

ARVIND OG NONWOVENS PRIVATE LIMITED

(CIN : U17120GJ2013PTC073807)

**ANNUAL REPORT
2015 – 2016**



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND OG NONWOVENS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **ARVIND OG NONWOVENS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

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

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

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

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

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accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report 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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards 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 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any material foreseeable losses on any long-term contracts including derivative contracts;

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- 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 Registration No. 110417W

Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 06, 2016

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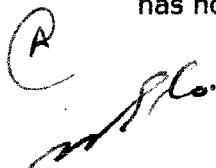
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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: ARVIND OG NONWOVENS PRIVATE LIMITED

Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Independent Auditor's Report of even date,

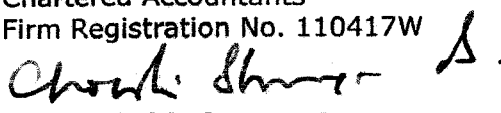
- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the Company.
- (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 not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) There are no disputed amounts outstanding as at March 31, 2016.
- (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.



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- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. However, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has not paid any managerial remuneration. Consequently, requirements of clause (xi) of paragraph 3 of the order are not applicable.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of the business, 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 Registration No. 110417W


CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 06, 2016

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ARVIND OG NONWOVENS PRIVATE LIMITED

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

We have audited the internal financial controls over financial reporting of Arvind OG Nonwovens Private Limited ("the Company") as of March 31, 2016 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 Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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(M) EARNING PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

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Meaning of Internal Financial Controls over Financial Reporting

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

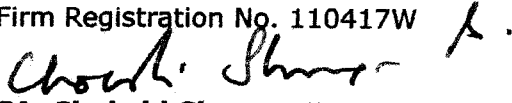
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, 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, 2016, 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 Registration No. 110417W


CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 06, 2016

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Arvind OG Nonwovens Private Limited

Balance Sheet

Amount in Rs.

	Note	As at	
		March 31, 2016	March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	26,779,860	26,779,860
Reserves and Surplus	4	196,075,844	195,262,226
Share Application money pending allotment	5	45,000,000	-
Non-current liabilities			
Long Term Borrowings	6	212,045,907	217,859,042
Deferred Tax Liability	7	-	-
Long Term Provisions	8	166,329	77,958
Current liabilities			
Short Term Borrowings	9	5,625,183	31,438,423
Trade Payables	10	52,108,424	76,626,927
Other Current Liabilities	11	10,058,820	8,840,035
Short Term Provisions	8	2,188	1,260
Total		547,862,555	556,885,731
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	12	341,991,819	374,690,159
Intangible Assets	13	5,673,724	7,419,485
Capital Work-in-progress		4,157,871	17,157,004
Long Term Loans and Advances	14	3,466,418	3,962,262
Other Non-current Assets	15	8,606,600	8,606,600
Current assets			
Inventories	16	73,142,279	30,109,423
Trade Receivables	17	76,249,711	69,075,022
Cash and bank Balances	18	5,198,196	28,598,873
Short Term Loans and Advances	14	9,813,131	6,945,504
Other Current Assets	15	19,562,806	10,321,400
Total		547,862,555	556,885,731
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 6, 2016

Director

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Director

Punit Dalbhai

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Arvind OG Nonwovens Private Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2016	March 31, 2015
Revenue			
Revenue from operations (Gross)	20	371,015,198	153,416,178
Less : Excise Duty		40,586,540	17,886,258
Revenue from operations (Net)		330,428,658	135,529,920
Other Income	21	20,154,162	2,343,362
Total Revenue		350,582,820	137,873,282
Expenses			
Cost of materials and accessories consumed	22	245,960,156	112,487,931
Changes in inventories of finished goods and work-in-progress	23	29,567,953	(12,520,998)
Employee benefits expense	24	17,030,489	5,717,915
Finance costs	25	8,839,622	12,732,590
Depreciation and amortization expense	26	32,022,935	21,664,911
Other expenses	27	75,483,953	38,812,139
Total expenses		349,769,202	178,894,488
Profit/(Loss) before exceptional and extraordinary items and tax		813,618	(41,021,206)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		813,618	(41,021,206)
Extraordinary Items		-	-
Profit/(Loss) before tax		813,618	(41,021,206)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the year		813,618	(41,021,206)
Earnings per equity share	31		
(Nominal Value per Share Rs. 10/- (Previous year Rs. 10/-):			
Basic/Diluted		0.30	(17.28)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 6, 2016

