6,97,966	8,05,075

Note 11 : Equity share capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	In Rs.	No. of shares	In Rs.
Authorised share capital				
Equity shares of Rs.10 each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued and subscribed share capital				
Equity shares of Rs.10 each	31,27,986	3,12,79,860	31,27,986	3,12,79,860
Subscribed and fully paid up				
Equity shares of Rs.10 each	31,27,986	3,12,79,860	31,27,986	3,12,79,860
Total	31,27,986	3,12,79,860	31,27,986	3,12,79,860

11.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	In Rs.	No. of shares	In Rs.
At the beginning of the period	31,27,986	3,12,79,860	31,27,986	3,12,79,860
Add:				
Shares issued during the year	-	-	-	-
Outstanding at the end of the period	31,27,986	3,12,79,860	31,27,986	3,12,79,860

11.2. Rights, Preferences and Restrictions attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs.10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

11.3. Shares held by Holding Company

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares		No. of shares	
Holding Company - Arvind Limited	23,14,710		23,14,710	

11.4. Details of shareholder(s) holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Holding Company - Arvind Limited	23,14,710	74.00	23,14,710	74.00
OG Corporation - Japan	8,13,276	26.00	8,13,276	26.00

11.5 Objective, policy and procedure of capital management, refer Note 35

Note 12 : Other Equity

Particulars	As at March 31, 2019 In Rs.	As at March 31, 2018 In Rs.
Note 12.1 Reserves & Surplus		
Securities premium account		
Balance as per last financial statements	28,02,58,740	28,02,58,740
Add: addition during the year	-	-
Balance at the end of the year	28,02,58,740	28,02,58,740
Surplus in statement of profit and loss		
Balance as per last financial statements	(1,68,93,806)	(2,12,31,489)
Add: profit/(Loss) for the year	(1,39,61,238)	41,59,512
Add / (Less): OCI for the year	(2,74,715)	1,78,171
Balance at the end of the year	(3,11,29,759)	(1,68,93,806)
Total reserves & surplus	24,91,28,981	26,33,64,934
Total Other equity	24,91,28,981	26,33,64,934

The description of the nature and purpose of each reserve within equity is as follows :

a. Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

Note 13 : Financial liabilities

13 (a) Long-term Borrowings

Particulars	As at March 31, 2019 In Rs.	As at March 31, 2018 In Rs.
Long-term Borrowings (refer note (a) to (b) below)		
Non-current portion		
Secured (at amortised cost)		
Term loan from Banks	11,55,47,315	15,30,47,319
	11,55,47,315	15,30,47,319
Current maturities		
Secured(at amortised cost)		
Term loan from Banks	3,89,78,036	3,00,00,000
	3,89,78,036	3,00,00,000
Total long-term borrowings	15,45,25,351	18,30,47,319
Short-term Borrowings (refer note (c) & (d) below)		
Secured(at amortised cost)		
Working Capital Loans repayable on demand from Banks	35,60,005	2,16,06,213
Unsecured		
Under Buyer's Credit Arrangement	-	1,06,84,683
Total short-term borrowings	35,60,005	3,22,90,896
Total borrowings	15,80,85,356	21,53,38,215

Notes :

a Nature of security:

Term loan of Rs. 15,45,25,351/-

Term Loan from Banks are secured by:

i. First charge on the entire fixed assets (movable and immovable) and on land and building.

ii. Second charge over entire stock of raw materials, stock in process, finished goods, stores and spares, goods in transit, receivables and other current assets of the company

b Rate of Interest and Terms of Repayment

Particulars	Amount (Rs.)	Range of Interest (%)	Terms of Repayment from Balance sheet date
From Banks			
Term Loan	15,45,25,351	12.55%	Repayable in 43 quarterly instalments starting from June 2015.

c Nature of Security

Cash Credit and Other Facilities from Banks

Secured by

i. First charge over entire stock of raw materials, stock in process, finished goods, stores and spares, goods in transit, receivables and other current assets of the company

ii. Second charge on the entire fixed assets (movable and immovable) and on land and building.

d Rate of Interest

i. Working Capital Loans from banks carry interest rates at rate of 10.55% per annum.

