

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

TELEPHONE : 2658 4304
FAX : (079) 2658 9710
EMAIL : sseahm@hotmail.com
WEB : www.sseco.in



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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARVIND INTERNET LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARVIND INTERNET 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

SORAB S. ENGINEER & CO. (Regd.)

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 standalone 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.

msc

B

SORAB S. ENGINEER & CO. (Regd.)

- (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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Ahmedabad
May 13, 2015

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

SORAB S. ENGINEER & CO. (Regd.)

ANNEXURE TO THE AUDITORS' REPORT

Re: ARVIND INTERNET 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 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. Consequently, requirement of clause (v) of paragraph 3 of the order is not applicable.
- (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 including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, 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

Handwritten signature

B

SORAB S. ENGINEER & CO. (Regd.)

were in arrears as at March 31, 2015 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, 2015.
- (c) There were no amounts 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 thereunder.
- (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 repayment of dues to financial institutions or 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.
- (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.

Ahmedabad
May 13, 2015

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892



ARVIND INTERNET LIMITED

Balance Sheet

Amount in Rs.

	Note	As at	
		March 31, 2015	March 31, 2014
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	7,186,000	500,000
Reserves and Surplus	4	161,832,811	(15,492,740)
Share Application money pending allotment	5	16,000,000	-
Non-current liabilities			
Long Term Borrowings	6	5,286,677	628,946
Long Term Provisions	7	1,671,665	433,480
Deferred Tax Liability (Net)	8	125,017	125,017
Current liabilities			
Short Term Borrowings		-	-
Trade Payables	9	21,960,363	4,499,469
Other Current Liabilities	10	24,576,983	65,125,441
Short Term Provisions	7	224,940	64,365
Total		238,864,456	55,883,978
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	11	87,046,605	7,694,082
Intangible Assets	12	59,834,884	526,636
Intangible Assets under Development		44,190,622	26,810,929
Long Term Loans and Advances	13	15,347,639	11,799,060
Other Non-current Assets	-	-	-
Current assets			
Inventories	14	26,188,099	4,508,826
Trade Receivables	-	-	-
Cash and Bank Balances	15	1,652,798	2,077,543
Short Term Loans and Advances	13	4,603,809	2,466,902
Other Current Assets	-	-	-
Total		238,864,456	55,883,978
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 13, 2015

JKS

Jaye

Director

PSL Punit Salbhar

Director

ARVIND INTERNET LIMITED

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2015	March 31, 2014
Revenue			
Revenue from Operations	17	12,988,889	-
Other Income	18	2,946	-
Total Revenue		12,991,835	-
Expenses:			
Cost of materials consumed	19	12,018,070	-
Changes in inventories of finished goods, work-in-progress	20	(3,599,840)	-
Employee benefits expense	21	68,101,664	8,623,822
Finance costs	22	144,925	8,597
Depreciation and amortization expense	23	15,589,530	886,387
Other expenses	24	71,025,935	5,848,917
Total expenses		163,280,284	15,367,723
Loss before exceptional and extraordinary items and tax		(150,288,449)	(15,367,723)
Exceptional items	-	-	-
Loss before extraordinary items and tax		(150,288,449)	(15,367,723)
Extraordinary Items	-	-	-
Loss before tax		(150,288,449)	(15,367,723)
Tax expense:			
Current tax		-	-
Deferred tax		-	125,017
Loss for the year		(150,288,449)	(15,492,740)
Earnings per equity share	27		
(Nominal Value per Share Rs. 10/-):			
Basic/Diluted		(980.66)	(443.37)
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 13, 2015

JKS

PSL

Gopec

Director

Punit Salbhai

Director

ARVIND INTERNET LIMITED

Cash Flow Statement

Amount in Rs.

