

**ARVIND GOODHILL SUIT MANUFACTURING PRIVATE LIMITED**

**(CIN : U17121GJ2012PTC071968)**

**ANNUAL REPORT  
2015 – 2016**

**Arvind Goodhill Suit Manufacturing Private Limited**

**Balance Sheet**

Amount in Rs.

	Note	As at	
		March 31, 2016	March 31, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3	8,400,000	6,800,000
Reserves and Surplus	4	344,688,463	265,759,401
<b>Non-current liabilities</b>			
Long Term Borrowings	5	214,636,463	212,400,000
Deferred Tax Liabilities (Net)	6	-	-
Long Term Provisions	7	3,341,385	2,163,079
<b>Current liabilities</b>			
Short Term Borrowings	8	50,822,623	29,651,459
Trade Payables	9	103,891,931	29,019,850
Other Current Liabilities	10	66,373,097	74,130,257
Short Term Provisions	7	53,218	39,514
<b>Total</b>		<b>792,207,180</b>	<b>619,963,560</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible Assets	11	474,190,355	442,366,524
Intangible Assets	12	2,520,498	878,550
Capital Work-in-progress		10,623	27,894,726
Long Term Loans and Advances	13	24,374,747	30,490,168
Other Non-current Assets	14	17,365,907	16,865,503
<b>Current assets</b>			
Inventories	15	126,847,760	25,604,145
Trade Receivables	16	92,912,763	45,415,387
Cash and Bank Balances	17	12,049,265	963,287
Short Term Loans and Advances	13	17,779,482	5,219,290
Other Current Assets	14	24,155,780	24,265,980
<b>Total</b>		<b>792,207,180</b>	<b>619,963,560</b>
<b>Significant Accounting Policies</b>	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

*Bangalore*

*May 5, 2016*

*Jaru Gashika*  
**Director**

*[Signature]*

**Director**

Arvind Goodhill Suit Manufacturing Private Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2016	March 31, 2015
Revenue from operations (Gross)	19	491,494,911	153,457,043
Other Income	20	11,378,718	6,010,899
<b>Total Revenue</b>		<b>502,873,629</b>	<b>159,467,942</b>
<b>Expenses:</b>			
Cost of materials consumed	21	243,488,416	59,469,475
Changes in inventories of finished goods, work-in-progress	22	(44,778,262)	1,187,608
Employee benefits expense	23	187,348,063	88,743,498
Finance costs	24	20,216,313	13,063,233
Depreciation and amortization expense	25	23,802,125	16,588,207
Other expenses	26	72,267,912	36,056,163
<b>Total expenses</b>		<b>502,344,567</b>	<b>215,108,184</b>
<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		<b>529,062</b>	<b>(55,640,242)</b>
Exceptional items		-	-
<b>Profit / (Loss) before extraordinary items and tax</b>		<b>529,062</b>	<b>(55,640,242)</b>
Extraordinary Items		-	-
<b>Profit / (Loss) before tax</b>		<b>529,062</b>	<b>(55,640,242)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit / (Loss) for the year</b>		<b>529,062</b>	<b>(55,640,242)</b>
<b>Earnings per equity share</b>	30		
(Nominal Value per Share Rs. 10/-):			
Basic/Diluted		0.73	(93.76)
<b>Significant Accounting Policies</b>	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

*Bangalore*  
*May 5, 2016*

*Taru Yashoda*  
Director

*[Signature]*  
Director

Director

Arvind Goodhill Suit Manufacturing Private Limited

Cash Flow Statement

Amount in Rs.

	Year Ended	
	March 31, 2016	March 31, 2015
<b>A Cash Flow from Operating Activities</b>		
Profit / (Loss) before tax	529,062	(55,640,242)
Adjustments for:		
Depreciation /Amortization	23,802,125	16,588,207
Interest Income	(1,110,981)	(2,174,210)
Borrowing cost	20,216,313	13,063,233
Working Capital Changes:		
Changes in Provisions	1,192,010	1,899,756
Changes in trade payables	74,872,081	12,475,489
Changes in trade receivables	(47,497,376)	(43,258,129)
Changes in Other Current Liabilities	(16,417,160)	31,049,671
Changes in Other Current Assets	110,200	(18,734,351)
Changes in Other Non-current Assets	(500,404)	(3,352,922)
Changes in Inventories	(101,243,615)	(25,604,145)
Changes in short term loans and advances	(12,560,192)	501,301
Changes in long term loans and advances	(94,780)	(645,839)
<b>Net Changes in Working Capital</b>	(59,231,779)	(18,191,939)
<b>Cash Generated from Operations</b>	(58,702,717)	(73,832,181)
Direct Taxes (paid)/refunded	488,890	(3,094,390)
<b>Net Cash from Operating Activities</b>	(58,213,827)	(76,926,571)
<b>B Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	(29,383,801)	(106,557,050)
Interest Income	1,110,981	2,174,210
Changes in Capital Advances	5,721,311	27,051,443
	(22,551,509)	(77,331,397)
<b>C Cash Flow from Financing Activities</b>		
Changes in Long term borrowings	10,836,463	-
Changes in Short term borrowings	21,171,164	29,651,459
Borrowing cost	(20,156,313)	(13,217,343)
Money received for Issue of Equity shares with Securities		
Premium and Share Application money	80,000,000	137,221,638
<b>Net Cash Flow from Financing Activities</b>	91,851,314	153,655,754
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>	11,085,978	(602,214)
Cash & Cash equivalent at the beginning of the period	963,287	1,565,501
Cash & Cash equivalent at the end of the period	12,049,265	963,287

