

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

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AHMEDABAD-380 009.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARVIND OG NONWOVENS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARVIND OG NONWOVENS 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

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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 profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 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;

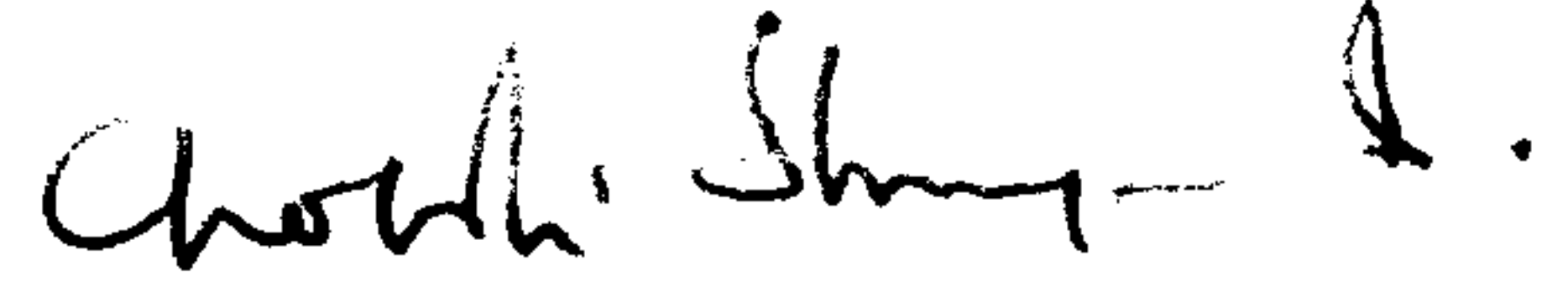
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SORAB S. ENGINEER & CO. (Regd.)

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

Ahmedabad
May 7, 2015

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892



ANNEXURE TO THE AUDITORS' REPORT

Re: ARVIND OG NONWOVENS PRIVATE LIMITED

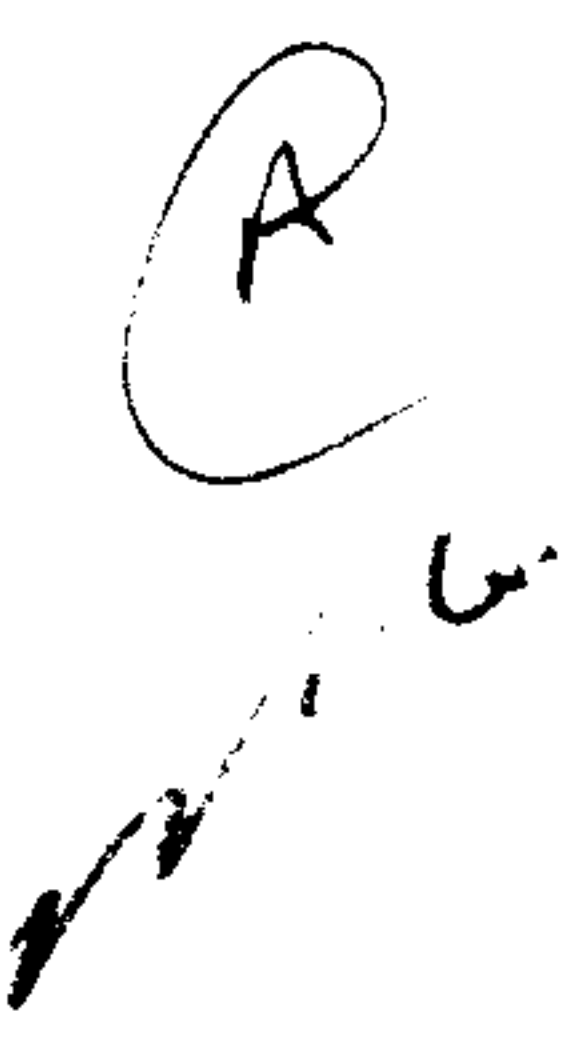
Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

- (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 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 including Provident Fund, Employees' State Insurance, Income Tax, Wealth 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 were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

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SORAB S. ENGINEER & CO. (Regd.)

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

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

Ahmedabad
May 7, 2015

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Arvinc OG Nonwovens Private Limited

Balance Sheet

Amount in Rs.