Director
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Director
Punit Halbhari

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Arvind OG Nonwovens Private Limited

Cash Flow Statement

Particulars	Year Ended		Amount in Rs.	
	March 31, 2016		March 31, 2015	
A Cash Flow from Operating Activities				
Profit/(Loss) before tax		813,618		(41,021,206)
Adjustments for:				
Depreciation and Amortisation Expense	32,022,935		21,664,911	
Interest Income	(1,650,860)		(1,955,374)	
Loss on Sale of Fixed Assets (Net)	84,858		-	
Interest Expenses	8,839,622		-	
Operating Profit before Working Capital Changes		39,296,555	12,732,590	32,442,127
Working Capital Changes:		40,110,173		(8,579,079)
Changes in trade payables	(24,518,503)		72,418,120	
Changes in long term loans and advances	-		-	
Changes in short term loans and advances	(2,867,627)		(6,600,526)	
Changes in Other Bank Balances	20,500,162		96,622,717	
Changes in long term provisions	88,371		15,131	
Changes in trade receivables	(7,174,689)		(69,075,022)	
Changes in inventories	(43,032,856)		(30,109,423)	
Changes in short term provisions	928		64,087	
Changes in other Current Assets	(8,802,920)		(9,158,853)	
Changes in other Current Liabilities	1,218,785		356,294	
Net Changes in Working Capital		(64,588,349)		54,532,525
Cash Generated From Operations		(24,478,176)		45,953,446
Advance Tax Paid		264,269		(175,658)
Net Cash Flow from Operating Activities		(24,213,907)		45,777,788
B Cash Flow from Investing Activities				
Purchase of Tangible Assets	(8,632,229)		(373,204,798)	
Acquisition of Intangible Assets	-		(3,653,504)	
Sale of Tangible Assets	5,302,370		-	
Capital Subsidy received	18,665,300		-	
Capital Advances	231,575		145,105,274	
Interest Income	1,212,374		1,281,041	
Net Cash Flow from Investing Activities		16,779,390		(230,471,987)
C Cash Flow from Financing Activities				
Proceed from Issuance of share capital	-		62,307,700	
Share Application Money	45,000,000		(19,080,700)	
Interest Expense	(5,153,681)		(12,158,045)	
Other Borrowing Cost	(3,685,941)		(574,545)	
Changes in Short term Borrowings	(25,813,240)		31,438,423	
Changes in long term Borrowings	(5,813,135)		125,327,535	
Net Cash Flow from Financing Activities		4,534,003		187,260,368
Net Increase in Cash & Cash Equivalents		(2,900,515)		2,566,169
Cash & Cash equivalent at the beginning of the period		3,206,383		640,214
Cash & Cash equivalent at the end of the period		305,868		3,206,383

Particulars	As at	
	March 31, 2016	March 31, 2015
Cash and Cash Equivalents Comprise of: (Note 18)		
Cash on Hand	20,000	54,926
Balances with Banks	285,868	3,151,457
Total	305,868	3,206,383

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

Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 6, 2016

Director
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Director
Sunit Dalbhai

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Arvind OG Nonwoven Private Limited

Notes to the financial statements

1. COMPANY BACKGROUND

Arvind OG Nonwoven Private Limited is a Joint Venture between Arvind Limited and OG Corporation, Japan. The Company is setting up a project of manufacturing non-woven products.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on accrual basis, except for certain tangible assets which are being carried at revalued amounts. Indian GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

(B) USE OF ESTIMATES

The preparation of financial Statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

(D) REVENUE RECOGNITION

Sales and operating income includes sale of products, waste and income from job work services. Sales are recognized based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer. Revenue from export sales are recognized on shipment basis. The company presents sales net of returns, excise duty and Sales tax. Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

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(E) VALUATION OF INVENTORY

The stock of Work-in-progress and finished goods has been valued at the lower of cost and net realizable value. The cost has been measured on the average cost basis and includes cost of materials and cost of conversion.

