

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

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AHMEDABAD-380 009.

INDEPENDENT AUDITOR'S REPORT

To the Members of Arvind PD Composites Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Arvind PD Composites Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

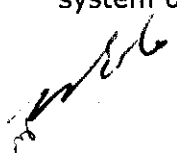
Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes


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expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 19 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Sorab S. Engineer & Co.**
Firm's Registration Number 110417W
Chartered Accountants

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 06, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

Re : Arvind PD Composites Private Limited

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

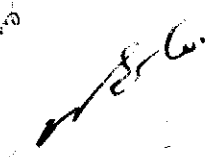
- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(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.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory. As explained to us, 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.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a) and (iii,b) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any public deposits from the public within the meaning of Section 73 to 76 or other relevant provisions of the Act and the rules framed there under.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order is not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues relating to Income Tax, Value Added Tax, Service Tax, Provident Fund, ESI, Excise Duty and other material statutory dues applicable to it.

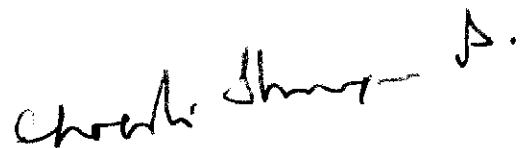
(b) There are no disputed amounts outstanding as at March 31, 2015.



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- (c) There were no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under during the year.
- (viii) Since the company has not completed five periods of incorporation, the clause 3(viii) is not applicable.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the Company has not given any guarantee for loans taken by others from banks or financial Institutions during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (xii) Based upon the audit procedure performed by us and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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



Ahmedabad
May 06, 2015

CA. Chokshi Shreyas B.
Partner

Membership No. 100892

Arvind PD Composites Private Limited

Balance Sheet

Amount in Rs.

	Note	As At	
		March 31, 2015	March 31, 2014
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	2,541,940	1,760,000
Reserves and Surplus	4	141,913,935	93,599,163
Share Application money pending allotment	5	-	43,500,000
Non-current liabilities			
Long Term Borrowings	6	64,232,325	84,232,325
Deferred Tax Liability	7	-	-
Long Term Provisions	8	296,763	288,674
Current liabilities			
Short Term Borrowings	9	20,674,592	37,909,450
Trade Payables	10	73,426,496	22,404,127
Other Current Liabilities	11	25,825,739	16,322,574
Short Term Provisions	8	4,723	6,495
Total		328,916,513	300,022,808
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	12	172,206,485	178,423,942
Intangible Assets	13	58,429	76,316
Capital Work-in-progress		-	12,875,199
Long Term Loans and Advances	14	4,413,455	4,721,389
Other Non-Current Assets	15	150,000	11,336,500
Current assets			
Inventories	16	58,298,490	35,012,212
Trade Receivables	17	70,758,208	41,836,409
Cash and Bank Balances	18	6,949,305	4,704,920
Short Term Loans and Advances	14	11,642,769	3,541,087
Other Current Assets	15	4,439,372	7,494,834
Total		328,916,513	300,022,808
Significant Accounting Policies	2		

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

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

Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 6, 2015

[Signature]
Director

[Signature]
Director

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Arvind PD Composites Private Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2015	March 31, 2014
Revenue from operations (Gross)	20	260,604,875	99,552,182
Less : Excise Duty		19,290,017	6,869,045
Revenue from operations (Net)		241,314,858	92,683,137
Other Income	21	1,913,683	1,826,673
Total Revenue		243,228,541	94,509,810
Expenses:			
Cost of materials and accessories consumed	22	191,966,823	70,438,631
Changes in inventories of finished goods and work-in-progress	23	(7,759,198)	(1,612,071)
Employee benefits expense	24	15,519,492	12,600,218
Finance costs	25	12,458,999	10,654,168
Depreciation and amortization expense	26	24,013,704	17,888,062
Other expenses	27	36,126,009	29,684,921
Total Expenses		272,325,829	139,653,929
Loss before exceptional and extraordinary items and tax		(29,097,288)	(45,144,119)
Exceptional items		-	-
Loss before extraordinary items and tax		(29,097,288)	(45,144,119)
Extraordinary Items		-	-
Loss before Tax		(29,097,288)	(45,144,119)
Tax expense:			
Current Tax		-	-
Loss for the year		(29,097,288)	(45,144,119)
Earnings per equity share	35		
(Nominal Value per Share Rs. 10/- (Previous year Rs. 10/-): Basic/Diluted		(143.20)	(335.09)

Significant Accounting Policies

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

As per our report of even date attached
For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants
Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 6, 2015

Jayc
Director

Punit Lalbhar
Director

Arvind PD Composite Private Limited

Cash Flow Statement

Amount in Rs.