	Note	As at	
		March 31, 2015	March 31, 2014
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	26,779,860	20,549,090
Reserves and Surplus	4	195,262,226	180,206,502
Share Application money pending allotment	5	-	19,080,700
Non-current liabilities			
Long Term Borrowings	6	217,859,042	100,031,507
Deferred Tax Liability	7		
Long Term Provisions	8	15,131	-
Current liabilities			
Short Term Borrowings	9	31,438,423	-
Trade Payables	10	76,626,927	4,208,807
Other Current Liabilities	11	8,840,035	983,741
Short Term Provisions	8	64,087	-
Total		556,885,731	325,060,347
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	12	374,690,159	-
Intangible Assets	13	7,419,485	-
Capital Work-in-progress		17,157,004	38,997,955
Intangible Assets under development	13 (a)	-	5,075,302
Long Term Loans and Advances	14	3,962,262	148,891,878
Other Non-current Assets	15	8,606,600	8,214,000
Current assets			
Inventories	16	30,109,423	-
Trade Receivables	17	69,075,022	-
Cash and bank Balances	18	28,598,873	123,048,021
Short Term Loans and Advances	14	6,945,503	344,977
Other Current Assets	15	10,321,400	488,214
Total		556,885,731	325,060,347
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

CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 7, 2015

Director

Kunil Nalhari

Director

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Arvind OG Nonwovens Private Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2015	March 31, 2014
Revenue			
Revenue from operations (Gross)	20	153,416,178	-
Less : Excise Duty		17,886,258	-
Revenue from operations (Net)		135,529,920	-
Other Income	21	2,343,362	-
Total Revenue		137,873,282	-
Expenses			
Cost of materials and accessories consumed	22	112,487,931	-
Changes in inventories of finished goods and work-in-progress	23	(12,520,998)	-
Employee benefits expense	24	5,717,915	-
Finance costs	25	12,732,590	493,100
Depreciation and amortization expense	26	21,664,911	-
Other expenses	27	38,812,139	1,013,003
Total expenses		178,894,488	1,506,103
Profit/(Loss) before exceptional and extraordinary items and tax		(41,021,206)	(1,506,103)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(41,021,206)	(1,506,103)
Extraordinary Items		-	-
Profit/(Loss) before tax		(41,021,206)	(1,506,103)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit/(Loss) for the year		(41,021,206)	(1,506,103)
Earnings per equity share	30		
(Nominal Value per Share Rs. 10/- (Previous year Rs. 10/-): Basic/Diluted		(17.28)	(1.44)
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

Director

Pravil Nathani

Director

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CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 7, 2015

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Arvind OG Nonwovens Private Limited

Cash Flow Statement

Amount in Rs.

Particulars	Year Ended	
	March 31, 2015	March 31, 2014
A Cash Flow from Operating Activities		
Profit/(Loss) before tax		(41,021,206)
Adjustments for:		
Depreciation and Amortisation Expense	21,664,911	-
Interest Income	(1,955,374)	-
Interest Expenses	12,732,590	493,100
Operating Profit before Working Capital Changes		32,442,127
Working Capital Changes:		
Changes in trade payables	72,418,120	4,197,571
Changes in long term loans and advances	-	(2,740,554)
Changes in short term loans and advances	(6,600,526)	(344,977)
Changes in Other Bank Balances	96,622,717	(130,621,807)
Changes in long term provisions	15,131	-
Changes in trade receivables	(69,075,022)	-
Changes in inventories	(30,109,423)	-
Changes in short term provisions	64,087	-
Changes in other Current Assets	(9,158,853)	-
Changes in other Current Liabilities	356,294	(1,016,259)
Net Changes in Working Capital		54,532,525
Cash Generated From Operations		45,953,446
Advance Tax Paid		(175,658)
Net Cash Flow from Operating Activities		45,777,788
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(373,204,798)	(37,277,748)
Acquisition of Intangible Assets	(3,653,504)	(5,075,302)
Capital Advances	145,105,274	(145,883,789)
Interest Income	1,281,041	(488,214)
Net Cash Flow from Investing Activities		(230,471,987)
C Cash Flow from Financing Activities		
Proceed from Issuance of share capital	62,307,700	204,130,900
Share Application Money	(19,080,700)	19,080,700
Interest Expense	(12,158,045)	(1,720,207)
Other Borrowing Cost	(574,545)	(493,100)
Changes in Short term Borrowings	31,438,423	-
Changes in long term Borrowings	125,327,535	100,031,507
Net Cash Flow from Financing Activities		187,260,368
Net Increase in Cash & Cash Equivalents		2,566,169
Cash & Cash equivalent at the beginning of the period		640,214
Cash & Cash equivalent at the end of the period		3,206,383

