SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

TELEPHONE : +91 79 2658 4304
FAX : +91 79 2658 9710
EMAIL : sseahm@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in

909, ATMA HOUSE,
OPP. OLD RESERVE BANK OF INDIA,
ASHRAM ROAD,
AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REPORT

To the Members of Arvind PD Composites Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Arvind PD Composites Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control

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

relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report 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 (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (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 has does not have any pending litigation which would affect its financial position;

ii. The Company did not have any material foreseeable losses on any long-term contracts;

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 07, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND PD COMPOSITES 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 company has no immovable properties. Consequently requirements of Clause (i) (c) of Paragraph 3 of the Order are not applicable.

(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. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.

(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, 2018 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, 2018.

(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) 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) To the best of our knowledge and belief 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. 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 sections 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS 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 07, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND PD COMPOSITES 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 PD Composites Private Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 07, 2018

Arvind PD Composites Private Limited
Balance Sheet as at March 31, 2018

(Amount in Rs.)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	22,88,48,547	21,63,54,400
(b) Capital work-in-progress	5	-	4,31,80,837
(c) Intangible assets	6	3,577	22,656
(d) Financial assets			
(i) Other financial assets	7	22,18,051	14,73,742
(e) Deferred tax assets (net)	25	1,66,25,533	1,81,97,910
(f) Other non-current assets	8	47,02,316	61,24,631
Total non-current assets		**25,23,98,024**	**28,53,54,176**
II. Current assets			
(a) Inventories	9	10,35,49,683	13,21,89,915
(b) Financial assets			
(i) Trade receivables	7	9,95,70,799	6,27,01,487
(ii) Cash and cash equivalents	7	40,67,643	34,544
(iii) Bank balance other than (ii) above	7	25,40,472	23,88,363
(iv) Loans	7	2,20,63,235	3,24,69,337
(v) Others financial assets	7	6,44,862	12,75,640
(c) Current tax assets (net)	10	5,03,331	-
(d) Other current assets	8	3,33,61,521	3,65,10,355
Total current assets		**26,63,01,546**	**26,75,69,641**
Total Assets		**51,86,99,570**	**55,29,23,817**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	31,46,090	28,49,090
Other equity	12	24,33,23,402	23,88,77,529
Total equity		**24,64,69,492**	**24,17,26,619**
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	6,54,90,925	8,39,51,883
(b) Long-term provisions	14	15,57,981	7,15,684
(c) Government grants	15	4,56,386	18,10,367
Total non-current liabilities		**6,75,05,292**	**8,64,77,934**
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	2,53,46,369	77,90,169
(ii) Trade payables	13	15,22,61,659	17,33,26,798
(iii) Other financial liabilities	13	2,30,93,386	3,45,61,489
(b) Other current liabilities	16	25,81,923	69,22,918
(c) Short-term provisions	14	87,468	21,803
(d) Current Tax liabilities (net)	10	-	7,42,106
(e) Government grants	15	13,53,981	13,53,981
Total current liabilities		**20,47,24,786**	**22,47,19,264**
Total equity and liabilities		**51,86,99,570**	**55,29,23,817**
Summary of significant accounting policies	3		

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 07, 2018

For and on behalf of the board of directors of Arvind PD Composites Private Limited

Director
DIN:
Ahmedabad
May 07, 2018

Director
DIN:
Ahmedabad
May 07, 2018

Arvind PD Composites Private Limited
Statement of profit and loss for the year ended March 31, 2018

(Amount in Rs.)

Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from operations			
Sale of Products	17	55,69,91,891	55,36,08,892
Sale of Services	17	27,50,750	61,95,495
Operating Income	17	37,74,964	1,52,94,138
Revenue from operations		**56,35,17,605**	**57,50,98,525**
Other income	18	2,10,99,607	60,21,710
Total income (I)		**58,46,17,212**	**58,11,20,235**
Expenses			
Cost of raw materials and accessories consumed	19	40,51,98,593	39,54,80,547
Changes in inventories of finished goods, work-in-progress and stock-in-trade	20	98,70,273	53,76,479
Employee benefits expense	21	3,40,91,897	2,25,96,103
Finance costs	22	1,55,91,944	81,16,053
Depreciation and amortisation expense	23	3,76,67,277	2,77,45,718
Other expenses	24	9,05,48,833	9,37,03,414
Total expenses (II)		**59,29,68,817**	**55,30,18,314**
Profit before exceptional items and tax (III)=(I-II)		**(83,51,605)**	**2,81,01,921**
Exceptional items (IV)			-
Profit before tax (V) = (III-IV)		**(83,51,605)**	**2,81,01,921**
Tax expense			
Current tax	25	-	10,15,000
Excess Provision of Earlier year	25	(10,15,000)	-
Deferred tax	25	17,00,465	(1,82,02,657)
Total tax expense (VI)		**6,85,465**	**(1,71,87,657)**
Profit for the period (VII) = (V-VI)		**(90,37,070)**	**4,52,89,578**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans	12	(4,92,645)	15,363
Income tax effect	25	1,28,088	(4,747)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(3,64,557)	10,616
Total other comprehensive income for the period, net of tax (VIII)		**(3,64,557)**	**10,616**
Total comprehensive income for the period, net of tax (VII+VIII)		**(94,01,627)**	**4,53,00,194**
Earning per equity share [nominal value per share Rs.10/- (March 31, 2017: Rs.10/-)]			
Basic	32	(29.98)	160.90
Diluted	32	(29.98)	160.90
Summary of significant accounting policies	3		

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 07, 2018

For and on behalf of the board of directors of Arvind PD Composites Private Limited

Director
DIN:
Ahmedabad
May 07, 2018

Director
DIN:
Ahmedabad
May 07, 2018

Arvind PD Composites Private Limited
Statement of cash flows for the year ended March 31, 2018

(Amount in Rs.)