	Year Ended	
	March 31, 2015	March 31, 2014
A Cash Flow from Operating Activities		
Profit/(Loss) Before taxation	(29,097,288)	(45,144,119)
Adjustments for:		
Depreciation /Amortization	24,013,704	17,888,062
Interest Income	(1,068,942)	(1,123,241)
Interest Expenses	11,902,415	10,654,165
Operating Profit before Working Capital Changes	34,847,177	27,418,986
Working Capital Changes:	5,749,889	(17,725,133)
Changes in trade payables	51,022,369	(24,234,866)
Changes in other Current Liabilities	1,609,330	251,445
Changes in Long Term Provisions	8,089	119,443
Changes in Short Term Provisions	(1,772)	3,469
Changes in other Non-Current Assets	11,186,500	(5,931,500)
Changes in Other Bank Balances	(2,580,485)	(426,671)
Changes in other Current Assets	2,351,239	(675,937)
Changes in Inventories	(23,286,278)	(7,734,871)
Changes in trade Receivables	(28,921,799)	(26,770,288)
Changes in Short term loans and advances	(8,101,682)	12,194
Changes in long term loans and advances		(4,103,997)
Net Changes in Working Capital	3,285,511	(69,491,579)
Cash Generated from Operations	9,035,400	(87,216,712)
Direct Taxes paid	(96,993)	(110,450)
Net Cash Flow from Operating Activities	8,938,407	(87,327,162)
B Cash Flow from Investing Activities		
Purchase of tangible assets	(4,903,161)	(25,026,148)
Changes in Capital Advances	404,927	4,620,956
Interest Income	1,773,165	347,567
Net Cash Flow from Investing Activities	(2,725,069)	(20,057,625)
C Cash Flow from Financing Activities		
Money received for Issue of Equity shares with Securities Premium and Share Application money	34,694,000	90,540,000
Changes in long term Borrowings	(12,000,000)	15,813,563
Interest and Other Borrowing Cost	(12,008,580)	(10,436,072)
Changes in short term borrowings	(17,234,858)	12,051,238
Net Cash Flow from Financing Activities	(6,549,438)	107,968,729
Net Increase/(Decrease) in Cash & Cash Equivalents	(336,100)	583,942
Cash & Cash equivalent at the beginning of the period	1,444,249	860,307
Cash & Cash equivalent at the end of the period	1,108,149	1,444,249

a	Particulars	As At	
		March 31, 2015	March 31, 2014
	Cash and cash equivalents comprise of: (Note 18)		
	Cash on Hand	635,723	785,682
	Balances with Banks		
	In Current Accounts	472,426	426,159
	In Deposit Account (with original maturity upto 3 months)		232,408
	Total	1,108,149	1,444,249

As per our report of even date attached
For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants
Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 6, 2015

Punit Salhara
Director
Director

Arvind PD Composites Private Limited

Notes to the financial statements

1. COMPANY BACKGROUND

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.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

(B) USE OF ESTIMATES

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

(C) INFLATION

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

(D) REVENUE RECOGNITION

Sales and operating income includes sale of products and waste. Sales are recognized based on passage of title to goods which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. Sales are stated net of returns, excise duty & Sales Tax/VAT.

(E) VALUATION OF INVENTORY

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

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

(F) FIXED ASSETS & DEPRECIATION

Tangible Assets

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

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

In respect of Fixed Assets acquired during the year, depreciation is charged on a straight line basis so as to write off the cost of the assets over the useful lives and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life specified in Schedule II to Companies Act, 2013.

Depreciation on assets sold, discarded is being provided up to the month of Sale, discardment of said assets.

Depreciation on exchange rate difference capitalized is provided over the balance life of the assets as per the notification dated 31st March, 2009 as amended from time to time issued by the Ministry of Corporate Affairs.

Intangible Assets

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

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

Software is depreciated over management estimate of its useful life of 5 years.