	Year Ended	
	March 31, 2015	March 31, 2014
A Cash Flow from Operating Activities		
Loss before tax	(150,288,449)	(15,367,723)
Add Non Cash Expenses		
Depreciation	15,589,530	886387
Interest Income	(2,946)	
Finance Cost	144,925	8597
Provision from Retirement Benefits	-	497845
	15,731,509	1,392,829
Working Capital Changes:		
Changes in Provisions	1,398,760	-
Changes in trade payables	17,460,894	4,499,469
Changes in trade receivables	-	-
Changes in Other Current Liabilities	17,859,398	5,143,291
Changes in Inventory Stock	(21,679,273)	(4,508,826)
Changes in Other Non-current Assets	-	-
Changes in short term loans and advances	(2,021,905)	(2,346,904)
Changes in long term loans and advances	(10,259,740)	-
	2,758,134	2,787,030
Net Changes in Working Capital	(131,798,806)	(11,187,864)
Cash Generated from Operations		
Direct Taxes paid	-	-
Net Cash from Operating Activities	(131,798,806)	(11,187,864)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(171,629,994)	(35,918,034)
Interest Income	2,946	
Change in Loans to Employees	(610,836)	(119,998)
Capital Advances	7,206,995	(11,799,060)
	(165,030,889)	(47,837,092)
C Cash Flow from Financing Activities		
Changes in Long term borrowings	6,056,911	804,060
Borrowing cost	(151,961)	(1,561)
Money received for Issue of Equity shares with Securities Premium and Share Application money	290,500,000	60,300,000
Net Cash Flow from Financing Activities	296,404,950	61,102,499
Net Increase/(Decrease) in Cash & Cash Equivalents	(424,745)	2,077,543
Cash & Cash equivalent at the beginning of the period	2,077,543	-
Cash & Cash equivalent at the end of the period	1,652,798	2,077,543

Amount in Rs.

a	Particulars	As at	
		March 31, 2015	March 31, 2014
	Cash and Cash Equivalents Comprise of: (Note 15)		
	Cash on Hand	3,330	-
	Balances with Banks	1,649,468	2,077,543
	Total	1,652,798	2,077,543

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 13, 2015

JKS

PSL

Laye

Director

Punit Salbhai

Director

Arvind Internet Limited

Notes to the financial statements

1. COMPANY BACKGROUND

Arvind Internet Limited ("the Company") is online arm of Arvind Limited. The Company is setting up several business models in digital space, one of which is customized clothing website "Creyate.com". Creyate is loaded with pre-designed clothing pattern, where customers are able to design garments, visualise the look of the garments and place the orders with their measurement. This will be the source of orders from customers.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Company follows the accrual method of accounting. The financial statements have been prepared in accordance with the historical cost convention and accounting principles generally accepted in India and the provisions of the Companies Act, 2013.

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 II to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

(B) USE OF ESTIMATES

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

(C) INFLATION

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

(D) REVENUE RECOGNITION

Sale consists of sale of products.

Sales are recognized based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer.

Sales are stated net of returns & Sales Tax/VAT.

Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

(E) VALUATION OF INVENTORY

The stock of Work-in-progress and finished goods of the Garment has been valued at the lower of cost and net realizable value. Cost is measured on actual average for the year and includes cost of materials and cost of conversion.

ms6

B

Arvind Internet Limited

The inventory of raw material has been valued at the lower of cost and net realizable value. The cost has been measured on the actual cost basis.

Inventories of accessories are valued at cost.

(F) FIXED ASSETS

Tangible Assets

The Fixed Assets are stated at their original cost of acquisition less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their Location and working Condition.

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

Depreciation on Fixed Assets is provided, pro rata for the period of use, on straight line basis, as per useful life specified in the Schedule II to the Companies Act, 2013 except for the following which are based on management's estimate of useful lives of the fixed assets:

Computers and Networks: 2.5 Years
Electrical Installations: 5 Years
Furniture and Fixtures: 5 Years
Mannequins, part of Lease Hold: 3 Year
Vehicles: 4 Years

Individual assets costing less than Rs. 5,000/- have been fully depreciated in the year of purchase.