a Particulars	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
<b>Cash and Cash Equivalents Comprise of: (Note 17)</b>		
Cash on Hand	40,255	66,380
Balances with Banks	12,009,010	896,907
<b>Total</b>	<b>12,049,265</b>	<b>963,287</b>

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

*Sau Yashwanta*  
Director  
*Director*  
Director

Bangalore  
May 5, 2016

## Arvind Goodhill Suit Manufacturing Private Limited

### Notes to the financial statements

#### 1. COMPANY BACKGROUND

Arvind Goodhill Suit Manufacturing Private Limited is a Joint Venture between Arvind Limited, Goodhill Corporation, Japan and F-One Limited, Japan. The Company has set up a project of manufacturing Suits.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### a. Basis of Preparation of Financial Statement

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 – non current 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 & income from job work services. Sales are recognized based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer. Revenue from export sales are recognized on shipment basis. Sales are stated net of returns & Sales Tax/VAT. Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

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

Interest income is recognized 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 Garments have been valued at the lower of cost and net realizable value. Cost is measured on standard cost and includes cost of materials and cost of conversion.

All other inventories of raw materials, accessories, stores and consumables are valued at cost.

**f. Fixed Assets and Depreciation**

**Tangible Assets**

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 pre-operative 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 Method (SLM), over the useful lives specified in the Schedule II to the Companies Act, 2013.

**Intangible Assets**

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

Software is depreciated over management estimate of its useful life of 5 years and Patent/Knowhow is depreciated over its useful validity period.

**g. Foreign Currency Transactions**

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

Foreign currency monetary items are restated using exchange rate prevailing at the reporting date.

Any income or expense on account of exchange difference either on settlement or on translation other than as mentioned above is recognized in the Statement of Profit and Loss.

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**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 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.

**i. 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.

**j. Lease Accounting**

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

**k. Taxes on Income**

Tax expense consists of both current as well as deferred tax.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts.

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

**l. Government Grants and Subsidies**

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

Where the grant/subsidy relates to an asset, it is shown as a deduction from the gross value of the asset concerned in arriving at its book value.

**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.

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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 Goodhill Suit Manufacturing Private Limited

3 Share Capital

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
<b>Authorised</b> 1,000,000 Equity Shares (Previous Year 1,000,000) Par Value of Rs. 10/- per share	10,000,000	10,000,000
	<b>10,000,000</b>	<b>10,000,000</b>
<b>Issued</b> 840,000 Equity Shares (Previous Year 680,000) Par Value of Rs. 10/- per share	8,400,000	6,800,000
	<b>8,400,000</b>	<b>6,800,000</b>
<b>Subscribed and fully paid up</b> 840,000 Equity Shares (Previous Year 680,000) Par Value of Rs. 10/- per share fully paid up	8,400,000	6,800,000
	<b>8,400,000</b>	<b>6,800,000</b>
<b>Total</b>	<b>8,400,000</b>	<b>6,800,000</b>

a Reconciliation of Number of Shares

Particulars	As at		As at	
	March 31, 2016		March 31, 2015	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	680,000	6,800,000	280,000	2,800,000
Add :				
Shares issued during the year	160,000	1,600,000	400,000	4,000,000
<b>Balance at the end of the year</b>	<b>840,000</b>	<b>8,400,000</b>	<b>680,000</b>	<b>6,800,000</b>

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, 2016	March 31, 2015
Holding Company - Arvind Limited	428,400	346,800

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, 2016	March 31, 2015
Holding Company - Arvind Limited	428,400	346,800
	51.00%	51.00%
Associate Company - Goodhill Corporation (Japan)	243,600	197,200
	29.00%	29.00%
Associate Company - F-One Limited (Japan)	168,000	136,000
	20.00%	20.00%

4 Reserves and Surplus

	Amount in Rs.	
	March 31, 2016	March 31, 2015
<b>Securities Premium Account</b>		
Balance as per last financial statements	323,400,000	127,400,000
Add: Addition during the year	78,400,000	196,000,000
<b>Balance at the end of the year</b>	<b>401,800,000</b>	<b>323,400,000</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last financial statements	(57,640,599)	(2,000,357)
Add: Profit/(Loss) for the year	529,062	(55,640,242)
<b>Balance at the end of the year</b>	<b>(57,111,537)</b>	<b>(57,640,599)</b>
<b>Total</b>	<b>344,688,463</b>	<b>265,759,401</b>

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Arvind Goodhill Suit Manufacturing Private Limited