Particulars		Year ended March 31, 2018		Year ended March 31, 2017
A Operating activities				
Profit/(Loss) Before taxation		**(83,51,605)**		**2,81,01,921**
Adjustments to reconcile profit before tax to net cash flows:				
Depreciation /Amortization	3,76,67,277		2,77,45,718	
Interest Income	(18,14,302)		(14,28,716)	
Interest and Other Borrowing Cost	1,55,91,944		81,16,053	
Sundry credit balances appropriated	(5,08,995)		-	
Provision no longer requiered	(3,83,078)		-	
Government Grant	(13,53,981)		(13,53,981)	
Exchange loss related to borrowings	14,01,733		-	
Loss on Sale of Tangible/Intangible assets	3,85,449		-	
		5,09,86,047		**3,30,79,074**
Operating Profit before Working Capital Changes		**4,26,34,442**		**6,11,80,995**
Working Capital Changes:				
Changes in Inventories	2,86,40,232		(1,22,10,216)	
Changes in trade payables	(2,05,56,144)		4,80,33,742	
Changes in other current liabilities	(39,57,917)		(17,18,536)	
Changes in other current financial liabilities	2,62,704		15,25,675	
Changes in provisions	4,15,317		2,54,676	
Changes in trade receivables	(3,68,69,312)		41,67,878	
Changes in other current assets	31,48,834		(2,23,42,063)	
Changes in other non current financial assets	(7,44,309)		28,00,255	
Changes in other current financial assets	6,63,115		27,46,781	
Changes in Other Bank Balances	(1,52,109)		4,50,019	
Net Changes in Working Capital		(2,91,49,589)		2,37,08,211
Cash Generated from Operations		**1,34,84,853**		**8,48,89,206**
Direct Taxes paid (Net of Income Tax refund)		(2,30,437)		(90,592)
Net Cash from Operating Activities		**1,32,54,416**		**8,47,98,614**
B Cash Flow from Investing Activities				
Purchase of tangible/intangible assets	(76,33,157)		(12,68,62,045)	
Sale of tangible assets	2,86,200		-	
Changes in Capital Advances	14,22,315		(61,24,631)	
Changes in Loans given	1,04,06,102		(3,24,69,337)	
Interest Income	17,81,965		2,97,433	
Net cash flow from Investing Activities		**62,63,425**		**(16,51,58,580)**
C Cash Flow from Financing Activities				
Issue of Share Capital	2,97,000		3,07,150	
Securities Premium received	2,94,03,000		2,09,63,350	
Share Application Money received	(1,55,55,500)		-	
Changes in long term Borrowings	(3,02,28,633)		5,17,19,558	
Changes in short term borrowings	1,61,54,467		77,90,169	
Interest and Other Borrowing Cost Paid	(1,55,55,076)		(88,39,294)	
Net Cash flow from Financing Activities		**(1,54,84,742)**		**7,19,40,933**
Net Increase/(Decrease) in cash & cash equivalents		**40,33,099**		**(84,19,033)**
Cash & Cash equivalent at the beginning of the period		34,544		84,53,577
Cash & Cash equivalent at the end of the period		40,67,643		34,544

Particulars	Year ended March 31, 2018 Rupees	Year ended March 31, 2017 Rupees
Cash and cash equivalents comprise of: (Note 7)		
Cash on Hand	20,000	20,000
Balances with Banks	40,47,643	14,544
Cash and cash equivalents as restated	**40,67,643**	**34,544**

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

Notes:

1 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.

2 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 Sorab S. Engineer & Co.
Chartered Accountants
Firm Registration No. 110417W

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 07, 2018

For and on behalf of the board of directors of Arvind PD Composites Private Limited

PSL **Director**
DIN:
Ahmedabad
May 07, 2018

JK **Director**
DIN:
Ahmedabad
May 07, 2018

Arvind PD Composites Private Limited
Statement of changes in Equity for the year ended March 31, 2018

A. Equity share capital

(Amount in Rs.)

Balance	Note 11
As at April 1, 2016	**25,41,940**
Issue of Equity Share capital	3,07,150
As at March 31, 2017	**28,49,090**
Issue of Equity Share capital	2,97,000
As at March 31, 2018	**31,46,090**

B. Other equity

Attributable to the equity holders of the company

(Amount in Rs.)

Particulars	Reserves and Surplus			Total Equity
	Share Application pending allotment	Securities premium	Retained Earnings	
	Note 12	Note 12	Note 12	
Balance as at April 1, 2016	**2,50,00,000**	**23,18,52,060**	**(8,42,38,075)**	**17,26,13,985**
Profit/(Loss) for the year	-	-	4,52,89,578	**4,52,89,578**
Addition during the year		3,04,07,850	-	**3,04,07,850**
Share issued during the year	(94,44,500)	-	-	**(94,44,500)**
Other comprehensive income for the year	-	-	10,616	**10,616**
Total Comprehensive income for the year year	(94,44,500)	3,04,07,850	4,53,00,194	**6,62,63,544**
Balance as at March 31, 2017	**1,55,55,500**	**26,22,59,910**	**(3,89,37,881)**	**23,88,77,529**
Balance as at April 1, 2017	**1,55,55,500**	**26,22,59,910**	**(3,89,37,881)**	**23,88,77,529**
Profit/(Loss) for the year	-	-	(90,37,070)	**(90,37,070)**
Share issued during the year	(1,55,55,000)	-	-	**(1,55,55,000)**
Transferred to Other Financial Liabilities	(500)			**(500)**
Addition during the year	-	2,94,03,000	-	**2,94,03,000**
Other comprehensive income for the year	-	-	(3,64,557)	**(3,64,557)**
Total Comprehensive income for the year the year	(1,55,55,500)	2,94,03,000	(94,01,627)	**44,45,873**
Balance as at March 31, 2018	-	**29,16,62,910**	**(4,83,39,508)**	**24,33,23,402**

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 07, 2018

For and on behalf of the board of directors of Arvind PD Composites Private Limited

PSL
Director
DIN:
Ahmedabad
May 07, 2018

JVS
Director
DIN:
Ahmedabad
May 07, 2018

NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2018

1. Corporate Information

Arvind PD Composites Private Limited is a Joint Venture between Arvind Limited (51%) and P-D Glasseiden Gmbh Oschatz (49%). The Company is setting up a project of manufacturing multi axial and woven glass fabrics at Vadsar in Gandhinagar District, Gujarat. The end use of this product is mainly into manufacturing of windmill blades, boats, ship building and different types of Fibre Glass reinforcement plastic products.

The registered office of the Company is located at Naroda Road, Ahmedabad - 380025.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 07, 2018.

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);
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

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, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS:

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. They are deferred in equity if they relate to qualifying cash flow hedges.

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.

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 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. Leases

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

3.7. 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.

3.8. 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.

3.9. Inventories

Inventories of Raw material, Work-in-progress and Finished goods 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.

All other inventories of stores and consumables 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.

3.10. 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.

3.11. Revenue Recognition

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.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Rendering of services

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

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.