All other inventories of stores and consumables are valued at cost. The stock of waste is valued at market price. Cost is measured on actual average for the whole year. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

(F) FIXED ASSETS

Tangible Assets

Tangible Fixed Assets are stated at their Original cost of Acquisition. Cost comprises of all costs incurred to bring the assets to their Location and working Condition.

Directly identifiable preoperative expenses of new projects of capital nature under implementation are carried forward under capital work-in-progress, pending capitalization.

Depreciation on addition to tangible fixed assets is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act 2013 except for plant and machinery based on internal assessment.

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

The management estimates the useful life for plant and 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.

Intangible Assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

Patent, Technical Know How and Software are depreciated over management estimate of its useful life of 5 years.

(G) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss

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Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(H) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates.

(I) EMPLOYEE BENEFITS

The Company has Unfunded Defined Benefit Plan namely Gratuity for the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books.

The liability for leave encashment payable to employees is determined and provided on the basis of actuarial valuation.

In respect of Provident Fund, the contribution is charged to revenue and paid to the Government.

(J) BORROWING COST

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds and considered as revenue expenditure except for borrowing costs attributed to the acquisition of qualifying assets up to the date when such assets are ready for intended use which are capitalized as a part of the cost of such Asset.

(K) TAXES ON INCOME

Tax expense consists of both current as well as deferred tax. Current tax represents amount of income tax payable in respect of taxable income for the year.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset is recognised and carried forward to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

(L) GOVERNMENT GRANTS AND SUBSIDIES

Grants/Subsidies from the government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant/subsidy will be received.

When the grant/subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant/subsidy relates to an asset, it is shown as a deduction from the gross value of the asset concerned in arriving at its book value.

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Arvind OG Nonwovens Private Limited

3 Share Capital

	Amount in Rs.	
	As at March 31, 2016	As at March 31, 2015
Authorised		
5,000,000 Equity Shares (Previous Year 5,000,000) Par Value of Rs. 10/- per share	50,000,000	50,000,000
Issued		
2,677,986 Shares (Previous Year 2,677,986 Shares) Par Value of Rs.10/- per share	26,779,860	26,779,860
Subscribed and fully paid up		
2,677,986 Shares (Previous Year 2,677,986 Shares) Par Value of Rs.10/- per share fully paid up	26,779,860	26,779,860
Total	26,779,860	26,779,860

a Reconciliation of Number of Shares

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	2,677,986	26,779,860	2,054,909	20,549,090
Add : Shares issued during the year	-	-	623,077	6,230,770
Balance at the end of the year	2,677,986	26,779,860	2,677,986	26,779,860

b Rights, Preferences and Restrictions attached to 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.

c Shares held by Holding Company

Particulars	As at	
	March 31, 2016	March 31, 2015
Holding Company - Arvind Limited	1,981,710	1,981,710

d Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at	
	March 31, 2016	March 31, 2015
Holding Company - Arvind Limited	1,981,710 74%	1,981,710 74%
OG Corporation - Japan	696,276 26%	696,276 26%

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Arvind OG Nonwovens Private Limited

4 Reserves and Surplus

		Amount in Rs.	
		As at	
		March 31, 2016	March 31, 2015
Securities Premium Account			
Balance as per last financial statements		23,97,58,740	18,36,81,810
Add: Addition during the year		-	5,60,76,930
Balance at the end of the year		23,97,58,740	23,97,58,740
Surplus in Statement of Profit and Loss			
Balance as per last financial statements		(4,44,96,514)	(34,75,308)
Add: Profit/(Loss) for the year		8,13,618	(4,10,21,206)
Balance at the end of the year		(4,36,82,896)	(4,44,96,514)
Total		19,60,75,844	19,52,62,226

5 Share Application money pending Allotment

		Amount in Rs.	
		As at	
		March 31, 2016	March 31, 2015
Share Application money pending allotment		4,50,00,000	-
Total		4,50,00,000	-

a Share Application money pending Allotment represents application received from Holding Company - Arvind Limited which comprises of 4,50,000 Equity shares of face value Rs. 10 each fully paid up proposed to be issued at a premium of Rs. 90 respectively.

Equity shares are expected to be allotted against the share application money upto 30th June, 2016. The Company has sufficient authorised capital to cover the share capital amount on allotment of above shares.