Particulars	As at	
	March 31, 2015	March 31, 2014
Cash and Cash Equivalents Comprise of: (Note 11)		
Cash on Hand	54,926	150,000
Balances with Banks	3,151,457	490,214
Total	3,206,383	640,214

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 7, 2015

Director

Sumit Halder

Director

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Arvind OG Nonwoven Private Limited

Notes to the financial statements

1. COMPANY BACKGROUND

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

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

(B) USE OF ESTIMATES

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

(C) INFLATION

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

(D) FIXED ASSETS

Tangible Assets

Tangible Fixed Assets are stated at acquisition cost, net of accumulated depreciation. The addition to the fixed assets is 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.

Losses arising from the retirement of, and gains or losses from disposal of fixed assets are recognised in the Statement of Profit and Loss.

Intangible Assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognized, 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.

(E) DEPRECIATION/AMORTISATION

Depreciation on Tangible Assets

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

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

The management estimates the useful life for plant and machinery to be 20 years.

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

Amortisation of Intangible Assets

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

(F) 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.

(G) 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.

(H) TAXES ON INCOME

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

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

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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.

(J) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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Arvind OG Nonwovens Private Limited

3 Share Capital	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Authorised 5,000,000 Equity Shares (Previous Year 5,000,000) Par Value of Rs. 10/- per share	50,000,000	50,000,000
	50,000,000	50,000,000
Issued 2,677,986 Shares (Previous Year 2,054,909 Shares) Par Value of Rs.10/- per share	26,779,860	20,549,090
	26,779,860	20,549,090
Subscribed and fully paid up 2,677,986 Shares (Previous Year 2,054,909 Shares) Par Value of Rs.10/- per share fully paid up	26,779,860	20,549,090
Total	26,779,860	20,549,090

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	2,054,909	20,549,090	10,000	100,000
Add :				
Shares issued during the year	623,077	6,230,770	2,044,909	20,449,090
Balance at the end of the year	2,677,986	26,779,860	2,054,909	20,549,090

b Rights, Preferences and Restrictions attached to Equity Shares

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

c Shares held by Holding Company

Particulars	As at	
	March 31, 2015	March 31, 2014
Holding Company - Arvind Limited	1,981,710	1,520,633

d 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
Holding Company - Arvind Limited	1,981,710 74%	1,520,633 74%
OG Corporation - Japan	696,276 26%	534,276 26%

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Arvind OG Nonwovens Private 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	183,681,810	-
Add: Addition during the year	56,076,930	183,681,810
Balance at the end of the year	239,758,740	183,681,810
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(3,475,308)	(1,969,205)
Less: Loss for the year	(41,021,206)	(1,506,103)
Balance at the end of the year	(44,496,514)	(3,475,308)
Total	195,262,226	180,206,502

5 Share Application money pending Allotment

	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Share Application money pending allotment	-	19,080,700
Total	-	19,080,700

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Arvind OG Nonwovens Private Limited

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	217,859,042	100,031,507	7,500,000	-
	217,859,042	100,031,507	7,500,000	-
Amount disclosed under the head "Other Current Liabilities" (Note 11)	-	-	7,500,000	-
Total	217,859,042	100,031,507	-	-

a Nature of Security

Term Loans from Banks are secured by:

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

b Rate of Interest and Terms of Repayments

Particulars	Amount in Rs.	Rate of Interest	Terms of Repayment from Balance Sheet Date
State Bank of India	225,359,042	12.20%	Repayable in 32 quarterly instalments starting from June 2015.

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Arvind OG Nonwovens Private Limited

7 Deferred Tax Liabilities (Net)

	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Deferred Tax Liability		
Fixed Assets	23,082,800	-
Total	23,082,800	-
Deferred Tax Asset		
Expenditure allowable on payment basis	25,702	-
Unabsorbed loss/ Depreciation	23,051,123	-
Others	5,975	-
Total	23,082,800	-
Deferred Tax Liabilities (Net)	-	-

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	14,527	-	656	-
Provision for Gratuity	604	-	63,431	-
Total	15,131	-	64,087	-

9 Short Term Borrowings

	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Secured		
Working Capital Loans repayable on demand From Banks	31,438,423	-
Total	31,438,423	-

a Nature of Security

Cash Credit and Other Facilities from Banks

Secured by

- i. First Charge over the entire stock of raw material , stock in process, finished goods , stores & spares , goods in transit, receivables and other current assets of the company.
- ii. Second charge over the entire movable fixed assets of the Company.

b Rate of Interest

- i. Working Capital Loans from bank carry interest rate of 12.00% per annum.