13 (b) Trade payable

Particulars	As at March 31, 2019 In Rs.	As at March 31, 2018 In Rs.
Current		
Total outstanding dues of micro enterprises and small enterprises (Refer note below)	-	-
Others	13,52,66,936	13,85,99,384
Total	13,52,66,936	13,85,99,384

a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- Interest paid during the year;
- Amount of payment made to the supplier beyond the appointed day during accounting year;
- Interest due and payable for the period of delay in making payment;
- Interest accrued and unpaid at the end of the accounting year; and
- Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.

have not been given. The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

b For amount payable to related parties, refer Note 30

13 (c) Other financial liabilities

Particulars	As at March 31, 2019 In Rs.	As at March 31, 2018 In Rs.
Current		
Current maturity of long term borrowings [Refer Note 13(a)]	3,89,78,036	3,00,00,000
Interest accrued but not due on borrowings	-	42,634
Payable to employees	15,60,076	12,93,097
Total	4,05,38,112	3,13,35,731

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Note 14 : Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Long-term		
Provision for employee benefits (refer Note 29)		
Provision for leave encashment	4,62,803	1,89,494
Provision for gratuity	7,25,696	2,65,740
	<u>11,88,499</u>	<u>4,55,234</u>
Short-term		
Provision for employee benefits (refer Note 29)		
Provision for leave encashment	42,281	14,299
Provision for gratuity	26,041	3,672
	<u>68,322</u>	<u>17,971</u>
Provision for Loss on Derivatives	78,361	-
Total	13,35,182	4,73,205

Note 15 : Government grant

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Non-current		
Deferred income	89,69,040	1,09,08,276
Total Non-Current Government Grant (A)	<u>89,69,040</u>	<u>1,09,08,276</u>
Current		
Deferred income	19,39,248	19,39,260
Total Current Government Grant(B)	<u>19,39,248</u>	<u>19,39,260</u>
Total (A) + (B)	1,09,08,288	1,28,47,536

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31.

Government grant

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
As at April 1	1,28,47,536	1,47,86,788
Received during the year	-	-
Released to statement of profit and loss (Note 18)	19,39,248	19,39,252
As at March 31	1,09,08,288	1,28,47,536

Note 16 : Other current / Non-current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
	In Rs.	In Rs.
Current		
Advance from customers	-	1,58,914
Statutory dues including provident fund and tax deducted at source	5,38,241	4,75,415
Other liabilities	8,433	12,185
Total	5,46,674	6,46,514

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Note 17 : Revenue from operations

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Sale of products	56,02,41,359	45,51,44,475
Sale of services	93,75,557	1,70,32,650
Operating income		
Waste sale	2,94,202	2,32,742
Exchange Rate Gain	-	8,47,157
Export incentives	20,16,688	75,508
Miscellaneous receipts	-	3,41,981
	23,10,890	14,97,388
Total	57,19,27,806	47,36,74,513

Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, Revenue from operations is disclosed net off GST. Revenue from operations for the year till June 30, 2017 includes excise duty amounting to Rs. 1,01,17,868/- which is now subsumed in the GST. Accordingly, Revenue from operations for the current year are not comparable with previous year.

Disaggregation of Revenue from contracts with customers

Revenue based on Geography

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Domestic	38,92,70,055	42,28,16,290
Export	18,26,57,751	5,08,58,223
Revenue from Operations	57,19,27,806	47,36,74,513

Revenue based on business segment

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Nonwoven Products	57,19,27,806	47,36,74,513
Revenue from Operations	57,19,27,806	47,36,74,513

Reconciliation of revenue from operation with contract price

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Revenue from contract with customers as per the contract price	57,69,62,995	46,55,20,906
Adjustment made to contract price on account of:		
a) Discounts and Rebates	3,08,504	29,037
b) Excise duty on sale of goods	-	(1,01,17,868)
c) Sales Return	47,26,685	19,35,224
Revenue from Operations	57,19,27,806	47,36,74,513