Arvind OG Nonwovens Private Limited

		Amount in Rs.	
		Current Maturities	
		As at	
		March 31, 2016	March 31, 2015
6 Long Term Borrowings			

		Non- Current portion		Current Maturities	
		As at		As at	
		March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Secured:					
Term Loans :					
From Banks		212,045,907	217,859,042	7,500,000	7,500,000
		212,045,907	217,859,042	7,500,000	7,500,000.00
Amount disclosed under the head "Other Current Liabilities" (Note 11)		-	-	7,500,000	7,500,000
Total		212,045,907	217,859,042	-	-

a Nature of Security

Term Loans from Banks are secured by:

- First charge over inventories, receivables and other current assets of the company. First charge over the entire moveable fixed assets of the Company at constructed premises.
- The Company is in the process of creating security by way of mortgage on Land and Building in respect of above loan.

b Rate of Interest and Terms of Repayments

Particulars	Amount in Rs.	Rate of Interest	Terms of Repayment from Balance Sheet Date
State Bank of India	219,545,907	11.50%	Repayable in 32 quarterly instalments starting from June 2015.

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Arvind OG Nonwovens Private Limited

7 Deferred Tax Liabilities (Net)

	Amount in Rs.	
	As At	
	March 31, 2016	March 31, 2015
Deferred Tax Liability		
Fixed Assets		
Total	25,946,594	23,082,800
	25,946,594	23,082,800
Deferred Tax Asset		
Expenditure allowable on payment basis		
Unabsorbed loss/ Depreciation	48,271	25,702
Others	25,894,055	23,051,123
Total	4,268	5,975
	25,946,594	23,082,800
Deferred Tax Liabilities (Net)	-	-

8 Provisions

	Amount in Rs.			
	Long Term		Short Term	
	As At		As At	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for Leave Encashment	27,775	14,527	1,229	656
Provision for Gratuity	138,554	63,431	959	604
Total	166,329	77,958	2,188	1,260

9 Short Term Borrowings

	Amount in Rs.	
	As At	
	March 31, 2016	March 31, 2015
Secured		
Working Capital Loans repayable on demand		
From Banks	5,625,183	31,438,423
Total	5,625,183	31,438,423

a Nature of Security

Cash Credit and Other Facilities from Banks

Secured by

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

ii. Second charge over the entire movable fixed assets of the Company.

b Rate of Interest

i. Working Capital Loans from bank carry interest rate of 11.50% per annum.

Arvind OG Nonwovens Private Limited

10 Trade Payables

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Total outstanding dues of micro enterprises and small enterprises (Note a)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,13,28,490	6,87,56,568
Acceptances	1,07,79,934	78,70,359
Total	5,21,08,424	7,66,26,927

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:

- (a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- (b) Interest paid during the year;
- (c) Amount of payment made to the supplier beyond the appointed day during accounting year;
- (d) Interest due and payable for the period of delay in making payment;
- (e) Interest accrued and unpaid at the end of the accounting year; and
- (f) 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.

11 Other Current Liabilities

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Current Maturities of long term borrowings (Note 6)	75,00,000	75,00,000
Payable in respect of Capital goods	-	3,42,482
Statutory dues including Provident Fund and Tax Deducted at Source	15,07,334	9,32,776
Advances from Customers	3,83,555	-
Payable to Employees	6,67,931	64,777
Total	1,00,58,820	88,40,035

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Arvind OG Nonwovens Private Limited