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Arvind OG Nonwovens Private Limited**10 Trade Payables**

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

Sundry Creditors in respect of goods and services (Note a)	68,756,568	4,208,807
Acceptances	7,870,359	-
Total	76,626,927	4,208,807

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)	7,500,000	
Payable in respect of Capital goods	342,482	571,573
Statutory dues including Provident Fund and Tax Deducted at Source	932,776	412,168
Payable to Employees	64,777	-
Total	8,840,035	983,741

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Arvind OG Nonwovens Private Limited

12 Tangible Assets

Amount in Rs.

Particulars	Gross Block			Depreciation / Amortization			Net Block			
	As At 01.04.2014	Additions	Disposals	As At 31.03.2015	As At 01.04.2014	For the year	Deductions	As At 31.03.2015	As At 31.03.2015	As At 31.03.2014
Freehold Land	-	45,314,754	-	45,314,754	-	-	-	-	45,314,754	-
Building	-	70,119,506	-	70,119,506	-	2,023,823	-	2,023,823	68,095,683	-
Plant & Machinery	-	274,395,434	-	274,395,434	-	18,201,181	-	18,201,181	256,194,253	-
Office Equipments	-	1,750,809	-	1,750,809	-	39,108	-	39,108	1,711,701	-
Furniture and Fixtures	-	2,214,158	-	2,214,158	-	28,396	-	28,396	2,185,762	-
Computers	-	637,888	-	637,888	-	38,809	-	38,809	599,079	-
Vehicles	-	613,200	-	613,200	-	24,273	-	24,273	588,927	-
Total	-	395,045,749	-	395,045,749	-	20,355,590	-	20,355,590	374,690,159	-
Previous Year	-	-	-	-	-	-	-	-	-	-

13 Intangible Assets

Amount in Rs.

Particulars	Gross Block			Depreciation / Amortization			Net Block			
	As At 01.04.2014	Additions	Disposals	As At 31.03.2015	As At 01.04.2014	For the year	Deductions	As At 31.03.2015	As At 31.03.2015	As At 31.03.2014
Patents, Know How	-	8,728,806	-	8,728,806	-	1,309,321	-	1,309,321	7,419,485	-
Total	-	8,728,806	-	8,728,806	-	1,309,321	-	1,309,321	7,419,485	-
Previous Year	-	-	-	-	-	-	-	-	-	-

a Intangible Asset under Development includes amortization capitalised Rs. Nil (Previous Year Rs. 1,720,207/-)

Arvind OG Nonwovens Private Limited

14 Loans and Advances

(Unsecured, Considered good unless otherwise stated)

Amount in Rs.

	Non Current		Current	
	As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Capital Advances	778,515	145,883,789	-	-
Security Deposits	2,740,554	2,740,554	-	-
Advance tax paid (Net of Provision for Income Tax of Rs. Nil, Previous Year Rs. Nil)	443,193	267,535	-	-
Advances recoverable in cash or in kind or for value to be received	-	-	616,643	237,464
Prepaid Expenses	-	-	521,203	94,004
CENVAT/Custom Duty Receivable	-	-	5,807,657	13,509
Total	3,962,262	148,891,878	6,945,503	344,977

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
Non Current Bank Balances (Note 18)	8,606,600	8,214,000	-	-
Income receivable	-	-	9,157,231	-
Interest Accrued	-	-	1,162,547	488,214
Export Incentive Receivable	-	-	1,622	-
Total	8,606,600	8,214,000	10,321,400	488,214

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Arvind OG Nonwovens Private Limited

16 Inventories

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

Raw Materials	15,960,480	-
In Transit	165,497	-
Fuel	197,660	-
Stores and Spares	720,188	-
Work-in-Progress	8,708,800	-
Finished Goods	4,356,798	-
Total	30,109,423	-

a Details of Inventory

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

Raw Material		
Fibre	14,648,885	-
Fabric	1,311,595	-
Total	15,960,480	-
Work-in-Progress		
Yarn and Fibre	3,333,758	-
Fabric	5,375,042	-
Total	8,708,800	-
Finished Goods		
Fabric	4,356,798	-
Total	4,356,798	-

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	-	-
Others	69,075,022	-
Total	69,075,022	-

Arvind OG Nonwovens Private Limited

Amount in Rs.