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

3.12. 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.
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.

(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 or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

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:

- 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**

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/ loss 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.

(i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

(ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

(iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

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.

3.13. 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.

3.14. 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.

3.15. 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 are 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.

3.16. 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 unfunded gratuity fund scheme is 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 (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.

d) Termination Benefits :
Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.17. 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.

3.18. 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. Significant judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Finance lease commitments – Company as lessee
The Company has entered into leases whereby it has taken land on lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

4.2. 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 30.

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 35 for further disclosures.

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.
The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward.
Further details on taxes are disclosed in Note 25.

Intangible assets

Refer Note 3.8 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.

Arvind PD Composites Private Limited
Notes to the Financial Statements

Note 5 : Property, plant and equipment

(Amount in Rs.)

Fixed Assets	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment	Computer, server & network	Total	CWIP
Gross Carrying Value								
As at April 1, 2016	**20,82,63,411**	**13,16,804**	**21,34,482**	**1,60,60,539**	**5,46,240**	**10,66,108**	**22,93,87,584**	**83,74,944**
Additions	9,18,62,510	1,93,642	-	-	-	-	9,20,56,152	3,48,05,893
Deductions	-	-	-	-	-	-	-	-
As at March 31, 2017	**30,01,25,921**	**15,10,446**	**21,34,482**	**1,60,60,539**	**5,46,240**	**10,66,108**	**32,14,43,736**	**4,31,80,837**
Additions	4,54,64,179	1,39,060	-	51,43,922	66,833	-	5,08,13,994	-
Deductions	-	-	12,90,464	-	-	-	12,90,464	4,31,80,837
As at March 31, 2018	**34,55,90,100**	**16,49,506**	**8,44,018**	**2,12,04,461**	**6,13,073**	**10,66,108**	**37,09,67,266**	-
Depreciation and Impairment								
As at April 1, 2016	**7,16,38,529**	**2,68,107**	**5,01,184**	**41,37,869**	**1,92,895**	**6,22,921**	**7,73,61,505**	-
Depreciation for the year	2,55,41,547	1,26,480	2,46,403	15,88,521	1,02,428	1,22,452	2,77,27,831	-
Deductions	-	-	-	-	-	-	-	-
As at March 31, 2017	**9,71,80,076**	**3,94,587**	**7,47,587**	**57,26,390**	**2,95,323**	**7,45,373**	**10,50,89,336**	-
Depreciation for the year	3,52,01,343	1,43,235	1,84,450	18,93,941	1,06,662	1,18,567	3,76,48,198	
Deductions	-	-	6,18,815	-	-	-	6,18,815	
As at March 31, 2018	**13,23,81,419**	**5,37,822**	**3,13,222**	**76,20,331**	**4,01,985**	**8,63,940**	**14,21,18,719**	-
Net Block								
As at March 31, 2018	**21,32,08,681**	**11,11,684**	**5,30,796**	**1,35,84,130**	**2,11,088**	**2,02,168**	**22,88,48,547**	-
As at March 31, 2017	20,29,45,845	11,15,859	13,86,895	1,03,34,149	2,50,917	3,20,735	21,63,54,400	4,31,80,837

Arvind PD Composites Private Limited
Notes to the Financial Statements

Note 6 : Intangible assets

(Amount in Rs.)

Intangible assets	Computer Software	Total
Cost		
As at April 1, 2016	**95,395**	**95,395**
Additions	-	-
Deductions	-	-
As at March 31, 2017	**95,395**	**95,395**
Additions	-	-
Adjustment	-	-
Deductions	-	-
As at March 31, 2018	**95,395**	**95,395**
Amortisation and Impairment		
As at April 1, 2016	**54,852**	**54,852**
Amortisation for the Year	17,887	17,887
Deductions	-	-
As at March 31, 2017	**72,739**	**72,739**
Amortisation for the Year	19,079	19,079
Deductions	-	-
As at March 31, 2018	**91,818**	**91,818**
Net Block		
As at March 31, 2018	**3,577**	**3,577**
As at March 31, 2017	22,656	22,656

Note 7 : Financial assets

7 (a) Trade receivables

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Unsecured, considered good	9,95,70,799	6,27,01,487
Total Trade and other receivables	**9,95,70,799**	**6,27,01,487**

Write off

During the period, the company has made no write offs of trade receivables and it does not expect to receive future cash flow or recoveries from collection of cash flow previously written off.

7 (b) Loans

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured considered good		
Current		
Loans to related parties	-	3,24,69,337
Loan to others	2,20,43,835	-
Loan to employees	19,400	-
Total Loans	**2,20,63,235**	**3,24,69,337**

Note:
For terms & condition of loans to related party, refer Note 31.

7 (c) Cash and cash equivalent

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Balance with Bank		
In Current accounts and debit balance in cash credit accounts	40,47,643	14,544
Cash on hand	20,000	20,000
Total cash and cash equivalents	**40,67,643**	**34,544**

7 (d) Other bank balance

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits with original maturity of more than three months but less than 12 months	25,40,472	23,88,363
Held as Margin Money*	-	-
Total other bank balances	**25,40,472**	**23,88,363**
Total cash and cash equivalents	**66,08,115**	**24,22,907**

* Under lien with bank as Security for Guarantee Facility

7 (e) Other financial assets

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Non-current		
Security deposits		
From Otheres	20,68,051	13,23,742
Bank deposits with maturity of more than 12 months	1,50,000	1,50,000
	22,18,051	**14,73,742**
Current		
Income receivable	5,63,875	12,26,990
Accrued Interest	80,987	48,650
	6,44,862	**12,75,640**
Total financial assets	**28,62,913**	**27,49,382**

Arvind PD Composites Private Limited
Notes to the Financial Statements
7 (f) Financial assets by category

(Amount in Rs.)

Particulars	Cost	FVTPL	FVOCI	Amortised cost
March 31, 2018				
Trade receivables	-	-	-	9,95,70,799
Loans	-	-	-	2,20,63,235
Cash & cash equivalents	-	-	-	66,08,115
other financial assets	-	-	-	28,62,913
Total Financial assets	-	-	-	**13,11,05,062**
March 31, 2017				
Trade receivables	-	-	-	6,27,01,487
Loans	-	-	-	3,24,69,337
Cash & cash equivalents	-	-	-	24,22,907
other financial assets	-	-	-	27,49,382
Total Financial assets	-	-	-	**10,03,43,113**

For Financial instruments risk management objectives and policies, refer Note 36.
Fair value disclosures for financial assets and liabilities are in Note 34 and fair value hierarchy disclosures for investment are in Note 35.