12 Tangible Assets

Particulars	Gross Block			Depreciation / Amortization			Net Block		
	As At 01.04.2015	Additions	Disposals	As At 31.03.2016	As At 01.04.2015	For the year	Deductions	As At 31.03.2016	As At 31.03.2015
Freehold Land	45,314,754	615,000 (45,314,754)	-	45,929,754 (45,314,754)	-	-	-	45,929,754 (45,314,754)	45,314,754
Building	70,119,506	5,146,657 (70,119,506)	-	75,266,163 (70,119,506)	2,023,823	3,216,200 (2,023,823)	-	70,026,140 (68,095,683)	68,095,683
Plant & Machinery	274,395,434	14,745,956 (274,395,434)	23,570,394	265,570,996 (274,395,434)	18,201,181	26,128,104 (18,201,181)	58,248	221,299,959 (256,194,253)	256,194,253
Office Equipments	1,750,809	(1,750,809)	-	1,750,809 (1,750,809)	39,108	332,828 (39,108)	-	1,378,873 (1,711,701)	1,711,701
Furniture and Fixtures	2,214,158	(2,214,158)	-	2,214,158 (2,214,158)	28,396	328,748 (28,396)	-	1,857,014 (2,185,762)	2,185,762
Computers	637,888	94,848 (637,888)	-	732,736 (637,888)	38,809	120,931 (38,809)	-	572,996 (599,079)	599,079
Vehicles	613,200	1,028,901 (613,200)	613,200	1,028,901 (613,200)	24,273	150,363 (24,273)	72,818	927,083 (588,927)	588,927
Total	395,045,749	21,631,362	24,183,594	392,493,517	20,355,590	30,277,174	131,066	50,501,698	374,690,159
Previous Year	-	395,045,749	-	395,045,749	-	20,355,590	-	20,355,590	-

a Deduction in Gross Block of Plant and Machinery includes Capital Subsidy of Rs. 18,665,300/- (Previous year Rs. Nil)

13 Intangible Assets

Particulars	Gross Block			Depreciation / Amortization			Net Block		
	As At 01.04.2015	Additions	Disposals	As At 31.03.2016	As At 01.04.2015	For the year	Deductions	As At 31.03.2016	As At 31.03.2015
Patents, Know How	8,728,806	(8,728,806)	-	8,728,806 (8,728,806)	1,309,321	1,745,761 (1,309,321)	-	3,055,082 (1,309,321)	7,419,485
Total	8,728,806	-	-	8,728,806	1,309,321	1,745,761	-	3,055,082	7,419,485
Previous Year	-	8,728,806	-	8,728,806	-	1,309,321	-	1,309,321	-

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Arvind OG Nonwovens Private Limited

14 Loans and Advances (Unsecured, Considered good unless otherwise stated)	Long Term		Short Term	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015

Capital Advances	546,940	778,515	-	-
Security Deposits	2,740,554	2,740,554	-	-
Advance tax paid	178,924	443,193	-	-
(Net of Provision for Income Tax of Rs. Nil, Previous Year Rs. Nil)	-	-	2,067,559	616,643
Advances recoverable in cash or in kind or for value to be received	-	-	216,842	521,203
Prepaid Expenses	-	-	7,528,730	5,807,657
CENVAT/Custom Duty Receivable	-	-	-	-
Total	3,466,418	3,962,262	9,813,131	6,945,504

15 Other Assets	Non Current		Current	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015

Non Current Bank Balances (Note 18)	8,606,600	8,606,600	-	-
Income receivable	-	-	17,892,548	9,157,231
Interest Accrued	-	-	1,601,033	1,162,547
Export Incentive Receivable	-	-	69,225	1,622
Total	8,606,600	8,606,600	19,562,806	10,321,400

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Arvind OG Nonwovens Private Limited

16 Inventories

	Amount in Rs.	
	As At	
	March 31, 2016	March 31, 2015
Raw Materials	28,564,401	15,960,480
In Transit	-	165,497
Fuel	362,910	197,660
Stores and Spares	1,592,841	720,188
Work-in-Progress	37,823,542	8,708,800
Finished Goods	4,798,585	4,356,798
Total	73,142,279	30,109,423

a Details of Inventory

	Amount in Rs.	
	As At	
	March 31, 2016	March 31, 2015
Raw Material		
Fibre	27,177,777	14,648,885
Fabric	1,357,959	1,311,595
Yarn	28,665	
Total	28,564,401	15,960,480
Work-in-Progress		
Yarn and Fibre	22,529,849	3,333,758
Fabric	15,293,693	5,375,042
Total	37,823,542	8,708,800
Finished Goods		
Fabric	4,798,585	4,356,798
Total	4,798,585	4,356,798

17 Trade Receivables

(Unsecured, considered good unless otherwise stated)

	Amount in Rs.	
	As At	
	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment	22,921,356	-
Others	53,328,355	69,075,022
Total	76,249,711	69,075,022

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Arvind OG Nonwovens Private Limited