Note 18 : Other income

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Interest income on financial assets		
-Fixed Deposit	9,87,083	10,59,490
-Others	2,21,114	2,15,093
-Loans and advances	-	13,151
Government grants*	19,39,248	19,39,252
Exchange difference (Net)	-	10,33,317
Scrap income	1,72,895	2,53,761
VAT/Service Tax Refund	-	16,97,041
Sundry Credit Balances Appropriated	11,40,141	-
Total	44,60,481	62,11,105

*Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2019

Note 19 : Cost of raw materials and accessories consumed

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Inventory at the beginning of the year	4,46,50,086	5,14,44,024
Add : Purchases during the year	42,99,78,624	30,77,02,595
	47,46,28,710	35,91,46,619
Less : Inventory at the end of the year	8,36,47,521	4,46,50,086
Raw materials and accessories consumed	39,09,81,189	31,44,96,533
Total	39,09,81,189	31,44,96,533

Note 20 : Purchases of stock-in-trade

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Purchase of stock-in-trade	5,59,60,449	-
Total	5,59,60,449	-

Note 21 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Inventories at the end of the year		
Finished goods	2,93,96,171	48,51,506
Work-in-Progress	68,19,503	2,78,22,897
Waste	1,95,200	-
	3,64,10,874	3,26,74,403
Inventories at the beginning of the year		
Finished goods	48,51,506	53,58,970
Work-in-Progress	2,78,22,897	4,06,60,581
	3,26,74,403	4,60,19,551
(Increase) / Decrease in Inventories	(37,36,471)	1,33,45,148
Total	(37,36,471)	1,33,45,148

Note 22 : Employee benefits expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 29)	2,73,47,723	2,53,09,206
Contribution to provident and other funds	7,91,046	9,26,396
Welfare and training expenses	3,26,226	3,82,234
Total	2,84,64,995	2,66,17,836

Note 23 : Finance costs

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Interest expense on Financial Liabilities measured at amortised cost		
- Loans	40,97,913	27,98,246
- Others	-	458
Other finance cost	76,500	-
Total	41,74,413	27,98,704

Note 24 : Depreciation and amortization expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Depreciation on Property, Plant and Equipments (Refer Note 5)	3,15,66,678	3,11,69,296
Amortization of Intangible assets (Refer Note 6)	17,45,761	17,45,761
Total	3,33,12,439	3,29,15,057

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Arvind OG Nonwovens Private Limited
CIN : U17120GJ2013PTC073807
Notes to the Financial Statements
Note 25 : Other expenses

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Power and fuel	1,76,66,094	1,59,97,860
Stores consumed	1,90,39,588	1,24,03,308
Insurance	3,65,787	3,51,799
Processing charges	1,70,81,635	1,11,42,471
Printing, stationery & communication	1,69,653	1,60,381
Commission, Brokerage & discount	3,27,959	25,800
Rates and taxes	13,90,580	6,63,965
Repairs :		
To Building		
To Machineries (including spares consumption)	25,24,648	71,06,085
To others	49,400	3,11,086
Freight, insurance & clearing charge	1,34,37,149	72,89,869
Excise duty expense	-	96,12,306
Legal & Professional charges	53,31,057	60,53,176
Exchange difference (Net)	12,16,177	-
Conveyance & Travelling expense	18,60,802	15,56,388
Advertisement and publicity	2,40,354	43,050
Auditor's remuneration	5,34,399	4,53,921
Bank charges	21,35,274	26,07,092
Loss on assets sold, demolished, discarded and scrapped	-	1,61,707
Miscellaneous expenses	26,98,818	23,17,781
Total	8,60,69,374	7,82,58,045

Payment to Auditors (Net of Goods and Service Tax)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Payment to Auditors as		
Auditors	2,13,640	2,00,000
For tax audit	95,500	37,500
For taxation matters	-	20,000
For Other certification work	2,04,500	1,86,502
For reimbursement of expenses	20,759	9,919
Total	5,34,399	4,53,921

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Note 26 : Income tax

The major component of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Statement of Profit and Loss		
Current tax		
Current income tax	-	-
Deferred tax		
Deferred tax expense	(48,76,863)	72,94,783
Income tax expense reported in the statement of profit and loss	(48,76,863)	72,94,783

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
OCI section		
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	96,522	(62,601)
Deferred tax charged to OCI	96,522	(62,601)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018.