Note 8 : Other current / non-current assets

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
Non-current		
Capital advances	47,02,316	61,24,631
	47,02,316	**61,24,631**
Current		
Advance to suppliers		
To Others	84,49,132	91,92,398
Balance with collectorate of central excise and customs	-	1,79,94,513
Sales tax / VAT / service tax receivable (net)	2,02,12,719	48,70,746
Export incentive receivable	45,16,503	37,18,089
Prepaid expenses	1,83,167	1,74,931
Other Current Asset	-	5,59,678
	3,33,61,521	**3,65,10,355**
Total	**3,80,63,837**	**4,26,34,986**

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

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials		
Raw materials and components	2,93,06,363	6,81,67,306
Raw materials in transit	2,14,65,934	5,43,385
Fuel	2,66,181	1,84,531
Work-in-progress	1,13,09,440	1,27,09,518
Finished goods	3,26,15,291	4,10,85,486
Stores and spares	85,86,474	94,99,689
Total	**10,35,49,683**	**13,21,89,915**

Note 10 (a): Current Tax Assets (Net)

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Paid in Advance (Net of Provision)	5,03,331	-
Total	**5,03,331**	**-**

Note 10(b) : Current Tax liabilities (Net)

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Liability (Net of Advance Tax)	-	7,42,106
Total	**-**	**7,42,106**

Note 11 : Equity share capital

Particulars	As at March 31, 2018 No. of shares	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 No. of shares	As at March 31, 2017 Amount in Rs.
Authorised share capital				
Equity shares of Rs.10 each	4,00,000	40,00,000	4,00,000	40,00,000
Issued and subscribed share capital				
Equity shares of Rs.10 each	3,14,609	31,46,090	2,84,909	28,49,090
Subscribed and fully paid up				
Equity shares of Rs.10 each	3,14,609	31,46,090	2,84,909	28,49,090
Total	**3,14,609**	**31,46,090**	**2,84,909**	**28,49,090**

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

Particulars	As at March 31, 2018 No. of shares	As at March 31, 2018 Amount in Rs.	As at March 31, 2017 No. of shares	As at March 31, 2017 Amount in Rs.
At the beginning of the period	2,84,909	28,49,090	2,54,194	25,41,940
Add :				
Shares issued during the year	29,700	2,97,000	30,715	3,07,150
Outstanding at the end of the period	3,14,609	31,46,090	2,84,909	28,49,090

11.2. Terms/Rights 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, 2018 No. of shares	As at March 31, 2017 No. of shares
Holding Company - Arvind Limited	1,60,451	1,45,304

11.4. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2018 No. of shares	As at March 31, 2018 % of shareholding	As at March 31, 2017 No. of shares	As at March 31, 2017 % of shareholding
Holding Company - Arvind Limited	1,60,451	51.00	1,45,304	51.00
Associate Company - PD Glasseiden Gmbh Oschatz-Germany	1,54,158	49.00	1,39,605	49.00

11.5 Objective, policy and procedure of capital management, refer Note 37.

Arvind PD Composites Private Limited
Notes to the Financial Statements

Note 12 : Other Equity

(Amount in Rs.)

Balance	As at March 31, 2018	As at March 31, 2017
Note 12.1 Reserves & Surplus		
Share Application Money Pending Allotment	-	1,55,55,500
Securities premium account		
Balance as per last financial statements	26,22,59,910	23,18,52,060
Add: addition during the year	2,94,03,000	3,04,07,850
Balance at the end of the year	**29,16,62,910**	**26,22,59,910**
Surplus in statement of profit and loss		
Balance as per last financial statements	(3,89,37,881)	(8,42,38,075)
Add: profit/(loss) for the year	(90,37,070)	4,52,89,578
Add / (Less): OCI for the year	(3,64,557)	10,616
Balance at the end of the year	**(4,83,39,508)**	**(3,89,37,881)**
Total reserves & surplus	**24,33,23,402**	**23,88,77,529**
Total Other equity	**24,33,23,402**	**23,88,77,529**

Note 13 : Financial liabilities

13 (a) Long-term Borrowings

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Long-term Borrowings (refer note (a) to (c) below)		
Non-current portion		
Secured		
Term loan from Banks	6,54,90,925	8,39,51,883
	6,54,90,925	**8,39,51,883**
Current maturities		
Secured		
Term loan from Banks	2,02,32,325	3,20,00,000
	2,02,32,325	**3,20,00,000**
Total long-term borrowings	**8,57,23,250**	**11,59,51,883**
Short-term Borrowings (refer note (d) below)		
Secured		
Working Capital Loans repayable on demand from Banks (including channel financing)	-	77,90,169
Unsecured		
Under Buyer's Credit Arrangement	2,53,46,369	-
Total short-term borrowings	**2,53,46,369**	**77,90,169**
Total borrowings	**11,10,69,619**	**12,37,42,052**

Nature of security:
Term loan from Banks are secured by :

a First charge over the entire movable fixed assets of the Company.

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

c **Rate of Interest and Terms of Repayment**

Particulars	Amount in Rs.	Range of Interest	Terms of Repayment from Balance sheet
State Bank of India	1,22,32,325	12.15%	Repayable in 6 quarterly installments
State Bank of India	7,34,90,925	11.40%	Repayable in 24 quarterly installments

d **Rate of Interest**
i. Buyer's credit arrangements carry interest rates ranging from 0.30% to 5.09% per annum.

13 (b) Trade payable

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Other trade payable (Refer note below)	15,22,61,659	17,33,26,798
Total	**15,22,61,659**	**17,33,26,798**

a Acceptance and Other trade payables are not-interest bearing and are normally settled on 30-90 days terms

b The Company has not received any intimation from

(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.

13 (c) Other financial liabilities

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Current maturity of long term borrowings	2,02,32,325	3,20,00,000
Interest accrued but not due	36,868	-
Payable to employees	27,23,693	23,77,127
Deposits from customers and others	1,00,000	1,00,000
Share Application Money	500	-
Book overdraft	-	84,362
Total	**2,30,93,386**	**3,45,61,489**

13 (d) Financial liabilities by category

(Amount in Rs.)