Intangible Assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses.

Intangible asset of Website *Creyate* is recognised if and only if

- a. It is probable that the future economic benefits that are attributable to the assets will flow to the enterprise; and
- b. Cost of the asset can be measured reliably.

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

Software is amorised over a period of 2.5 years.

The Website development costs are amortised on a straight line basis over a period of five years being the estimated useful life.

Directly identifiable preoperative expenses of new projects of capital nature under implementation are carried forward under intangible asset under development, pending capitalization.

mt. b.

Arvind Internet Limited

(G) 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 actuarial valuation is done based on Projected Unit Credit Method.

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

In respect of Provident Fund, the contribution is charged to revenue and paid to the Government. The Company's Contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

(G) BORROWING COST

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds. It is calculated on the accrual basis and considered as revenue expenditure and charged to Statement of Profit and Loss for the year in which it is incurred except for borrowing costs either generally or specifically attributed directly to the acquisition/improvement of qualifying assets up to the date when such assets are ready for intended use which are capitalised as a part of the cost of such asset.

(H) LEASE ACCOUNTING

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

(J) TAXES ON INCOME

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and is 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.

(I) 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.

mt. 6.

B

(J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

ms. 6.

B

ARVIND INTERNET LIMITED
3 Share Capital

Amount in Rs.

As at	
March 31, 2015	March 31, 2014

Authorised 2,500,000 Equity Shares (Previous Year 50,000) Par Value of Rs. 10/- per share	25,000,000	500,000
	25,000,000	500,000
Issued 718,600 Equity Shares (Previous Year 50,000) Par Value of Rs. 10/- per share	7,186,000	500,000
	7,186,000	500,000
Subscribed and fully paid up 718,600 Equity Shares (Previous Year 50,000) Par Value of Rs. 10/- per share fully paid up	7,186,000	500,000
Total	7,186,000	500,000

a Reconciliation of Number of Shares

Particulars	As at		As at	
	March 31, 2015		March 31, 2014	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	50,000	500,000	50,000	500,000
Add :				
Shares issued during the year	668,600	6,686,000	-	-
Balance at the end of the year	718,600	7,186,000	50,000	500,000

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 Shares held by Holding Company

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Holding Company - Arvind Limited	-	50,000
Holding Company - Arvind Brands and Retail Limited	718,600	-

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

Particulars	As at	As at
	March 31, 2015	March 31, 2014
Holding Company - Arvind Limited	-	50,000
	-	100%
Holding Company - Arvind Brands and Retail Limited	718,600	-
	100%	-

Handwritten signature/initials

Handwritten mark

ARVIND INTERNET LIMITED**4 Reserves and Surplus**

	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Securities Premium Account		
Balance as per last financial statements	-	-
Add: Addition during the year	327,614,000	-
Balance at the end of the year	327,614,000	-
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(15,492,740)	-
Add: Profit/(Loss) for the year	(150,288,449)	(15,492,740)
Balance at the end of the year	(165,781,189)	(15,492,740)
Total	161,832,811	(15,492,740)

5 Share Application money pending Allotment

	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Share Application money pending Allotment	16,000,000	-
Total	16,000,000	-

- a Share Application money pending Allotment represents application received from Holding Company - Arvind Brands and Retail Limited which comprises of 32,000 Equity shares of face value Rs. 10 each fully paid up at Rs 490 premium each proposed to be issued.

Equity shares are expected to be allotted against the share application money up to 25th, May, 2015.

m.s.g.