(G) FOREIGN CURRENCY TRANSACTIONS

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

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

(H) EMPLOYEE BENEFITS

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

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

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

(J) BORROWING COST

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

(K) LEASE ACCOUNTING

Lease Rentals for assets acquired under operating lease are recognised as an expense in Statement of Profit & Loss on a straight line basis over the lease term.

(L) TAXES ON INCOME

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

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

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

(M) EARNING PER SHARE

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

(N) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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Arvind PD Composites Private Limited

3 Share Capital

		Amount in Rs.	
		As At March 31, 2015	March 31, 2014
Authorised			
400,000 Equity Shares (Previous Year 200,000)		4,000,000	2,000,000
Par Value of Rs.10/- per share		4,000,000	2,000,000
Issued			
254,194 Equity Shares (Previous Year 176,000)		2,541,940	1,760,000
Par Value of Rs.10/- per share		2,541,940	1,760,000
Subscribed and fully paid up			
254,194 Equity Shares (Previous Year 176,000)		2,541,940	1,760,000
Par Value of Rs.10/- per share fully paid up		2,541,940	1,760,000
Total			

a Reconciliation of Number of Shares

Particulars	As At	
	March 31, 2015	March 31, 2014
	No. of Shares	No. of Shares
	Amount in Rs.	Amount in Rs.
Balance at the beginning of the year	176,000	115,000
Add :		
Shares issued during the year	78,194	61,000
Balance at the end of the year	254,194	176,000
		1,150,000
		1,760,000

b Rights, Preferences and Restrictions attached to Equity Shares

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

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

Particulars	As At	
	March 31, 2015	March 31, 2014
(a) Holding Company- Arvind Limited	1,29,639	89,760
	51%	51%
(b) Associate Company- P-D Glasselden GmbH Oschatz-Germany	1,24,555	86,240
	49%	49%

4 Reserves and Surplus

	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Securities Premium Account		
Balance as per last financial statements	154,440,000	94,050,000
Add: Received during the year	77,412,060	60,390,000
Balance at the end of the year	231,852,060	154,440,000
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(60,840,837)	(15,696,718)
Add: Loss for the year	(29,097,288)	(45,144,119)
Balance at the end of the year	(89,938,125)	(60,840,837)
Total	141,913,935	93,599,163

5 Share Application money pending Allotment

	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Share Application money pending allotment	-	43,500,000
Total	-	43,500,000

6 Long Term Borrowings

	Amount in Rs.			
	Non- Current portion		Current Maturities	
	As At		As At	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Secured				
Term Loans :				
From Banks	64,232,325	84,232,325	20,000,000	12,000,000
	64,232,325	84,232,325	20,000,000	12,000,000
Amount disclosed under the head "Other Current Liabilities" (Note 11)	-	-	20,000,000	12,000,000
Total	64,232,325	84,232,325	-	-

a Nature of Security

Term Loans from Banks are secured by:

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

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

b Rate of Interest and Terms of Repayments

Particulars	Amount in Rs.	Rate of Interest	Terms of Repayment from Balance Sheet Date
State Bank of India	84,232,325	13%	Repayable in 15 quarterly instalments

Arvind PD Composites Private Limited

7 Deferred Tax Liabilities (Net)

	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Deferred Tax Liability		
Fixed Assets	7,406,559	7,378,315
Total	7,406,559	7,378,315
Deferred Tax Asset		
Expenditure allowable on payment basis	133,797	131,747
Unabsorbed loss/ Depreciation *	7,265,215	7,235,247
Others	7,547	11,321
Total	7,406,559	7,378,315
Deferred Tax Liabilities (Net)	-	-

* to the extent of Deferred tax liability on account of fixed assets

8 Provisions

	Amount in Rs.			
	Long Term		Short Term	
	As At		As At	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provision for Leave Encashment	91,223	121,176	4,197	5,908
Provision for Gratuity	205,540	167,498	526	587
Total	296,763	288,674	4,723	6,495

9 Short Term Borrowings

	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Secured		
Working Capital Loans repayable on demand From Banks	20,674,592	37,909,450
Total	20,674,592	37,909,450

a Nature of Security

Cash Credit and Other Facilities from Banks

Secured by

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

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

b Rate of Interest

i. Working Capital Loans from bank carry interest rate of BR + 2.2% per annum.