A) Current tax

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	In Rs.	In Rs.
Accounting profit before tax from continuing operations	(1,88,38,101)	1,14,54,295
Tax @ 26.0% (March 31, 2018: 26.0%)	(48,97,906)	29,78,117
Adjustment		
Accelerated depreciation for tax purposes	(2)	(44,38,661)
Deferred Government Grant Income	-	2,93,121
Expenditure allowable on payment basis	(15,815)	59,392
Expenditure allowable over the period (Section 35D / 35DD)	-	451
Unused losses available for offsetting against future taxable income	24,147	82,97,719
Other adjustments	12,713	1,04,644
At the effective income tax rate of 0% (March 31, 2018 : 63.69%)	(48,76,863)	72,94,783

B) Deferred tax

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	In Rs.	In Rs.	In Rs.	In Rs.
Accelerated depreciation for tax purposes	(2,12,51,658)	(2,39,26,689)	(26,75,031)	(61,13,396)
Deferred Government Grant Income	28,36,155	33,40,359	5,04,204	7,97,327
Expenditure allowable on payment basis	3,40,240	1,19,621	(2,20,619)	(30,048)
Expenditure allowable over the period (Section 35D / 35DD)	-	1,197	1,197	1,648
Unused losses available for offsetting against future taxable income	4,30,53,053	4,04,69,917	(25,83,136)	1,27,01,853
Deferred tax expense/(income)			(49,73,385)	73,57,384
Net deferred tax assets/(liabilities)	2,49,77,790	2,00,04,405		
Reflected in the balance sheet as follows				
Deferred tax assets	4,62,29,448	4,39,31,094		
Deferred tax liabilities	(2,12,51,658)	(2,39,26,689)		
Deferred tax assets/(liabilities) (net)	2,49,77,790	2,00,04,405		

Reconciliation of deferred tax assets / (liabilities), net

Opening balance as of April 1
Tax income/(expense) during the period recognised in profit or loss
Tax income/(expense) during the period recognised in OCI
Closing balance as at March 31

March 31, 2019	March 31, 2018
In Rs.	In Rs.
2,00,04,405	2,73,61,789
48,76,863	(72,94,783)
96,522	(62,601)
2,49,77,790	2,00,04,405

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

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Note 26-A : Contingent liabilities

(Amount in Rs.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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Contingent liabilities not provided for

Note:

Provident Fund

The Honourable Supreme Court, has passed a decision on 28th February, 2019 in relation to inclusion of certain allowances within the scope of "Basic wages" for the purpose of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in this matter in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained, at present.

Note 26B : Capital commitment and other commitments

(Amount in Rs.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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Capital commitments

Estimated amount of Contracts remaining to be executed on capital account and not provided for

Other commitments



Note 27 : Foreign Exchange Exposures not hedged

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities depending upon the maturity of the derivatives.

The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

A. Foreign Exchange Derivatives

As at 31st March, 2019

Outstanding Contracts	Average Exchange Rate (in equivalent Rs.)	Amount in Foreign currency (In Millions)	Nominal Amount In Rs.	MTM Value (Amount in Rs.)
Other Hedges (Routed through Profit & Loss)				
Forward Purchase Contracts				
Maturing less than 3 months	69.27	USD 0.85	5,89,01,066	(78,361)
Maturing between 3 to 6 months	-	USD 0.00	-	-
Maturing between 6 to 9 months	-	USD 0.00	-	-
Maturing between 9 to 12 months	-	USD 0.00	-	-
Total/Average	69.27	USD 0.85	5,89,01,066	(78,361)