	Non Current		Current	
	As At		As At	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
18 Cash and Bank Balances				
Cash and Cash Equivalents:				
Cash on Hand	-	-	20,000	54,926
Balances with Banks				
In Current Accounts	-	-	285,868	256,457
In Deposit Account (with original maturity upto 3 months)	-	-	-	2,895,000
Other Bank Balances:			305,868	3,206,383
In Deposits Accounts				
With original maturity more than 3 months but less than 12 months	-	-	4,892,328	25,392,490
Held as Margin Money	-	-	-	-
(Under lien with bank as Security for Guarantee Facility)	8,606,600	8,606,600	-	-
	8,606,600	8,606,600	4,892,328	25,392,490
Amount disclosed under the head "Other Non Current Assets" (Note 15)	8,606,600	8,606,600	-	-
Total	-	-	5,198,196	28,598,873

19 Capital and Other Commitments

	Amount in Rs.	
	As At	
	March 31, 2016	March 31, 2015
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	795,868	1,872,406
Other Commitments	-	-

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Arvind OG Nonwovens Private Limited

20 Revenue from Operations

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Sale of Products		
Finished Goods	36,43,33,628	15,31,50,849
Less : Excise Duty	4,05,86,540	1,78,86,258
	32,37,47,088	13,52,64,591
Job Work Income	62,44,025	-
Other Operating Revenues		
Waste Sale	3,91,440	1,92,117
Others	46,105	73,212
Total	33,04,28,658	13,55,29,920

a Details of Sales and Services

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Sale of Products (Net of Excise Duty)		
Nonwoven Fabric	32,37,47,088	13,52,64,591
Total	32,37,47,088	13,52,64,591

21 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest Income	16,50,860	19,55,374
TUF Subsidy Income	95,33,567	-
Exchange Difference (Net)	-	1,99,459
VAT Refund Received	77,61,929	-
Scrap Sales	2,68,774	1,87,380
Other Income	9,39,032	1,149
Total	2,01,54,162	23,43,362

22 Cost of Materials Consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Stock at the beginning of the year	1,61,25,977	-
Purchases	25,83,98,580	12,86,13,908
	27,45,24,557	12,86,13,908
Less: Stock at the end of the year	2,85,64,401	1,61,25,977
Total	24,59,60,156	11,24,87,931

a Materials Consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Fibre	20,85,81,891	8,92,48,475
Yarn and Fabric	3,73,78,265	2,32,39,456
Total	24,59,60,156	11,24,87,931

b Value of imported and indigenous materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Imported	16,90,74,266	6,79,65,477
	68.74%	60.42%
Indigenous	7,68,85,890	4,45,22,454
	31.26%	39.58%
Total	24,59,60,156	11,24,87,931

23 Changes in Inventories of Finished Goods and Work-in-progress

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	47,98,585	43,56,798
Work-in-Progress	3,78,23,542	87,08,800
	4,26,22,127	1,30,65,598
Stock at the beginning of the year		
Finished Goods	43,56,798	-
Work-in-Progress	87,08,800	-
	1,30,65,598	-
Excise Duty in Value of Stock - Increase	(11,424)	5,44,600
(Increase)/Decrease in stocks	(2,95,67,953)	(1,25,20,998)

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24 Employee Benefits Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Salaries and Wages	1,52,47,525	52,89,967
Contribution to Provident Fund and Other Funds	5,82,203	2,20,870
Staff Welfare Expenses	12,00,761	2,07,078
Total	1,70,30,489	57,17,915

25 Finance Costs

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest		
On Term Loans	22,67,868	1,03,85,847
On Cash Credit	28,85,813	8,92,884
Others	-	8,79,314
Other Borrowing Costs	36,85,941	5,74,545
Total	88,39,622	1,27,32,590

26 Depreciation / Amortization Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Depreciation of Tangible Assets	3,02,77,174	2,03,55,590
Amortization of Intangible Assets	17,45,761	13,09,321
Total	3,20,22,935	2,16,64,911