Particulars	FVTPL	FVOCI	Amortised cost
March 31, 2018			
Borrowings	-	-	11,10,69,619
Trade payable	-	-	15,22,61,659
Other financial liabilities	-	-	28,61,061
Total Financial liabilities	**-**	**-**	**26,61,92,339**
March 31, 2017			
Borrowings		-	12,37,42,052
Trade payable	-	-	17,33,26,798
Other financial liabilities	-	-	25,61,489
Total Financial liabilities	**-**	**-**	**29,96,30,339**

For Financial instruments risk management objectives and policies, refer Note 36.
Fair value disclosures for financial assets and liabilities are in Note 34 and fair value hierarchy disclosures for investment are in Note 35.

Note 14 : Provisions

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Long-term		
Provision for employee benefits (refer Note 30)		
Provision for leave encashment	4,45,901	2,24,306
Provision for gratuity	11,12,080	4,91,378
	15,57,981	**7,15,684**
Short-term		
Provision for employee benefits (refer Note 30)		
Provision for leave encashment	33,674	8,866
Provision for gratuity	53,794	12,937
	87,468	**21,803**
Total	**16,45,449**	**7,37,487**

Note 15 : Government grant

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Deferred income	4,56,386	18,10,367
	4,56,386	**18,10,367**
Current		
Deferred income	13,53,981	13,53,981
	13,53,981	**13,53,981**
Total	**18,10,367**	**31,64,348**

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

(Amount in Rs.)

	As at March 31, 2018	As at March 31, 2017
As at April 1	31,64,348	45,18,329
Received during the year	-	-
Released to statement of profit and loss (Note 18)	13,53,981	13,53,981
As at March 31	**18,10,367**	**31,64,348**

Note 16 : Other current / Non-current liabilities

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Advance from customers	2,11,510	7,08,973
Statutory dues including provident fund and tax deducted at source	19,50,518	60,47,449
Other liabilities	4,19,895	1,66,496
Total	**25,81,923**	**69,22,918**

Arvind PD Composites Private Limited
Notes to the Financial Statements

Note 17 : Revenue from operations

(Amount in Rs.)

Particulars	2017-18	2016-17
Sale of products	55,69,91,891	55,36,08,892
Sale of services	27,50,750	61,95,495
Operating income		
Waste sale	38,97,505	31,22,957
Exchange difference	(59,63,155)	80,35,171
Export incentives	58,40,614	41,36,010
	37,74,964	1,52,94,138
Total	**56,35,17,605**	**57,50,98,525**

Note 18 : Other income

(Amount in Rs.)

Particulars	2017-18	2016-17
Interest income	18,14,302	14,28,716
Government grants*	13,53,981	13,53,981
Scrap income	27,19,884	28,58,159
VAT Refund Received	1,41,22,500	-
Service Tax Refund Received	1,96,680	3,65,869
Sundry credit balances appropriated	5,08,995	-
Provision no longer requiered	3,83,078	-
Miscellaneous income	187	14,985
Total	**2,10,99,607**	**60,21,710**

*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, 2018.

Note 19 : Cost of raw materials and components consumed

(Amount in Rs.)

Particulars	2017-18	2016-17
Stock at the beginning of the year	6,81,67,306	5,22,83,131
Add : Purchases	36,63,37,650	41,13,64,722
	43,45,04,956	46,36,47,853
Less : Inventory at the end of the year	2,93,06,363	6,81,67,306
Raw materials and components consumed	40,51,98,593	39,54,80,547
Total	**40,51,98,593**	**39,54,80,547**

Note 20 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

(Amount in Rs.)

Particulars	2017-18	2016-17
Stock at the end of the year		
Finished goods	3,26,15,291	4,10,85,486
Work-in-Progress	1,13,09,440	1,27,09,518
	4,39,24,731	**5,37,95,004**
Stock at the beginning of the year		
Finished goods	4,10,85,486	5,04,96,330
Work-in-Progress	1,27,09,518	91,93,437
	5,37,95,004	**5,96,89,767**
(Increase) / Decrease in stocks	**98,70,273**	**58,94,763**
Excise duty in value of Stock increase / (decrease)	-	(5,18,284)
Total	**98,70,273**	**53,76,479**

Note 21 : Employee benefits expense

(Amount in Rs.)

Particulars	2017-18	2016-17
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 30)	3,16,33,198	2,04,90,756
Contribution to provident and other funds	12,99,347	9,29,907
Welfare and training expenses	11,59,352	11,75,440
Total	**3,40,91,897**	**2,25,96,103**

Note 22 : Finance costs

(Amount in Rs.)

Particulars	2017-18	2016-17
Interest expense - Loans	1,49,45,320	78,92,410
Interest expense - others	1,20,107	2,23,643
Exchange loss	4,89,469	-
Other finance cost	37,048	-
Total	**1,55,91,944**	**81,16,053**

Note 23 : Depreciation and amortization expense

(Amount in Rs.)

Particulars	2017-18	2016-17
Depreciation on Tangible assets (Refer Note 5)	3,76,48,198	2,77,27,831
Amortization on Intangible assets (Refer Note 6)	19,079	17,887
Total	**3,76,67,277**	**2,77,45,718**

Note 24 : Other expenses

(Amount in Rs.)

Particulars	2017-18	2016-17
Power and fuel	1,13,11,557	1,10,77,982
Stores consumed	1,44,04,255	1,00,61,651
Insurance	3,62,189	4,40,989
Processing charges	38,08,246	14,41,141
Printing, stationery & communication	2,86,164	1,64,766
Rent (Note 33)	1,18,90,000	64,68,057
Commission, Brokerage & discount	-	2,54,424
Rates and taxes	1,38,014	7,62,904
Repairs :		
To Building	-	62,800
To Machineries (including spares consumption)	85,15,550	72,36,913
To others	28,550	17,932
Freight, insurance & clearing charge	1,71,60,206	1,01,83,156
Excise duty expense	31,28,675	2,64,04,073
Legal & Professional charges	72,10,014	62,61,716
Conveyance & Travelling expense	23,38,011	28,23,142
Advertisement and publicity	-	5,92,135
Miscellaneous Labour charges	42,069	15,65,824
Auditor's remuneration (Refer Note Below)	2,87,219	2,77,230
Bank charges	35,82,654	46,42,515
Exchange Loss	14,01,733	-
Loss on sale of fixed assets (net)	3,85,449	-
Miscellaneous expenses	42,68,278	29,64,064
Total	**9,05,48,833**	**9,37,03,414**

Payment to Auditors (Net of service tax)

(Amount in Rs.)