As at 31st March, 2018

Outstanding Contracts	Average Exchange Rate (in equivalent Rs.)	Amount in Foreign currency (In Millions)	Nominal Amount In (Rs. in Crores)	MTM Value (Rs. in Crores)
Other Hedges (Routed through Profit & Loss)				
Forward Purchase Contracts				
Maturing less than 3 months	-	USD 0.00	-	-
Maturing between 3 to 6 months	-	USD 0.00	-	-
Maturing between 6 to 9 months	-	USD 0.00	-	-
Maturing between 9 to 12 months	-	USD 0.00	-	-
Total/Average	-	USD 0.00	-	-

All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

B. Exposure Not Hedged

Nature of exposure	Currency	Year ended March 31, 2019		Year ended March 31, 2018	
		In Mn	In Rs.	In Mn	In Rs.
Receivables	USD	0.05	33,32,418	0.03	22,80,201
	EUR	0.13	1,01,77,296	0.00	1,90,706
	GBP	0.00	1,990	-	-
Payable towards borrowings (Including Interest Accrued but not due)	USD	-	-	0.16	1,07,04,025
Payable to creditors	USD	0.12	80,87,311	1.55	10,07,76,255
	EUR	0.01	11,55,550	0.01	8,63,575

Note 28 : Segment Reporting

a. The Company is primarily engaged in the business of Nonwoven products, which in the context of Indian Accounting Standard 108 on Segment Reporting, constitutes a single reportable primary (business) segment.

b. Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Particulars	Year ended March 31, 2019 In Rs.	Year ended March 31, 2018 In Rs.
Segment Revenue*		
a) In India	38,92,70,055	42,28,16,290
b) Rest of the world	18,26,57,751	5,08,58,223
Total Sales	57,19,27,806	47,36,74,513
Carrying Cost of Segment Assets**		
a) In India	57,45,99,649	66,14,14,472
b) Rest of the world	1,35,11,704	24,70,907
Total	58,81,11,353	66,38,85,379
Carrying Cost of Segment Non Current Assets**@		
a) In India	27,68,60,269	30,79,94,569
b) Rest of the world	-	-
Total	27,68,60,269	30,79,94,569

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset.

Note:-

c. Information about major customers:

Considering the nature of business of company in which it operates, the company deals with various customers including multiple geographics. There are two (2) customers together contributing Rs. 19,59,02,031/- (March 31, 2018 : 2 customers , Rs. 24,71,24,813/-) of the total revenue of the company from domestic sales.

Note 29 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of Rs. 7,61,147/- (March 31, 2018: Rs. 8,96,343/-) is recognised as expenses for Defined Contribution Plans and included in Note No. 22 "Employee benefit expense"

Particulars	As at March 31, 2019		As at March 31, 2018	
	In Rs.		In Rs.	
Contribution to Provident Fund	1,90,706		3,31,998	
Contributory Pension Scheme	5,70,441		5,64,345	
	<u>7,61,147</u>		<u>8,96,343</u>	

Note:

(a) Certain employees of the company are eligible for contribution to Provident fund and Pension Fund. The Company has no further obligation to the plan beyond its contribution which are periodically contributed to the government agencies.

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity (Unfunded)

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

Particulars	March 31, 2019 : Changes in defined benefit obligation and plan assets		April 1, 2018		March 31, 2018		(Amount in Rs.)
	Gratuity cost charged to statement of profit and loss		Gratuity cost charged to statement of profit and loss		Gratuity cost charged to statement of profit and loss		
	Service cost	Net interest expense	Service cost	Net interest expense	Service cost	Net interest expense	
Defined benefit obligation	90,128	20,960	90,128	20,960	90,128	20,960	
Fair value of plan assets	-	1,11,088	-	1,11,088	-	1,11,088	
Benefit liability	2,69,412	20,960	2,69,412	20,960	2,69,412	20,960	7,51,737
Total benefit liability	2,69,412	20,960	2,69,412	20,960	2,69,412	20,960	7,51,737