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MPL

Arvind PD Composites Private Limited

10 Trade Payables

Amount in Rs.	
As At	
March 31, 2015	March 31, 2014

Creditors in respect of Goods and Services (Note a)	59,766,565	22,404,127
Acceptances	13,659,931	-
Total	73,426,496	22,404,127

- a The Company has not received any intimation on suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:
- Amount due and outstanding to suppliers as at the end of accounting year;
 - Interest paid during the year;
 - Interest payable at the end of the accounting year; and
 - Interest accrued and unpaid at the end of the accounting year
- have not been given. The Company is making efforts to get the confirmations from the suppliers as regards their status under the said act.

11 Other Current Liabilities

Amount in Rs.	
As At	
March 31, 2015	March 31, 2014

Current Maturities of long term borrowings (Note 6)	20,000,000	12,000,000
Interest accrued but not due on borrowings	962,382	1,068,547
Statutory dues including Provident Fund and Tax	3,715,816	2,050,591
Payable to Employees	814,523	843,611
Payable in respect of capital goods	-	108,175
Advance from Customers	76,359	-
Application money received for allotment of securities and due for refund	251,650	251,650
Others	5,009	-
Total	25,825,739	16,322,574

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Arvind PD Composites Private Limited

12 Tangible Assets

Particulars	Gross Block					Depreciation / Amortization		Net Block		Amount in Rs.	
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	As on 01.04.2014	For the year	Deductions	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014	As on 31.03.2014
	Plant & Machinery	182,298,790 (131,288,084)	17,005,164 (51,010,706)	-	199,303,954 (182,298,790)	22,431,554 (5,831,801)	21,822,671 (16,599,753)	-	44,254,225 (22,431,554)	155,049,729 (159,867,236)	159,867,236 (125,456,283)
Computer, Server and Network	800,283 (777,385)	(22,898)	-	800,283 (800,283)	129,157	241,034 (129,157)	-	370,191 (129,157)	430,092 (671,126)	671,126 (777,385)	671,126 (777,385)
Lease hold Improvements	16,060,539 (8,594,922)	(7,465,617)	-	16,060,539 (16,060,539)	960,827	1,588,521 (960,827)	-	2,549,348 (960,827)	13,511,191 (15,099,712)	15,099,712 (8,594,922)	15,099,712 (8,594,922)
Office Equipments	462,240 (59,690)	(402,550)	-	462,240 (462,240)	19,956 (1,185)	86,469 (18,771)	-	106,425 (19,956)	355,815 (442,284)	442,284 (58,505)	442,284 (58,505)
Furniture and Fixtures	1,142,773	(1,142,773)	-	1,142,773 (1,142,773)	60,280	102,536 (60,280)	-	162,816 (60,280)	979,957 (1,082,493)	1,082,493	1,082,493
Vehicles	1,361,286 (70,822)	773,196 (1,290,464)	-	2,134,482 (1,361,286)	100,195	154,586 (100,195)	-	254,781 (100,195)	1,879,701 (1,261,091)	1,261,091 (70,822)	1,261,091 (70,822)
Total	202,125,911	17,778,360	-	219,904,271	23,701,969	23,995,817	-	47,697,786	172,206,485	178,423,942	178,423,942
Previous Year	140,790,903	61,335,008	-	202,125,911	5,832,986	17,868,983	-	23,701,969	178,423,942	134,957,917	134,957,917

13 Intangible Assets

Particulars	Gross Block			Depreciation / Amortization		Net Block		Amount in Rs.		
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	As on 01.04.2014	For the year	Deductions	As on 31.03.2015	As on 31.03.2014	
	Software	95,395 (95,395)	-	-	95,395 (95,395)	19,079	17,887 (19,079)	-	36,966 (19,079)	58,429 (76,316)
Total	95,395	-	-	95,395	19,079	17,887	-	36,966	58,429	76,316
Previous Year	95,395	-	-	95,395	-	19,079	-	19,079	76,316	95,395

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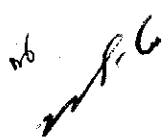
Arvind PD Composites Private Limited