Particulars	2017-18	2016-17
Payment to Auditors as		
Auditors	2,25,000	1,72,500
For Other certification work	62,219	1,04,730
Total	**2,87,219**	**2,77,230**

Note 25 : Income tax

The major component of income tax expense for the years ended March 31, 2018 and March 31, 2017 are :

(Amount in Rs.)

Particulars	2017-18	2016-17
Statement of Profit and Loss		
Current tax		
Current income tax	-	10,15,000
Deferred tax		
Deferred tax expense	17,00,465	(1,82,02,657)
Excess Provision of Earlier Year	(10,15,000)	-
Income tax expense reported in the statement of profit and loss	6,85,465	(1,71,87,657)

OCI section

(Amount in Rs.)

Particulars	2017-18	2016-17
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	1,28,088	4,747
Deferred tax charged to OCI	**1,28,088**	**4,747**

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2018 and March 31, 2017.

A) Current tax

(Amount in Rs.)

Particulars	2017-18	2016-17
Accounting profit before tax from continuing operations	(83,51,605)	2,81,01,921
Tax @ 26.00% (March 31, 2017: 19.055%)	(21,71,417)	53,54,821
Adjustment		
Unabsorbed depreciation / b/f loss - whichever is less	-	(43,27,695)
Accelerated depreciation for tax purposes	(16,64,048)	34,97,030
Expenditure allowable on payment basis	10,764	(74,903)
Expenditure allowable over the period (Section 35D / 35DD)	-	3,490
Unused losses available for offsetting against future taxable income	42,54,896	(1,96,32,563)
Unused tax credit available for offsetting against future taxable income	-	(10,15,000)
Deferred Govt Grant Income	1,55,054	(9,77,784)
Other adjustments	1,00,217	(15,053)
At the effective income tax rate of 0% (March 31, 2017 :0%)	6,85,465	(1,71,87,657)

B) Deferred tax

(Amount in Rs.)

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Accelerated depreciation for tax purposes	(95,48,884)	(98,61,717)	(3,12,833)	34,97,030
Expenditure allowable on payment basis	4,62,481	2,37,292	(2,25,189)	(73,083)
Expenditure allowable over the period (Section 35D / 35DD)	-	-	-	3,490
Unused losses available for offsetting against future taxable income	2,52,41,241	2,58,29,551	5,88,310	(1,96,32,563)
Unused tax credit available for offsetting against future taxable income	-	10,15,000	10,15,000	(10,15,000)
Deferred Govt Grant Income	4,70,695	9,77,784	5,07,089	(9,77,784)
Deferred tax expense/(income)			15,72,377	(1,81,97,910)
Net deferred tax assets/(liabilities)	1,66,25,533	1,81,97,910		
Reflected in the balance sheet as follows				
Deferred tax assets	2,61,74,417	2,80,59,627		
Deferred tax liabilities	(95,48,884)	(98,61,717)		
Deferred tax assets/(liabilities) (net)	1,66,25,533	1,81,97,910		

(Amount in Rs.)

Reconciliation of deferred tax assets / (liabilities), net	March 31, 2018	March 31, 2017
Opening balance as of April 1	1,81,97,910	-
Tax income/(expense) during the period recognised in profit or loss	(17,00,465)	1,82,02,657
Tax income/(expense) during the period recognised in OCI	1,28,088	(4,747)
Closing balance as at March 31	1,66,25,533	1,81,97,910

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.

Arvind PD Composites Private Limited
Notes to the Financial Statements

Note 26 : Contingent liabilities

(Amount in Rs.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Contingent liabilities not provided for		
a. Bills discounted	5,51,77,203	5,61,44,922
b. Claims against Company not acknowledged as debts	-	12,22,387
c. Guarantees given by bank on behalf of the Company	19,39,000	19,39,000

Note 27 : Capital commitment and other commitments

(Amount in Rs.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for	7,416	1,86,39,683
Other commitments	-	-

Note 28 : Foreign Exchange Exposures not hedged

Exposure Not Hedged

(Amount in Rs.)

Nature of exposure	Currency	Year ended March 31, 2018		Year ended March 31, 2017	
Receivables	USD	1,61,188	1,05,05,444	2,25,931	1,46,51,606
	EUR	3,396	2,74,458	2,51,488	1,74,26,250
Payable towards borrowings (Including Interest Accrued but not due)	USD	55,525	36,18,846	-	-
	EUR	2,69,336	2,17,64,389	-	-
Foreign Agent Commission Payable	USD	-	-	5,861	3,76,130
Payable to creditors	USD	6,68,630	4,35,77,957	12,68,853	8,22,85,144
	EUR	5,81,044	4,69,52,749	7,00,889	4,85,66,347

Note 29 : 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. Secondary Segment (Geographical by Customers)

	(Amount in Rs.)	
	Year ended March 31, 2018	**Year ended March 31, 2017**
Segment Revenue*		
a) In India	26,59,46,685	27,32,54,039
b) Rest of the world	29,75,70,920	30,18,44,486
Total Sales	**56,35,17,605**	**57,50,98,525**
Carrying Cost of Segment Assets**		
a) In India	50,79,19,668	52,08,45,961
b) Rest of the world	1,07,79,902	3,20,77,856
Total	**51,86,99,570**	**55,29,23,817**
Carrying Cost of Segment Non Current Assets@**		
a) In India	23,35,54,440	26,56,82,524
b) Rest of the world	-	-
Total	**23,35,54,440**	**26,56,82,524**

* Based on location of Customers
** Based on location of Assets
@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset.

Note:-
Considering the nature of business of Company in which it operates, the Company deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the Company.

Arvind PD Composites Private Limited
Notes to the Financial Statements

Note 30 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:
Amount of Rs. 12,53,361 (March 31, 2017: Rs. 8,97,597) is recognised as expenses and included in Note No. 21 "Employee benefit expense"

(Amount in Rs.)

Particulars	As at March 31, 2018	As at March 31, 2017
Provident Fund	4,88,114	3,59,091
Contributory Pension Scheme	7,65,247	5,38,506
	12,53,361	8,97,597

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.

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

(Amount in Rs.)