18 Cash and Bank Balances

	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	-	-	54,926	150,000
Balances with Banks				
In Current Accounts	-	-	256,457	490,214
In Deposit Account (with original maturity upto 3 months)	-	-	2,895,000	-
	-	-	3,206,383	640,214
Other Bank Balances:				
In Deposits Accounts				
With original maturity more than 3 months but less than 12 months	-	-	25,392,490	-
Held as Margin Money (Under lien with bank as Security for Guarantee Facility)	8,606,600	8,214,000	-	122,407,807
	8,606,600	8,214,000	25,392,490	122,407,807
Amount disclosed under the head "Other Non Current Assets" (Note 15)	8,606,600	8,214,000	-	-
Total	-	-	28,598,873	123,048,021

19 Capital and Other Commitments

	Amount in Rs.	
	As At	
	March 31, 2015	March 31, 2014
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,872,406	193,052,971
Other Commitments	-	-

Arvind OG Nonwovens Private Limited

20 Revenue from Operations

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Sale of Products		
Finished Goods	153,150,849	-
Less : Excise Duty	17,886,258	-
	135,264,591	-
Other Operating Revenues		
Waste Sale	192,117	-
Others	73,212	-
Total	135,529,920	-

21 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Interest Income	1,955,374	-
Exchange Difference (Net)	199,459	-
Scrap Sales	187,380	-
Other Income	1,149	-
Total	2,343,362	-

22 Cost of Materials Consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Stock at the beginning of the year	-	-
Purchases	128,613,908	-
	128,613,908	-
Less: Stock at the end of the year	16,125,977	-
Total	112,487,931	-

a Materials Consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Fibre	89,248,475	-
Yarn and Fabric	23,239,456	-
Total	112,487,931	-

b Value of imported and indigenous materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Imported	67,965,477	-
	60.42%	0.00%
Indigenous	44,522,454	-
	39.58%	0.00%
Total	112,487,931	-

23 Changes in Inventories of Finished Goods and 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	4,356,798	-
Work-in-Progress	8,708,800	-
	13,065,598	-
Stock at the beginning of the year		
Finished Goods	-	-
Work-in-Progress	-	-
	-	-
Excise Duty in Value of Stock - Increase	544,600	-
(Increase)/Decrease in stocks	(12,520,998)	-

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24 Employee Benefits Expense

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Salaries and Wages	5,289,967	-
Contribution to Provident Fund and Other Funds	220,870	-
Staff Welfare Expenses	207,078	-
Total	5,717,915	-

25 Finance Costs

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Interest		
On Term Loans	10,385,847	-
On Cash Credit	892,884	-
Others	879,314	-
Other Borrowing Costs	574,545	493,100
Total	12,732,590	493,100

26 Depreciation / Amortization Expense

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Depreciation of Tangible Assets	20,355,590	-
Amortization of Intangible Assets	1,309,321	-
Total	21,664,911	-

27 Other Expense

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Power and Fuel	6,571,087	-
Processing Charges	17,724,797	-
Stores Consumed	2,329,904	-
Repairs:		
To Buildings	1,875	1,150
To Machineries (including Spares Consumption)	2,140,678	-
To Others	53,615	6,125
Conveyance and Travelling Expense	1,502,712	-
Freight, Insurance and Clearing Charges	1,969,632	-
Miscellaneous Labour Charges	1,270,557	-
Security Expense	1,101,153	-
Bank Charges	1,060,272	-
Rates and Taxes	237,151	-
Application, Inspection and License Fees	150,388	-
Insurance Expense	173,862	-
Printing, Stationary & Communication	96,824	178
Refreshment Expense	209,505	-
Legal And Professional Fees	755,390	29,986
Share Issue Expense	62,308	805,592
Advertisement Expense	168,056	-
Payments to the auditor as		
(a) Auditor	56,180	56,180
(b) For Other Certification work	11,236	2,809
Other Interest	7,656	-
Miscellaneous Expenses	1,157,301	110,983
Total	38,812,139	1,013,003

a Spare Parts

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Imported	1,363,771	-
	63.71%	0.00%
Indigenous	776,907	-
	36.29%	0.00%
Total	2,140,678	-

28 CIF Value of Imports

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Capital Goods	213,734,090	-
Raw Materials	85,723,227	-

29 Expenditure in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Technical Know How	4,430,430	4,291,000
Travelling	-	82,172
Others	107,040	-
Total	4,537,470	4,373,172