March 31, 2018 : Changes in defined benefit obligation and plan assets

Particulars	March 31, 2018 : Changes in defined benefit obligation and plan assets		April 1, 2017		March 31, 2017		(Amount in Rs.)
	Gratuity cost charged to statement of profit and loss		Gratuity cost charged to statement of profit and loss		Gratuity cost charged to statement of profit and loss		
	Service cost	Net interest expense	Service cost	Net interest expense	Service cost	Net interest expense	
Defined benefit obligation	1,69,528	23,973	1,69,528	23,973	1,69,528	23,973	
Fair value of plan assets	-	1,93,501	-	1,93,501	-	1,93,501	
Benefit liability	3,16,683	23,973	3,16,683	23,973	3,16,683	23,973	2,69,412
Total benefit liability	3,16,683	23,973	3,16,683	23,973	3,16,683	23,973	2,69,412

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.69%	7.78%
Future salary increase	6.00%	5.00%
Medical cost inflation	0.00%	0.00%
Expected rate of return on plan assets	0.00%	0.00%
Attrition rate	7.00%	5.00%
Mortality rate during employment	Indian assured lives Mortality(2006-08)	Indian assured lives Mortality(2006-08)
Mortality rate after employment	N.A.	N.A.

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

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) Year ended March 31, 2019	Year ended March 31, 2018
		Rs.	Rs.
Gratuity			
Discount rate	1% increase	(68,927)	(28,128)
	1% decrease	81,682	33,502
Salary increase	1% increase	82,257	34,118
	1% decrease	(70,548)	(29,063)
Attrition rate	1% increase	3,224	4,218
	1% decrease	(5,127)	(5,532)

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		Rs.
Gratuity		
Within the next 12 months (next annual reporting period)	26,041	3,672
Between 2 and 5 years	2,33,580	70,391
Beyond 5 years	3,13,021	1,05,556
	5,72,642	1,77,619
Total expected payments	5,72,642	1,77,619

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
		Years
Gratuity	12	14

C. Other Long term employee benefit plans
 Leave encashment

The Company has recognised Rs. 3,01,291 (March 31, 2018: Rs. 1,88,268/-) as expenses and included in Note No. 22 "Employee benefit expense".

Note 30 : Disclosure pursuant to Related Party

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows :

a Name of Related Parties and Nature of Relationship :

1	Arvind Limited	Holding Company	
2	OG Corporation (Japan)	Associate Company	
3	Arvind PD Composites Private Limited	Fellow Subsidiary	
4	Arvind Envisol Limited	Fellow Subsidiary	
5	Mr. Punit S. Lalbhai	Director	
6	Mr. Vinay Swaika	Director	
7	Mr. Hiroaki Machino	Additional Director	

Note: Related party relationship is as identified by the Company and relied upon by the Auditors.

b Disclosure in respect of Related Party Transactions :

(Amount in Rs.)

Nature of Transactions	Year ended	
	March 31, 2019	March 31, 2018
Purchases		
Goods and Materials		
Arvind Limited	12,91,02,504	4,21,42,809
OG Corporation (Japan)	15,93,80,904	10,54,68,397
Arvind PD Composites Private Limited	1,36,152	-
Sales		
Raw Material		
Arvind Limited	3,18,99,188	1,20,34,986
Finished Fabrics/Goods		
Arvind Limited	13,75,28,752	20,08,06,840
Arvind PD Composites Private Limited	-	56,210
Scrap		
Arvind Limited	-	13,551
Expenses		
Processing Charges		
Arvind Limited	1,73,32,585	76,90,896
Arvind PD Composites Private Limited	-	27,50,751
Service Charges		
Arvind Limited	1,08,91,800	87,15,000
Purchase of Export Licence		
Arvind Envisol Limited	6,95,535	-
Income		
Processing Charges		
Arvind Limited	93,75,557	1,70,32,437
Outstanding :		
Receivable in respect of Current Assets		
Arvind Limited	4,44,26,342	13,83,90,949
Arvind PD Composites Private Limited	-	62,955
Payable in respect of Current Liabilities		
Arvind Limited	4,13,47,029	2,35,63,300
OG Corporation (Japan)	4,76,69,097	8,81,58,866
Arvind Envisol Limited	6,95,535	-
Arvind PD Composites Private Limited	2,31,668	21,29,241

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c Transactions and Balances :

(Amount in Rs.)