	April 1, 2017	Gratuity cost charged to statement of profit and loss: Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)	Benefit paid	Remeasurement gains/(losses) in other comprehensive income: Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2018
Gratuity												
Defined benefit obligation	5,04,315	1,70,988	38,177	2,09,165	(40,251)	-	(1,37,428)	(94,462)	(2,60,755)	(4,92,645)	-	11,65,874
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	5,04,315	1,70,988	38,177	2,09,165	(40,251)	-	(1,37,428)	(94,462)	(2,60,755)	(4,92,645)	-	11,65,874
Total benefit liability	**5,04,315**	**1,70,988**	**38,177**	**2,09,165**	**(40,251)**	-	**(1,37,428)**	**(94,462)**	**(2,60,755)**	**(4,92,645)**	-	**11,65,874**

March 31, 2017 : Changes in defined benefit obligation and plan assets

(Amount in Rs.)

	April 1, 2016	Gratuity cost charged to statement of profit and loss: Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)	Benefit paid	Remeasurement gains/(losses) in other comprehensive income: Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	March 31, 2017
Gratuity												
Defined benefit obligation	3,49,138	1,42,749	27,791	1,70,540	-	-	-	27,226	(42,589)	(15,363)	-	5,04,315
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	3,49,138	1,42,749	27,791	1,70,540	-	-	-	27,226	(42,589)	(15,363)	-	5,04,315
Total benefit liability	**3,49,138**	**1,42,749**	**27,791**	**1,70,540**	-	-	-	**27,226**	**(42,589)**	**(15,363)**	-	**5,04,315**

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	7.78%	7.57%
Future salary increase	5.00%	4.00%
Medical cost inflation	0.00%	0.00%
Expected rate of return on plan assets	0.00%	0.00%
Attrition rate	5.00%	2.00%
Morality rate during employment	Indian assured lives Mortality(2006-08) Ultimate	Indian assured lives Mortality(2006-08) Ultimate
Morality rate after employment	N.A.	N.A.

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

Gratuity

(Amount in Rs.)

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) Year ended March 31, 2018	Year ended March 31, 2017
Gratuity			
Discount rate	1% increase	(1,12,965)	(65,795)
	1% decrease	1,34,103	80,540
Salary increase	1% increase	1,36,562	82,728
	1% decrease	(1,16,727)	(68,424)
Attrition rate	1% increase	25,368	29,903
	1% decrease	(30,710)	(35,483)

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

(Amount in Rs.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Gratuity		
Within the next 12 months (next annual reporting period)	53,794	12,397
Between 2 and 5 years	3,02,688	74,247
Beyond 5 years	4,28,465	1,15,495
	7,84,947	2,02,139
Total expected payments	7,84,947	2,02,139

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

Particulars	Year ended March 31, 2018 Years	Year ended March 31, 2017 Years
Gratuity	11	15

C. Other Long term employee benefit plans

Leave encashment

Salaries, Wages and Bonus include Rs. 2,92,018/- (Previous Year Rs. 1,05,852/-) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

Note 31 : 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	Arvind OG Non-Woven Private Limited	Fellow Subsidiary Company
3	Dholka Textile Park Private Limited	Fellow Subsidiary Company
4	P-D Glasseiden Gmbh Oschatz-Germany	Associate

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, 2018	March 31, 2017
Issue of Equity Shares including Premium		
Arvind Limited	1,51,47,000	1,56,65,000
P-D Glasseiden Gmbh Oschatz-Germany	1,45,53,000	1,50,50,000
Share Application Money Received		
Arvind Limited	-	1,55,55,000
P-D Glasseiden Gmbh Oschatz-Germany	500	-
Purchases		
Goods and Materials		
Arvind Limited	5,67,355	11,47,227
P-D Glasseiden Gmbh Oschatz-Germany	4,94,702	-
Arvind OG Non-Woven Private Limited	62,955	-
Fixed Asets		
P-D Glasseiden Gmbh Oschatz-Germany	12,33,752	-
Sales		
Raw Material		
Arvind Limited	6,05,823	2,88,855
Finished Fabrics/Goods		
Arvind Limited	9,78,37,014	6,08,71,059
P-D Glasseiden Gmbh Oschatz-Germany	26,59,62,951	27,26,95,821
Scrap Sales		
Arvind Limited	-	18,590
Expenses		
Rent		
Arvind Limited	1,24,50,000	72,78,134
Service Charges		
Arvind Limited	56,70,000	-
Income		
Processing Charges		
Arvind OG Non-Woven Private Limited	27,50,750	61,95,495
Interest Income		
Arvind Limited	13,66,991	5,21,486
Outstanding :		
Receivable in respect of Current Assets		
Arvind Limited	3,75,38,948	3,50,06,774
P-D Glasseiden Gmbh Oschatz-Germany	5,73,57,562	8,31,64,200
Arvind OG Non-Woven Private Limited	21,22,573	2,07,760
Payable in respect of Current Liabilities		
Arvind Limited	30,64,051	1,11,372
P-D Glasseiden Gmbh Oschatz-Germany	3,86,548	-
Arvind OG Non-Woven Private Limited	56,287	-

c Transactions and Balances :

(Amount in Rs.)

Particulars	Holding Company		Associate Company		Fellow Subsidiary Company	
	Year ended		Year ended		Year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Transactions						
Issue of Equity Shares including Premium	1,51,47,000	1,56,65,000	1,45,53,000	1,50,50,000	-	-
Share Application Money Received	-	1,55,55,000	500	-	-	-
Purchases						
Goods and Materials	5,67,355	11,47,227	4,94,702	-	62,955	-
Fixed Assets			12,33,752	-		
Sales						
Raw Material	6,05,823	2,88,855	-	-	-	-
Finished Fabrics/Goods	9,78,37,014	6,08,71,059	26,59,62,951	27,26,95,821	-	-
Scrap Sales	-	18,590	-	-	-	-
Expenses						
Rent	1,24,50,000	72,78,134	-	-	-	-
Service Charges	56,70,000					
Income						
Processing Charges	-	-	-	-	27,50,750	61,95,495
Interest Income	13,66,991					5,21,486

(Amount in Rs.)

Particulars	Holding Company		Associate Company		Fellow Subsidiary Company	
	Year ended		Year ended		Year ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Balances as at year end						
Receivable in respect of Current Assets	3,75,38,948	3,50,06,774	5,73,57,562	8,31,64,200	21,22,573	2,07,760
Payable in respect of Current Liabilities	30,64,051	1,11,372	3,86,548	-	56,287	-

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.