27 Other Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Power and Fuel	1,32,12,976	65,71,087
Processing Charges	2,70,95,789	1,77,24,797
Stores Consumed	1,28,61,378	23,29,904
Repairs:		
To Buildings	-	1,875
To Machineries (including Spares Consumption)	14,22,199	21,40,678
To Others	58,595	53,615
Conveyance and Travelling Expense	13,25,020	15,02,712
Freight, Insurance and Clearing Charges	50,19,875	19,69,632
Miscellaneous Labour Charges	27,730	12,70,557
Security Expense	11,34,913	11,01,153
Bank Charges	20,08,292	10,60,272
Rates and Taxes	2,25,732	1,36,926
Excise Duty Borne by Company	15,351	1,00,225
Application, Inspection and License Fees	37,250	1,50,388
Insurance Expense	4,89,798	1,73,862
Printing, Stationary & Communication	1,94,520	96,824
Refreshment Expense	2,08,055	2,09,505
Legal and Professional Fees	71,91,805	7,55,390
Share Issue Expense	-	62,308
Advertisement Expense	3,87,912	1,68,056
Payments to the auditor as		
(a) Auditor	2,86,250	56,180
(b) For Other Certification work	35,921	11,236
Other Interest	1,044	7,656
Exchange Difference (Net)	10,95,164	-
Loss on Sale of Fixed Assets (Net)	84,858	-
Miscellaneous Expenses	10,63,526	11,57,301
Total	7,54,83,953	3,88,12,139

a Spare Parts

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Imported	3,77,301	13,63,771
Indigenous	26.53%	63.71%
	10,44,898	7,76,907
	73.47%	36.29%
Total	14,22,199	21,40,678



28 CIF Value of Imports

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Capital Goods	17,72,717	21,37,34,090
Raw Materials	15,74,81,284	8,57,23,227

29 Expenditure in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Technical Know How	-	44,30,430
Professional Charges	58,19,268	-
Travelling	32,348	-
Others	1,22,007	1,07,040
Total	59,73,623	45,37,470

30 Earning in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Export of goods calculated on F.O.B. basis	82,78,629	82,620

31 Earning Per Share (EPS) :

		Year ended	
		March 31, 2016	March 31, 2015
Profit/(Loss) for the year available to equity shareholders	Rs.	8,13,618	(4,10,21,206)
Basic/Weighted average no. of Equity Shares	Nos.	26,77,986	23,73,845
Nominal value of Equity Shares	Rs.	10	10
Basic/Diluted Earning Per Share	Rs.	0.30	(17.28)

a Weighted average number of Equity Shares

	Year ended	
	March 31, 2016	March 31, 2015
Opening No. of Shares for Basic EPS	26,77,986	20,54,909
Weighted average number of shares issued during the year	-	3,18,936
Weighted average number of shares considered for calculating EPS	26,77,986	23,73,845

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Arvind OG Nonwovens Private Limited

32 Related Party Disclosures :

As per the Accounting Standard on "Related Party Disclosures" (AS 18), the related parties of the Company are as follows :

a List of Related Parties & Relationship :

Arvind Limited	Holding Company
OG Corporation (Japan)	Associate Company
Arvind PD Composites Private Limited	Fellow Subsidiary
Mr. Punit S. Lalbhai	Director
Mr. Hiroaki Machino	Additional Director

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

Nature of Transactions	Holding Company		Associate Company		Fellow Subsidiary	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Issue of Equity Shares including Premium						
Share Application Money Received						
Purchases						
Goods and Materials	4,50,00,000	16,13,77,000	-	1,62,00,000	-	-
Fixed Assets	1,78,38,348	1,38,25,349	7,73,89,668	62,72,468	-	23,325
Sales						
Raw Material	15,62,941	34,76,441	-	-	-	-
Finished Fabrics/Goods	4,30,75,730	1,70,500	58,760	-	-	-
Fixed Assets	48,66,262	-	-	-	-	-
Expenses						
Processing Charges	2,05,14,545	1,48,73,708	-	-	54,23,650	27,78,700
Service Charges	-	51,03,991	-	-	-	-
Staff Welfare Expense	1,14,660	-	-	-	-	-
Income						
Processing Charges	62,41,646	-	-	-	-	-
Outstanding :						
Receivable in respect of Current Assets	1,25,30,998	44,44,754	-	-	1,00,000	-
Payable in respect of Current Liabilities	38,71,991	4,20,66,061	1,75,14,632	46,60,888	-	49,000