AE

ARVIND INTERNET LIMITED

	Non Current Portion		Current Maturities	
	As at		As at	
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2014

6 Long Term Borrowings

	Non Current Portion		Current Maturities	
	As at		As at	
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2014
Secured Term Loans : From Banks	5,286,677	628,946	1,574,294	175,114
	5,286,677	628,946	1,574,294	175,114
Amount disclosed under the head "Other Current Liabilities" (Note 9)	-	-	1,574,294	175,114
Total	5,286,677	628,946	-	-

a Nature of Security:

Hire Purchase Loan from Banks are secured by hypothecation of related vehicles.

b Rate of Interest and Terms of Repayment

Particulars	Amount in Rs.	Range of Interest (%)	Terms of Repayment from Balance sheet date
From Banks HDFC Bank	6,860,971	10% to 10.8%	36 to 48 Monthly Equated Instalments

	Long Term		Short Term	
	As at		As at	
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2014

7 Provisions

	Long Term		Short Term	
	As at		As at	
March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2014
Provision for Employee Benefits	1,671,665	433,480	224,940	64,365
Total	1,671,665	433,480	224,940	64,365

[Handwritten signature]

ARVIND INTERNET LIMITED

8 Deferred Tax Liability (Net)

Amount in Rs.

		As at	
		March 31, 2015	March 31, 2014
Deferred Tax Liability			
Depreciation		6,706,033	278,851
	Total (a)	6,706,033	278,851
Deferred Tax Asset			
Expenses allowed on Payment Basis		615,353	153,834
Others		8,415	-
Unabsorbed Business Losses and Depreciation*		5,957,248	-
	Total (b)	6,581,016	153,834
Net Deferred Tax Liability (a-b)		125,017	125,017

* To the extent of Deferred Tax Liability

9 Trade Payables

Amount in Rs.

	As at	
	March 31, 2015	March 31, 2014
Creditors in respect of goods and services (Note a)	21,960,363	4,499,469
Total	21,960,363	4,499,469

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 Small Enterprise 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.

10 Other Current Liabilities

Amount in Rs.

	As at	
	March 31, 2015	March 31, 2014
Current maturities of long-term borrowings (Note 6)	1,574,294	175,114
Interest accrued but not due on borrowings	-	7,036
Statutory Dues including Provident fund and Tax deducted at Source	4,122,546	1,477,811
Advances from Customers	398,444	-
Payable in respect of Employees	3,941,326	3,274,166
Payable in respect of Capital Goods	14,540,373	391,314
Share Application Money pending allotment	-	59,800,000
Total	24,576,983	65,125,441

22.6

ARVIND INTERNET LIMITED

11 Tangible Assets

Particular	GROSS BLOCK						DEPRECIATION			NET BLOCK	
	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	As on 31.03.2015	As on 31.03.2014
	Own Assets										
Computers	4,546,517	12,281,978	-	16,828,495	503,498	3,930,577	-	4,434,075		12,394,420	4,043,019
Furniture and Fixtures	1,256,425	19,776,417	-	21,032,842	366,503	1,010,820	-	1,377,323		19,655,519	889,922
Leasehold Improvements	-	26,843,043	-	26,843,043	-	1,405,768	-	1,405,768		25,437,275	-
Office Equipments	851,912	16,175,390	-	17,027,302	98,339	1,507,812	-	1,606,151		15,421,151	753,573
Photo Studio Equipment	318,680	38,000	-	356,680	24,603	39,759	-	64,362		292,318	294,077
Plant and Machinery	-	83,345	-	83,345	-	436	-	436		82,909	-
Electric installations	-	5,721,003	-	5,721,003	-	394,725	-	394,725		5,326,278	-
Vehicles	1,837,525	7,477,616	-	9,315,141	124,034	754,372	-	878,406		8,436,735	1,713,491
Total	8,811,059	88,396,792	-	97,207,851	1,116,977	9,044,269	-	10,161,246		87,046,605	7,694,082
Previous Year	-	8,811,059	-	8,811,059	-	1,116,977	-	1,116,977		7,694,082	-

12 Intangible Assets

Particular	GROSS BLOCK				AMORTISATION			NET BLOCK			
	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		
	Own Assets										
Website - "Creyate.com"	-	65,471,514	-	65,471,514	-	6,234,611	-	6,234,611		59,236,903	
Computer Software	571,000	381,995	-	952,995	44,364	310,650	-	355,014		597,981	
Total	571,000	65,853,509	-	66,424,509	44,364	6,545,261	-	6,589,625		59,834,884	526,636
Previous Year	-	571,000	-	571,000	-	44,364	-	44,364		526,636	-

a Intangible under Development includes capitalisation of depreciation Rs. Nil (Previous Year Rs. 230,590) and amortisation Rs. Nil (Previous Year Rs. 44,364).