14 Loans and Advances (Unsecured, Considered good unless otherwise stated)	Amount in Rs.			
	Long Term		Short Term	
	As At		As At	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital Advances	-	404,927	-	-
Security Deposits	4,123,997	4,123,997	-	-
Advances recoverable in cash or in kind or for value to be received	-	-	11,012,301	2,974,652
Cenvat Receivable	-	-	416,877	410,780
Prepaid Expenses	-	-	213,591	155,655
Advance tax paid	289,458	192,465	-	-
Total	4,413,455	4,721,389	11,642,769	3,541,087

15 Other Assets	Amount in Rs.			
	Non Current		Current	
	As At		As At	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Income Receivable	-	-	3,386,771	2,450,987
Interest Accrued	-	-	427,380	1,131,603
Export Drawback receivable	-	-	36,140	27,269
Non Current Bank Balances (Note 18)	150,000	11,336,500	-	-
Others	-	-	589,081	3,884,975
Total	150,000	11,336,500	4,439,372	7,494,834

16 Inventories	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Raw Materials	25,138,811	14,473,783
Fuel	82,918	-
Stores and Spares	3,891,373	9,387
Work-in-Progress	3,728,318	5,482,307
Finished Goods	25,457,070	15,046,735
Total	58,298,490	35,012,212

a Details of Inventory	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Raw Material		
Yarn and Fibre	24,845,298	14,470,903
Fabric	293,513	2,880
Total	25,138,811	14,473,783
Work-in-Progress		
Fabric	222,579	687,531
Yarn and Fibre	3,505,739	4,794,776
Total	3,728,318	5,482,307
Finished Goods		
Fabric	25,457,070	15,046,735
Total	25,457,070	15,046,735

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Arvind PD Composites Private Limited

17 Trade Receivables

(Unsecured, considered good unless otherwise stated)

Amount in Rs.	
As At	
March 31, 2015	March 31, 2014

Outstanding for a period exceeding six months from the date they are due for payment	448,394	-
Others	70,309,814	41,836,409
Total	70,758,208	41,836,409

18 Cash and Bank Balances

Amount in Rs.			
Non Current		Current	
As At		As At	
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014

Cash and Cash Equivalents:				
Cash on Hand	-	-	635,723	785,682
Balances with Banks				
In Current Accounts	-	-	472,426	426,159
In Deposit Account (with original maturity upto 3 months)	-	-	-	232,408
	-	-	1,108,149	1,444,249
Other Bank Balances:				
In Deposits Accounts				
With original maturity more than 3 months but less than 12 months	-	-	1,830,000	-
Held as Margin Money (Under lien with bank as Security for Guarantee Facility)	150,000	11,336,500	4,011,156	3,260,671
	150,000	11,336,500	5,841,156	3,260,671
Amount disclosed under the head "Other Non Current Assets" (Note 15)	150,000	11,336,500	-	-
Total	-	-	6,949,305	4,704,920

19 Contingent Liabilities & Capital and Other Commitments

Amount in Rs.	
As At	
March 31, 2015	March 31, 2014

Contingent Liabilities		
(a) Bills Discounted	26,414,792	-
(b) Claims against the Company not acknowledged as debts	143,940	-
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	8,667,703

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20 Revenue from Operations

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Sale of Products		
Finished Goods	257,038,160	99,337,731
Less : Excise Duty	19,290,017	6,869,045
	237,748,143	92,468,686
Sale of Services	2,798,111	1,063
Other Operating Revenues		
Waste Sale	764,919	213,388
Others	3,685	-
Total	241,314,858	92,683,137

21 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Interest Income	1,068,942	1,123,241
Scrap Sales	299,952	93,450
Service Tax Refund	121,908	172,314
Exchange Difference (Net)	422,304	437,668
Others	577	-
Total	1,913,683	1,826,673

22 Cost of Materials Consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Stock at the beginning of the year	14,473,783	7,898,839
Purchases	202,631,851	77,013,575
	217,105,634	84,912,414
Less: Stock at the end of the year	25,138,811	14,473,783
Total	191,966,823	70,438,631

a Materials Consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Yarn and Fibre	179,801,811	70,165,076
Fabric	12,165,012	273,555
Total	191,966,823	70,438,631

b Value of Imported and Indigenous materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Imported	84,929,172	28,340,139
	44.24%	40.23%
Indigenous	107,037,651	42,098,492
	55.76%	59.77%
Total	191,966,823	70,438,631