Particulars	Holding Company		Associate Company		Fellow Subsidiary Company	
	Year ended		Year ended		Year ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Transactions						
Purchases						
Goods and Materials	12,91,02,504	4,21,42,809	15,93,80,904	10,54,68,397	1,36,152	-
Sales						
Raw Material	3,18,99,188	1,20,34,986	-	-	-	-
Finished Fabrics/Goods	13,75,28,752	20,08,06,840	-	-	-	56,210
Scrap	-	13,551	-	-	-	-
Expenses						
Processing Charges	1,73,32,585	76,90,896	-	-	-	-
Service Charges	1,08,91,800	87,15,000	-	-	-	27,50,751
Purchase of Export Licence	6,95,535	-	-	-	-	-
Income						
Processing Charges	93,75,557	1,70,32,437	-	-	-	-
Particulars						
Balances as at year end						
Receivable in respect of Current Assets	4,44,26,342	13,83,90,949	-	-	-	62,955
Payable in respect of Current Liabilities	4,13,47,029	2,35,63,300	4,76,69,097	8,81,58,866	9,27,203	21,29,241

d Terms and conditions of transactions with related parties

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken at the year-end are unsecure and settlement occurs in cash.

e Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: Rs.Nil)

Note 31 : Earning per share

Particulars	Year ended March 31, 2019 In Rs.	Year ended March 31, 2018 In Rs.
Earning per share (Basic and Diluted)		
Profit/(Loss) attributable to ordinary equity holders	(1,39,61,238)	41,59,512
Total no. of equity shares at the end of the year	31,27,986	31,27,986
Weighted average number of equity shares		
For basic EPS	31,27,986	31,27,986
For diluted EPS	31,27,986	31,27,986
Nominal value of equity shares	10	10
Basic earning per share	(4.46)	1.33
Diluted earning per share	(4.46)	1.33
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	31,27,986	31,27,986
Effect of dilution: Share options	-	-
Weighted average number of equity shares adjusted for the effect of dilution	31,27,986	31,27,986

Note 32 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	As at March 31, 2019 In Rs.	As at March 31, 2018 In Rs.	As at March 31, 2019 In Rs.	As at March 31, 2018 In Rs.
Financial liabilities				
Borrowings	15,80,85,356	21,53,38,215	15,80,85,356	21,53,38,215
Total	15,80,85,356	21,53,38,215	15,80,85,356	21,53,38,215

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

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 33 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's liabilities

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2019 and March 31, 2018

Date of valuation	Total	Fair value measurement using			
		Quoted prices in (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
		In Rs.	In Rs.	In Rs.	
As at March 31, 2019					
Liabilities disclosed at fair value					
Borrowings	March 31, 2019	15,80,85,356	-	15,80,85,356	-
As at March 31, 2018					
Liabilities disclosed at fair value					
Borrowings	March 31, 2018	21,53,38,215	-	21,53,38,215	-

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 34 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

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

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%
- 10% increase / decrease in equity prices of all investments traded in an active market, which are classified as financial asset measured at FVOCI.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges as at March 31, 2019 and March 31, 2018 for the effects of the assumed changes of the underlying risk

Interest rate risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company has not hedged its interest rate risk.

As at March 31, 2019, approximately Nil of the Company's Borrowings are at fixed rate of interest (March 31, 2018 : 5%)

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Effect on profit before tax	
	March 31, 2019	March 31, 2018
Increase in 50 basis points	(7,90,427)	(10,23,268)
Decrease in 50 basis points	7,90,427	10,23,268

Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis

- The effect of interest rate changes on future cash flows is excluded from this analysis.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP and JPY rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax and pre-tax equity is due to changes in the fair value of monetary assets and liabilities.