2) Loans given to the related party carries interest rate of 8.00% (March 31, 2017 : 10.25%).

e **Commitments with related parties**

The Company has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: Rs.Nil)

Note 32 : Earning per share

(Amount in Rs.)

Particulars	2017-18	2016-17
Earing per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	(94,01,627)	4,53,00,194
Total no. of equity shares at the end of the year	3,14,609	2,84,909
Weighted average number of equity shares		
For basic EPS	3,13,551	2,81,543
For diluted EPS	3,13,551	2,81,543
Nominal value of equity shares	10	10
Basic earning per share	(29.98)	160.90
Diluted earning per share	(29.98)	160.90
Weighted average number of equity shares		
Opening No. of Shares for Basic EPS	2,84,909	2,54,194
Weighted average number of shares issued during the year	28,642	27,349
Weighted average number of shares considered for calculating EPS	3,13,551	2,81,543

Note 33 : Lease Rent

Operating Lease

(A) The Company has entered into operating lease agreement for land and building for a period of 12 years. Such lease is not having any non-cancellable period.

The particulars of these leases are as follows: (Amount in Rs.)

Particulars	Year ended	
	March 31, 2018	March 31, 2017
Lease Payment recognised in Statement of Profit and Loss	1,18,90,000	64,68,057

Arvind PD Composites Private Limited
Notes to the Financial Statements

Note 34 : 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:

(Amount in Rs.)

Particulars	Carrying amount		Fair value	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial liabilities				
Borrowings	11,10,69,619	12,37,42,052	11,10,69,619	12,37,42,052
Total	**11,10,69,619**	**12,37,42,052**	**11,10,69,619**	**12,37,42,052**

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.

Note 35 : 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, 2018 and March 31, 2017

(Amount in Rs.)

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1) (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs
As at March 31, 2018					
Liabilities disclosed at fair value					
Borrowings	**March 31, 2018**	11,10,69,619	-	11,10,69,619	-
As at March 31, 2017					
Liabilities disclosed at fair value					
Borrowings	**March 31, 2017**	12,37,42,052	-	12,37,42,052	-

Note 36 : 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%

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, 2018 and March 31, 2017 including the effect of hedge accounting.

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, 2018, none of the Company's Borrowings are at fixed rate of interest (March 31, 2017 : 0%)

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:

(Amount in Rs.)

	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018		
Increase in 50 basis points	(4,28,616)	(4,28,616)
Decrease in 50 basis points	4,28,616	4,28,616
March 31, 2017		
Increase in 50 basis points	(6,18,711)	(6,18,711)
Decrease in 50 basis points	6,18,711	6,18,711

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 and GBP 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.)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	+2%	(7,34,521)	(7,34,521)
	-2%	7,34,521	7,34,521
March 31, 2017	+2%	(13,60,272)	(13,60,272)
	-2%	13,60,272	13,60,272

(Amount in Rs.)

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	+2%	(13,68,959)	(13,68,959)
	-2%	13,68,959	13,68,959
March 31, 2017	+2%	(6,22,802)	(6,22,802)
	-2%	6,22,802	6,22,802

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.

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, 2018 and March 31, 2017 is the carrying amount as disclosed in Note 34.

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 both domestic and international 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:

(Amount in Rs.)

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended March 31, 2018					
Interest bearing borrowings*	-	3,65,87,103	1,66,62,290	8,11,88,495	-
Trade payables	10,74,51,665	4,48,09,994	-	-	-
Other financial liabilities#	3,17,524	19,42,936	6,00,601	-	-
	10,77,69,189	8,33,40,033	1,72,62,891	8,11,88,495	-
Year ended March 31, 2017					
Interest bearing borrowings*	77,90,169	1,13,91,679	3,27,69,713	8,76,76,270	2,20,80,382
Trade payables	17,33,26,798	-	-	-	-
Other financial liabilities#	21,20,834	-	4,40,654	-	-
	18,32,37,801	1,13,91,679	3,32,10,367	8,76,76,270	2,20,80,382

* 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. 36,868 (March 31, 2017 : Rs.Nil). Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.

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 and GBP 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.)

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	+2%	(7,34,521)	(7,34,521)
	-2%	7,34,521	7,34,521
March 31, 2017	+2%	(13,60,272)	(13,60,272)
	-2%	13,60,272	13,60,272

(Amount in Rs.)

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2018	+2%	(13,68,959)	(13,68,959)
	-2%	13,68,959	13,68,959
March 31, 2017	+2%	(6,22,802)	(6,22,802)
	-2%	6,22,802	6,22,802

(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.

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, 2018 and March 31, 2017 is the carrying amount as disclosed in Note 34.

(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 both domestic and international 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:

(Amount in Rs.)

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended March 31, 2018					
Interest bearing borrowings*	-	3,65,87,103	1,66,62,290	8,11,88,495	-
Trade payables	10,74,51,665	4,48,09,994	-	-	-
Other financial liabilities#	3,17,524	19,42,936	6,00,601	-	-
	10,77,69,189	8,33,40,033	1,72,62,891	8,11,88,495	-
Year ended March 31, 2017					
Interest bearing borrowings*	77,90,169	1,13,91,679	3,27,69,713	8,76,76,270	2,20,80,382
Trade payables	17,33,26,798	-	-	-	-
Other financial liabilities#	21,20,834	-	4,40,654	-	-
	18,32,37,801	1,13,91,679	3,32,10,367	8,76,76,270	2,20,80,382

* 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. 36,868 (March 31, 2017 : Rs.Nil). Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.

Arvind PD Composites Private Limited

Notes to the Financial Statements

Note 37 : 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 maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. 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).

(Amount in Rs.)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest-bearing loans and borrowings (Note 13)	11,10,69,619	12,37,42,052
Less: cash and cash equivalent (including other bank balance) (Note 7)	(67,58,115)	(25,72,907)
Net debt	**10,43,11,504**	**12,11,69,145**
Equity share capital (Note 11)	31,46,090	28,49,090
Other equity (Note 12)	24,33,23,402	23,88,77,529
Total capital	**24,64,69,492**	**24,17,26,619**
Capital and net debt	**35,07,80,996**	**36,28,95,764**
Gearing ratio	**29.74%**	**33.39%**

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, 2018 and March 31, 2017.

Loan covenants

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

Note 38 : Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant."

Ind AS 115 - Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after 1 April 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from 1 April 2018.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant"

Note 39 : Regrouped, Recast, Reclassified
Figures of the earlier year have been regrouped or reclassified to make them comparable with those of current year.