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

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
(Increase)/Decrease in stocks		
Stock at the end of the year		
Finished Goods	25,457,070	15,046,735
Work-in-Progress	3,728,318	5,482,307
	29,185,388	20,529,042
Stock at the beginning of the year		
Finished Goods	15,046,735	15,103,747
Work-in-Progress	5,482,307	3,686,182
	20,529,042	18,789,929
Excise Duty in Value of Stock - Increase	897,148	127,042
(Increase)/Decrease in stocks	(7,759,198)	(1,612,071)

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24 Employee Benefits Expense

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Salaries and Wages	14,002,544	11,276,703
Contribution to Provident Fund and Other Funds	707,577	554,617
Staff Welfare Expenses	809,371	768,898
Total	15,519,492	12,600,218

25 Finance Costs

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Interest		
On Term Loans	7,323,059	7,619,344
On Cash Credit	3,085,798	3,034,824
Others	1,493,558	-
Other Borrowing Cost	556,584	-
Total	12,458,999	10,654,168

26 Depreciation / Amortization Expense

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Depreciation of Tangible Assets	23,995,817	17,868,983
Amortization of Intangible Assets	17,887	19,079
Total	24,013,704	17,888,062

27 Other Expenses

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Power and fuel	9,092,072	5,603,400
Stores Consumed	5,862,600	4,080,442
Insurance	274,268	241,686
Rent	4,303,935	3,887,225
Processing Charges	210,417	-
Repairs:		
To Building	27,482	-
To Machineries (Note a)	3,457,110	3,908,824
To others	193,745	24,865
Legal and Professional Fees	1,577,436	2,590,261
Conveyance and Travelling Expenses	2,866,358	2,637,378
Miscellaneous Labour Charges	1,144,266	68,820
Freight, Insurance and Clearing Charges	2,170,727	984,843
Excise Duty borne by Company	10,769	24,210
Rates & taxes	514,712	347,993
Testing Charges	928,070	1,363,462
Advertisement and Publicity	444,316	164,832
Annual Membership Fees	1,124	15,920
Payments to the auditor as		
(a) Auditor	56,180	56,180
(b) For Other Certification work	232,950	75,843
Security Expenses	773,604	1,164,976
Housekeeping Charges	316,913	417,912
Refreshment Expenses	154,909	123,824
Printing, Stationery & Communication	61,483	103,383
Bank Charges	984,416	908,428
Share Issue Expense	48,294	34,000
Application, Inspection and License Fees	24,590	392,755
Miscellaneous Expenses	393,263	463,459
Total	36,126,009	29,684,921

a Spare Parts

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Imported	945,874	1,655,858
	27.36%	42.36%
Indigenous	2,511,236	2,252,966
	72.64%	57.64%
Total	3,457,110	3,908,824

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28 CIF Value of Imports

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Capital Goods	2,855,639	16,057,197
Raw Materials	78,128,686	28,346,606
Stores and Spare Parts	2,105,538	1,839,567

29 Expenditure in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Travelling	242,194	128,642
Testing Charges	-	1,338,697

30 Earning in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Export of goods calculated on F.O.B. basis	70,979,568	37,835,490

31 Employee Benefits

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

(I) Defined Contribution Plans

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

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Provident Fund	297,371	286,543

(ii) State Plans

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

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Employee's State Insurance	21,101	15,238
Employee's Pension Scheme	351,124	252,836

(iii) Defined Benefit Plans

(a) Leave Encashment/Compensated Absences

Salaries, Wages and Bonus include Rs. -4,573 (Previous Year Rs. 59,463) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

(b) Unfunded Gratuity

Employee Benefit Expenses includes Rs. 37,981 (Previous Year Rs. 63,269) towards provision made as per actuarial valuation in respect to Gratuity.