6

P

ARVIND INTERNET LIMITED

13 Loans and Advances
(Unsecured, Considered good unless otherwise stated)

	Long Term		Short Term	
	As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital Advances	4,592,065	11,799,060		
Security Deposits	10,259,740	-	3,240,354	-
Advances to Vendors			544,471	1,717,878
Advances recoverable in cash or in kind or for value to be received	495,834	-	235,000	119,998
Loan to Employees	-	-	583,984	629,026
Prepaid Expenses	-	-		
Total	15,347,639	11,799,060	4,603,809	2,466,902

14 Inventories

	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Raw Materials		
Fabric	13,324,442	4,204,991
Fabric in Transit	619,116	-
Accessories	8,644,701	303,835
Work in Progress - Garments	434,377	-
Finished Good - Garments	3,165,463	-
Total	26,188,099	4,508,826

6.

A

ARVIND INTERNET LIMITED

Amount in Rs.		
Current	As at	
March 31, 2015	March 31, 2014	

15 Cash and Bank Balances

Cash and Cash Equivalents:		
Cash on Hand	3,330	-
Balances with Banks In Current Account	1,649,468	2,077,543
Total	1,652,798	2,077,543

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

16 Contingent Liabilities, Capital and other commitments

Contingent Liabilities	Nil	Nil
Capital and Other Commitments		
Capital Commitments	4,579,786	4,880,773
Other Commitments	Nil	Nil

Handwritten signature/initials

Handwritten mark

ARVIND INTERNET LIMITED

17 Revenue from Operations

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Sale of Products		
Customised Garments	12,988,889	-
Total	12,988,889	-

18 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Interest Income	2,946	-
Total	2,946	-

19 Cost of materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Raw Materials including Accessories		
Stock at the commencement	4,508,826	-
Purchases	29,478,387	4,508,826
	33,987,213	4,508,826
Less: Stock at Close	21,969,143	4,508,826
Total	12,018,070	-

a Details of Consumption

(i) Consumption of Raw Materials

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Fabrics	9,919,819	
Accessories	2,098,251	
Total	12,018,070	-

(ii) Value of imported and indigenous materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Imported	1,190,093	
	9.90%	
Indigenous	10,827,977	
	90.10%	
Total	12,018,070	-
	100%	0%

ARVIND INTERNET LIMITED

Amount in Rs.

20 Changes in Inventories of Finished Goods & Work-in-progress

	Year ended	
	March 31, 2015	March 31, 2014
(Increase)/Decrease in Stocks		
Stock at the end of the year		
Finished Goods - Garments	3,165,463	-
Work-in-Progress - Garments	434,377	-
(Increase)/Decrease in stocks	(3,599,840)	-

Amount in Rs.

21 Employee Benefits Expense

	Year ended	
	March 31, 2015	March 31, 2014
Salaries and Wages	59,313,548	7,211,446
Contribution to Provident Fund and Other Funds	3,504,897	612,314
Staff welfare expenses	5,283,219	800,062
Total	68,101,664	8,623,822

Disclosure as required by Accounting Standard on Employee Benefits (AS 15 Revised 2005)

(i) Defined Contribution Plans

The Company has recognised the following amounts in the Financial Statements for Defined Contribution Plans:

Amount in Rs.

	Year ended	Year ended
	March 31, 2015	March 31, 2014
Provident Fund	666,292	100,970

(ii) State Plans

The Company has recognised the following amounts in the Financial Statements for Contribution to State Plans:

Amount in Rs.