(Amount in Rs.)

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2019	+2%	(95,098)
	-2%	95,098
March 31, 2018	+2%	(21,84,865)
	-2%	21,84,865

Particulars	Change in EUR rate	Effect on profit before tax
March 31, 2019	+2%	1,80,435
	-2%	(1,80,435)
March 31, 2018	+2%	(13,457)
	-2%	13,457

Particulars	Change in GBP rate	Effect on profit before tax
March 31, 2019	+2%	40
	-2%	(40)
March 31, 2018	+2%	-
	-2%	-

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

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Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 14 days to 30 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2019 and March 31, 2018 is the carrying amount as disclosed in Note 33.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from domestic banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

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

Particulars	(Amount in Rs.)				Total
	Due in Year 0 to 1	Due in Year 1 to 2	Due in Year 3 to 5	Due after Year 5	
Year ended March 31, 2019					
Interest bearing borrowings*	6,00,28,423	10,76,89,439	2,93,94,467	-	19,71,12,329
Trade payables	13,52,66,936	-	-	-	13,52,66,936
Other financial liabilities#	15,60,076	-	-	-	15,60,076
	19,68,55,435	10,76,89,439	2,93,94,467	-	33,39,39,341
Year ended March 31, 2018					
Interest bearing borrowings*	7,86,34,449	9,78,84,449	8,47,05,201	-	26,12,24,099
Trade payables	13,85,99,384	-	-	-	13,85,99,384
Other financial liabilities#	13,35,731	-	-	-	13,35,731
	21,85,69,564	9,78,84,449	8,47,05,201	-	40,11,59,214

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

Other financial liabilities includes interest accrued but not due of Rs. Nil (March 31, 2018 : Rs. 42,634/-). Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.

Note 35 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirements.

Particulars	(Amount in Rs.)	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest-bearing loans and borrowings (Note 13)	15,80,85,356	21,53,38,215
Less: cash and cash equivalent (including other bank balance) (Note 7)	(1,27,64,739)	(88,08,647)
Net debt	14,53,20,617	20,65,29,568
Equity share capital (Note 11)	3,12,79,860	3,12,79,860
Other equity (Note 12)	24,91,28,981	26,33,64,934
Total capital	28,04,08,841	29,46,44,794
Capital and net debt	42,57,29,458	50,11,74,362
Gearing ratio	34.13%	41.21%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the required financial covenants through out the reporting periods.

Particulars	As at March 31, 2019				As at March 31, 2018					
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVOCI)	Amortised cost	Total	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVOCI)	Amortised cost	Total
Trade receivables	-	-	-	8,45,22,422	8,45,22,422	-	-	-	18,68,93,877.00	18,68,93,877.00
Loans	-	-	-	11,400	11,400	-	-	-	26,836.00	26,836.00
Cash and cash equivalents	-	-	-	1,04,625	1,04,625	-	-	-	1,82,374.00	1,82,374.00
Other bank balances	-	-	-	21,138	21,138	-	-	-	19,673.00	19,673.00
Other financial assets	-	-	-	2,15,89,672	2,15,89,672	-	-	-	1,92,61,878.00	1,92,61,878.00
Total Financial assets	-	-	-	10,62,49,257	10,62,49,257	-	-	-	20,63,84,638.00	20,63,84,638.00

Particulars	As at March 31, 2019			As at March 31, 2018		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	-	15,80,85,356	15,80,85,356	-	21,53,38,215	21,53,38,215
Trade payable	-	13,52,66,936	13,52,66,936	-	13,85,99,384	13,85,99,384
Other Financial Liabilities	-	15,60,076	15,60,076	-	13,35,731	13,35,731
Total Financial liabilities	-	29,49,12,368	29,49,12,368	-	35,52,73,330	35,52,73,330

For Financial instruments risk management objectives and policies, refer Note 34

Note 37 : Standards issued but not yet effective

Ind AS 116 - Leases

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019.

Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might not have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

Note 38 : Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements.