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	82,620	-

30 Earning Per Share (EPS) :

		Year ended	
		March 31, 2015	March 31, 2014
Profit/(Loss) for the year available to equity shareholders	Rs.	(41,021,206)	(1,506,103)
Basic/Weighted average no. of Equity Shares	Nos.	2,373,845	1,048,411
Nominal value of Equity Shares	Rs.	10	10
Basic/Diluted Earning Per Share	Rs.	(17.28)	(1.44)

a Weighted average number of Equity Shares

	Year ended	
	March 31, 2015	March 31, 2014
No. of Shares for Basic EPS	2,054,909	10,000
Weighted average number of shares issued during the year	318,936	1,038,411
Weighted average number of shares considered for calculating EPS	2,373,845	1,048,411

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Arvind OG Nonwovens Private Limited

31 Related Party Disclosures :

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

a List of Related Parties & Relationship :

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

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

b Nature of Transactions	Holding Company		Associate Company		Fellow Subsidiary	
	Year ended		Year ended		Year ended	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Issue of Equity Shares including Premium	161,377,000	151,030,900	16,200,000	53,100,000	-	-
Share Application Money Received	-	14,580,700	-	4,500,000	-	-
Purchases						
Goods and Materials	13,825,349	-	6,272,468	-	23,325	-
Fixed Assets	194,664	-	7,307,930	-	-	-
Sales						
Raw Material	3,476,441	-	-	-	-	-
Finished Fabrics/Goods	170,500	-	-	-	-	-
Expenses						
Processing Charges	14,873,708	-	-	-	2,778,700	-
Service Charges	5,103,991	-	-	-	-	-
Outstanding :						
Receivable in respect of Current Assets	4,444,754	-	-	-	-	-
Payable in respect of Current Liabilities	42,066,061	4,107,316	4,660,888	-	49,000	-

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Nature of Transactions	Year ended	
	March 31, 2015	March 31, 2014
Issue of Equity Shares including Premium		
Arvind Limited	161,377,000	151,030,900
OG Corporation (Japan)	16,200,000	53,100,000
Share Application Money Received		
Arvind Limited	-	14,580,700
OG Corporation (Japan)	-	4,500,000
Purchases		
Goods and Materials		
Arvind Limited	13,825,349	-
OG Corporation (Japan)	6,272,468	-
Arvind PD Composites Private Limited	23,325	-
Fixed Assets		
Arvind Limited	194,664	-
OG Corporation (Japan)	7,307,930	-
Sales		
Raw Material		
Arvind Limited	3,476,441	-
Finished Fabrics/Goods		
Arvind Limited	170,500	-
Expenses		
Processing Charges		
Arvind Limited	14,873,708	-
Arvind PD Composites Private Limited	2,778,700	-
Service Charges		
Arvind Limited	5,103,991	-
Outstanding :		
Receivable in respect of Current Assets		
Arvind Limited	4,444,754	-
Payable in respect of Current Liabilities		
Arvind Limited	42,066,061	4,107,316
OG Corporation (Japan)	4,660,888	-
Arvind PD Composites Private Limited	49,000	-

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Arvind OG Nonwovens Private Limited

32 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	90,296	-

(ii) State Plans

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

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Employee's State Insurance	4,467	-
Employee's Pension Scheme	74,271	-

(iii) Defined Benefit Plans

(a) Leave Encashment/Compensated Absences

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

(b) Unfunded Gratuity

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

32 Segment Reporting

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

b Secondary Segment (Geographical by Customers)

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Segment Revenue		
a) In India	135,447,300	-
b) Outside India	82,620	-
Total Sales	135,529,920	-
Carrying Cost of Assets by location of Assets		
a) In India	556,789,361	240,908,427
b) Outside India	96,370	84,151,920
Total	556,885,731	325,060,347
Addition to Assets		
a) In India	376,858,302	44,073,257
b) Outside India	-	-
Total	376,858,302	44,073,257

33 Unhedged Foreign Currency Exposure:

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

Particulars	Year ended	
	#REF!	#REF!
Payable for purchase of goods		
i) Amount in USD	193,227.16	-
Amount in Rs.	12,076,698	-
ii) Amount in EUR	53,330.79	-
Amount in Rs.	3,583,296	-
iii) Amount in JPY	772,000	-
Amount in Rs.	402,405	-
Receivable on sale of goods		
i) Amount in USD	2,508.09	-
Amount in Rs.	156,756	-
ii) Amount in EUR	1,450.50	-
Amount in Rs.	97,459	-

34 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.

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

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

Chokshi Shreyas B.
CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 7, 2015

Director

Punit Salbhai
Director

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