	Year ended	Year ended
	March 31, 2015	March 31, 2014
Employee's Pension Scheme	1,190,025	69,267

(iii) Defined Benefit Plans

(a) Leave Encashment/Compensated Absences

Salaries and Wages includes Rs. 628,120 (Previous Year Rs. 351,245) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

msb

B

(b) Contribution to Gratuity Funds

The details of the Company's Gratuity Liability (Unfunded) for its employees are given below which is certified by the actuary and relied upon by the auditors:

	Amount in Rs.	
	Year ended March 31, 2015	Year ended March 31, 2014
Change in the Benefit Obligations :		
Liability at the beginning of the year	146,601	-
Interest Cost	11,450	-
Current Service Cost	824,035	146,601
Benefits Paid	-	-
Actuarial Loss/(Gain)	(64,845)	-
Liability at the end of the year	917,241	146,601
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	917,241	146,601
Fair Value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet under "Provision for Employee Benefits "	917,241	146,601
Expense Recognized in Statement of Profit and Loss :		
Interest Cost	11,450	-
Current Service Cost	824,035	146,601
Expected Return on Plan Assets	-	-
Net Actuarial loss/(gain) to be recognized	(64,845)	-
Expense recognized in Statement of Profit and Loss under "Employee Benefit Expense"	770,640	146,601
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	146,601	-
Expense Recognized	770,640	146,601
Contribution by the Company	-	-
Amount recognized in the Balance Sheet under "Provision for Employee Benefits "	917,241	146,601

Based on the above allocation and the prevailing yields on these assets, the long-term estimate of the expected rate of return on fund assets has been arrived at.

Principal Assumptions:

	Year ended March 31, 2015	Year ended March 31, 2014
	Discount Rate (%)	7.81%
Salary Increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%

22 Finance Cost

	Amount in Rs.	
	Year ended March 31, 2015	Year ended March 31, 2014
On Term Loans	144,925	7,036
Others	-	1,561
Total	144,925	8,597

23 Depreciation / Amortization Expense

	Amount in Rs.	
	Year ended March 31, 2015	Year ended March 31, 2014
Depreciation on Tangible assets (Refer Note 11-a)	9,044,269	886,387
Amortisation on Intangible assets (Refer Note 11-a)	6,545,261	-
Total	15,589,530	886,387

Handwritten signature and initials

ARVIND INTERNET LIMITED

24 Other Expense	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Processing Charges	15,411,908	-
Power and fuel	389,476	91,425
Sampling and Testing Expenses	1,826,397	237,840
Advertisement and Publicity	13,381,845	112,389
Rent for Office, Stores and Others	10,914,093	2,366,112
Legal and Professional Fees	4,487,208	88,428
Internet and Communication Expenses	5,648,645	-
Printing, Stationary & Communication	850,229	564,907
Conveyance and Car Hire	2,623,905	-
Travelling Expenses	5,814,090	823,810
Repairs to Buildings	2,790,241	-
Repairs to Others	8,000	118,083
Commission and Brokerage	489,143	196,000
Rates and taxes	74,799	6,461
Freight, Insurance and Clearing Charges	16,592	9,105
Housekeeping Charges	630,298	77,943
Security Charges	414,566	76,263
Postage charges	499,190	400
Payments to the auditor for Audit Fees	150,000	25,000
Bank charges	91,450	562
Subscription and Software charges	681,258	239,808
Filling Fees Expenses	446,144	-
Service tax expenses	824,430	234,141
Foreign Exchange Loss	105,398	-
Recruitment Expense	1,543,084	578,640
Miscellaneous Expenses	913,546	1,600
Total	71,025,935	5,848,917

25 CIF Value of Imports	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Fabrics	694,485	-
Accessories	2,831,676	-

26 Expenditure in Foreign Currency	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Travelling	1,146,064	-
Internet Charges	804,452	-
Professional Charges	1,153,394	-

27 Earning Per Share (EPS) :	Year ended		
	March 31, 2015		March 31, 2014
	Loss for the year available to equity shareholders	Rs.	(150,288,449)
Weighted average no. of Equity Shares for Basic and Diluted EPS	Nos.	153,252	34,943
Nominal value of Equity Shares	Rs.	10	10
Basic/Diluted Earning Per Share	Rs.	(980.66)	(443.37)

mt-6.