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Arvind PD Composites Private Limited

32 Segment Reporting

a The Company is primarily engaged in the business of manufacturing Glass Fabric, which in the context of Accounting Standard 17 on "Segment Reporting", constitutes a single reportable primary business segment.

b Secondary Segment (Geographical by Customers)

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Segment Revenue		
a) In India	170,335,290	54,847,647
b) Outside India	70,979,568	37,835,490
Total Sales	241,314,858	92,683,137
Carrying Cost of Assets by location of Assets		
a) In India	321,531,970	293,106,239
b) Outside India	7,384,543	6,916,569
Total	328,916,513	300,022,808
Addition to Assets		
a) In India	4,903,161	25,026,148
b) Outside India	-	-
Total	4,903,161	25,026,148

33 Related Party Disclosures :

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

a List of Related Parties & Relationship :

Arvind Limited	Holding Company
Arvind OG Non-Woven Private Limited	Fellow Subsidiary Company
P-D Glasseiden GmbH Oschatz-Germany	Associate

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

Nature of Transactions	Holding Company		Associate Company	
	Year ended		Year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Issue of Equity Shares including Premium	39,879,000	31,110,000	38,315,000	29,890,000
Share Application Money Received	-	43,500,000	-	251,650
Purchases				
Goods and Materials	1,424,817	201,200	-	876,002
Sales				
Raw Material	-	15,620	-	-
Finished Fabrics/Goods	10,995,897	-	62,871,089	38,185,490
Expenses				
Rent	4,303,935	3,887,225	-	-
Testing Charges	-	-	-	1,338,697
Income				
Processing Charges	631	1,063	2,778,700	-
Outstanding :				
Receivable in respect of Current Assets	11,045,187	-	24,538,816	13,764,347
Payable in respect of Current Liabilities	3,479,666	1,315,831	251,650	251,650

Nature of Transactions	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Issue of Equity Shares including Premium		
Arvind Limited	39,879,000	31,110,000
PD Glasseiden GMBH	38,315,000	29,890,000
Share Application Money Received		
Arvind Limited	-	43,500,000
PD Glasseiden GMBH	-	251,650
Purchases		
Goods and Materials		
Arvind Limited	1,424,817	201,200
PD Glasseiden GMBH	-	876,002
Sales		
Raw Material		
Arvind Limited	-	15,620
Finished Fabrics/Goods		
Arvind Limited	10,995,897	-
PD Glasseiden GMBH	62,851,343	38,185,490
Arvind OG Non-Woven Private Limited	19,746	-
Rent Expense		
Arvind Limited	4,303,935	3,887,225
Testing Charges		
PD Glasseiden GMBH	-	1,338,697
Income		
Processing Charges		
Arvind Limited	631	1,063
Arvind OG Non-Woven Private Limited	2,778,700	-
Outstanding :		
Receivable in respect of Current Assets		
Arvind Limited	11,045,187	-
PD Glasseiden GMBH	24,488,816	13,764,347
Arvind OG Non-Woven Private Limited	50,000	-
Payable in respect of Current Liabilities		
Arvind Limited	3,479,666	1,315,831
PD Glasseiden GMBH	251,650	251,650

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Arvind PD Composites Private Limited

34 Lease Rent

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.

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Lease Payment recognised in Statement of Profit and Loss	4,303,935	3,887,225

35 Earning Per Share (EPS) :

	Amount in Rs.		
		Year ended	
		March 31, 2015	March 31, 2014
Loss for the year available to equity shareholders	Rs.	(29,097,288)	(45,144,119)
Weighted average no. of Equity Shares	Nos.	203,194	134,721
Nominal value of Equity Shares	Rs.	10.00	10.00
Basic/Diluted Earning Per Share	Rs.	(143.20)	(335.09)

a Weighted average number of Equity Shares

	Year ended	
	March 31, 2015 March 31, 2014	
	Opening No. of Shares for Basic EPS	176,000
Weighted average number of shares issued during the year	27,194	19,721
Weighted average number of shares considered for calculating EPS	203,194	134,721

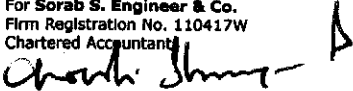
36 Unhedged Foreign Currency Exposure:


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

	As At			
	March 31, 2015		March 31, 2014	
	In FC	Amount in Rs.	In FC	Amount in Rs.
Payable for purchase of goods	€ 66,832.56	4,490,480	€ 2,284.01	188,853
	\$ 48,543.09	3,033,943	-	-
Receivable for purchase of goods	-	-	€ 165,002.30	13,643,215

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

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

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

 CA. Chokshi Shreyas B.
 Partner
 Membership No.100892
 Ahmedabad
 May 6, 2015


 Director
 Punit Salbhan
 Director