Nature of Transactions	Year ended	
	March 31, 2016	March 31, 2015
Issue of Equity Shares Including Premium		
Arvind Limited	-	16,13,77,000
OG Corporation (Japan)	-	1,62,00,000
Share Application Money Received		
Arvind Limited	4,50,00,000	-
Purchases		
Goods and Materials		
Arvind Limited	1,78,38,348	1,38,25,349
OG Corporation (Japan)	7,73,89,668	62,72,468
Arvind PD Composites Private Limited	-	23,325
Fixed Assets		
Arvind Limited	-	1,94,664
OG Corporation (Japan)	2,46,400	73,07,930
Sales		
Raw Material		
Arvind Limited	15,62,941	34,76,441
Finished Fabrics/Goods		
Arvind Limited	4,30,75,730	1,70,500
OG Corporation (Japan)	58,760	-
Fixed Assets		
Arvind Limited	48,66,262	-
Expenses		
Processing Charges		
Arvind Limited	2,05,14,545	1,48,73,708
Arvind PD Composites Private Limited	54,23,650	27,78,700
Service Charges		
Arvind Limited	-	51,03,991
Staff Welfare Expense		
Arvind Limited	1,14,660	-
Income		
Processing Charges		
Arvind Limited	62,41,646	-
Outstanding :		
Receivable in respect of Current Assets		
Arvind Limited	1,25,30,998	44,44,754
Arvind PD Composites Private Limited	1,00,000	-
Payable in respect of Current Liabilities		
Arvind Limited	38,71,991	4,20,66,061
OG Corporation (Japan)	1,75,14,632	46,60,888
Arvind PD Composites Private Limited	-	49,000

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Arvind OG Nonwovens Private Limited
33 Employee Benefits

Consequent to the adoption of Accounting Standard on Employee Benefits (AS 15), the following disclosures have been made as required by the Standard:

(i) Defined Contribution Plans

The Company has recognised the following amounts in statement of Profit and Loss for Defined Contribution Plans:

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Provident Fund	218,078	90,296

(ii) State Plans

The Company has recognised the following amounts in statement of Profit and Loss for Contribution to State Plans:

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Employee's State Insurance	16,389	4,467
Employee's Pension Scheme	272,258	74,271

(iii) Defined Benefit Plans

(a) Leave Encashment/Compensated Absences

Salaries, Wages and Bonus include Rs. 13,821/- (Previous Year Rs.18,991/-) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

(b) Unfunded Gratuity

Employee Benefit Expenses includes Rs. 75,478/- (Previous Year Rs. 51,836/-) towards provision made as per actuarial valuation in respect to Gratuity.

34 Segment Reporting

a The company is primarily engaged in the business of Nonwoven products, which in the context of Accounting Standard 17 on "Segment Reporting", constitutes a single reportable primary (business) segment.

b Secondary Segment (Geographical by Customers)

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Segment Revenue		
a) In India	322,150,029	135,447,300
b) Outside India	8,278,629	82,620
Total Sales	330,428,658	135,529,920
Carrying Cost of Assets by location of Assets		
a) In India	545,993,456	556,611,548
b) Outside India	1,869,099	274,183
Total	547,862,555	556,885,731
Addition to Assets		
a) In India	8,632,229	376,858,302
b) Outside India	-	-
Total	8,632,229	376,858,302

35 Unhedged Foreign Currency Exposure:

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Year ended	
	March 31, 2016	
	March 31, 2016	March 31, 2015
Payable for purchase of goods		
i) Amount in USD	280,323	193,227
Amount in Rs.	18,572,775	12,076,698
ii) Amount in EUR	-	53,331
Amount in Rs.	-	3,583,296
iii) Amount in JPY	250,000	772,000
Amount in Rs.	147,463	402,405

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Receivable on sale of goods		
i) Amount in USD	26,068	2,828
Amount in Rs.	1,727,168	176,724
ii) Amount in EUR	1,721	1,451
Amount in Rs.	129,755	97,459
iii) Amount in GBP	128	-
Amount in Rs.	12,177	-

36 Impairment of Fixed Assets

In accordance with the Accounting Standard (AS -28) on 'Impairment of Assets', the Company has reassessed its fixed assets and is of the view that no further impairment/reversal is considered to be necessary in view of its expected realisable value.

37 In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

38 Previous year's figures have been regrouped or recasted wherever necessary to make them comparable of those with current year.

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

Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 6, 2016

Director

王代儀 社 -

Director

Punit Halbhari

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