B

ARVIND INTERNET LIMITED

28 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	Ultimate Holding Company
Arvind Brands and Retail Limited	Holding Company
Arvind Goodhill Suit Manufacturing Private Limited	Joint Venture Subsidiary of Ultimate Holding Company
Shri Kulin S. Lalbhai	Director
Shri Punit S. Lalbhai	Director
Shri Jayesh K Shah	Director

Note: The related party relationship is identified by the Company and relied upon by Auditor

b Transactions and Balance:

Nature of Transactions	Amount in Rs.	
	Year ended March 31, 2015	Year ended March 31, 2014
Transactions		
Sales of Goods	186,779	-
Purchase	12,409,635	168,347
Processing Charges	13,411,511	-
Rent Expenses	5,979,098	3,748,904
Purchase of Fixed Assets	617,788	-
Issue of Equity Shares	33,430,000	500,000
Share Application money received/ received pending allotment	16,000,000	5,980,000
Balances at the Year end		
Payable in respect of Current Liabilities	11,660,824	915,138

c Transactions and Balance :

Nature of Transactions	Amount in Rs.	
	Year ended March 31, 2015	Year ended March 31, 2014
Transactions		
Sale		
Shri Kulin S. Lalbhai	186,779	-
Purchase		
Arvind Goodhill Suit Manufacturing Private Limited	-	5,775
Arvind Limited	12,409,635	-
Arvind Lifestyle Brands Limited	-	162,572
Processing Expenses		
Arvind Goodhill Suit Manufacturing Private Limited	4,502,367	33,000
Arvind Limited	8,909,144	-
Rent Expenses		
Arvind Lifestyle Brands Limited	4,277,159	3,748,904
Arvind Limited	1,701,939	-
Purchase of Fixed Assets		
Arvind Limited	617,788	-
Issue of Equity Shares		
Arvind Limited	-	500,000
Arvind Brands and Retail Limited	33,430,000	-
Share Application money received/ received pending allotment		
Arvind Limited	-	5,980,000
Arvind Brands and Retail Limited	16,000,000	-
Payable in respect of Current Liabilities		
Arvind Limited	7,057,523	864
Arvind Goodhill Suit Manufacturing Private Limited	3,562,935	38,115
Arvind Lifestyle Brands Limited	1,040,366	876,159

Handwritten signature and initials.

29 Segment Reporting

a The company is primarily engaged in the business of Customised Garments, which in the context of Accounting Stanard 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	12,988,889	-
b) Outside India	-	-
Total Sales	12,988,889	-
Carrying Cost of Assets by location of Assets		
a) In India	238,864,456	555,883,978
b) Outside India	-	-
Total	238,864,456	555,883,978
Addition to Assets		
a) In India	171,629,994	36,192,988
b) Outside India	-	-
Total	171,629,994	36,192,988

30 Lease Rent:

Rent expense includes lease rental payments towards office premises and stores. Such lease agreements is entered for a period of 60 months with the option of renewal against increased rent.

The particulars of non-cancellable operating leases are as follows:

Amount in Rs.

	Year ended	
	March 31, 2015	March 31, 2014
Future Minimum lease payments obligation on non-cancellable operating leases :		
Not later than one year	5,382,819	4,480,089
Later than one year and not later than five years	-	357,849
Later than five years	-	-
Lease Payment recognised in the Statement of Profit and Loss	10,914,093	2,366,112

31 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.

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 13, 2015

JFS

Gayk

Director

PSL

Punit Halbhair

Director