5 Long Term Borrowings

	Amount in Rs.			
	Non Current Portion		Current Maturities	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Secured</b>				
<b>Term Loans :</b>				
From Banks	2146,36,463	2124,00,000	462,00,000	376,00,000
	<b>2146,36,463</b>	<b>2124,00,000</b>	<b>462,00,000</b>	<b>376,00,000</b>
<b>Amount disclosed under the head "Other Current Liabilities" (Note 11)</b>	-	-	462,00,000	376,00,000
<b>Total</b>	<b>2146,36,463</b>	<b>2124,00,000</b>	-	-

a Nature of Security:

Term Loans from Banks are secured by First charge over the entire fixed assets and second charge over entire stock, receivables and other current assets of the Company both present and future.

b Rate of Interest and Terms of Repayment

Particulars	Amount in Rs.	Range of Interest (%)	Terms of Repayment from Balance sheet date
<b>From Banks</b>			
Canara Bank	2130,00,095	Base Rate + 1.05%	Repayable in 20 quarterly instalments starting from quarter ending June 30, 2015
State Bank Of India	478,36,368	Base Rate + 4.40%	Repayable in 20 quarterly instalments starting from quarter ending June 30, 2015

6 Deferred Tax Liabilities (Net)

	Amount in Rs.	
	March 31, 2016	March 31, 2015
<b>Deferred Tax Liability</b>		
In respect of Fixed Assets	534,75,785	433,62,902
<b>Total (a)</b>	<b>534,75,785</b>	<b>433,62,902</b>
<b>Deferred Tax Asset</b>		
In respect of Unabsorbed Loss/Depreciation*	528,66,185	427,36,873
In respect of Expenditure Allowable on payment basis	6,09,600	6,18,320
In respect of others	-	7,709
<b>Total (b)</b>	<b>534,75,785</b>	<b>433,62,902</b>
<b>Net Liability (a-b)</b>	-	-

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

7 Provisions

	Amount in Rs.			
	Long Term		Short Term	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Provision for Employee Benefits</b>				
Leave Encashment	7,94,187	5,62,961	36,986	26,963
Gratuity	25,47,198	16,00,118	16,232	12,551
<b>Total</b>	<b>33,41,385</b>	<b>21,63,079</b>	<b>53,218</b>	<b>39,514</b>

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**Arvind Goodhill Suit Manufacturing Private Limited**

**8 Short Term Borrowings**

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
<b>Secured</b>		
Working Capital Loans repayable on demand From Banks	50,822,623	29,651,459
<b>Total</b>	<b>50,822,623</b>	<b>29,651,459</b>

**a Nature of Security**

Loans from banks are secured by:

- i. First charge over entire stocks, receivables and other current assets and second charge over entire fixed assets of the Company both present and future.
- ii. Additionally secured by Corporate Guarantee given by Arvind Limited, the holding company.

**b Rate of Interest**

Loans from banks carry interest rates of 1.05% above base rate.

**9 Trade Payables**

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
(a) Total outstanding from Micro and Small Enterprises (Note a)		
(b) Total outstanding to other than Micro and Small Enterprises	103,891,931	29,019,850
<b>Total</b>	<b>103,891,931</b>	<b>29,019,850</b>

a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

- (a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- (b) Interest paid during the year;
- (c) Amount of payment made to the supplier beyond the appointed day during accounting year;
- (d) Interest due and payable for the period of delay in making payment;
- (e) Interest accrued and unpaid at the end of the accounting year; and
- (f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.

have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

**10 Other Current Liabilities**

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings (Note 6)	46,200,000	37,600,000
Interest accrued but not due	60,000	-
Advance from Customers	147,763	186,021
Statutory Dues including Provident fund and Tax deducted at Source	3,375,701	1,413,541
Payable in respect of Employees	14,307,170	10,672,940
Payable in respect of Capital Goods	2,264,009	5,737,765
Security Deposits	18,454	18,454
Book Overdraft	-	#####
Others	-	160,000
<b>Total</b>	<b>66,373,097</b>	<b>74,130,257</b>

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Arvind Goodhill Suit Manufacturing Private Limited

11 Tangible Assets

Particular	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As on 01.04.2015	Additions	Deduction (Note b)	Other Adjustments (Note a)	As on 31.03.2016	For the year	Deductions	As on 31.03.2016	As on 31.03.2015
<b>Own Assets</b>									
Leasehold Building	-	826,166	-	-	826,166	-	-	-	826,166
Plant and Machinery	443,955,738	84,642,504 (424,551,993)	39,862,497	(19,403,745)	488,735,745 (443,955,738)	20,693,759 (15,313,647)	-	36,007,406 (15,313,647)	428,642,091
Computers	2,495,227	520,970 (2,495,227)	-	-	3,016,197 (2,495,227)	747,604 (94,475)	-	842,079 (94,475)	2,400,752
Furniture and Fixtures	10,959,325	3,005,709 (10,959,325)	-	-	13,965,034 (10,959,325)	1,154,594 (828,095)	-	1,982,689 (828,095)	10,131,230
Vehicles	-	4,609,393	-	-	4,609,393	547,366	-	547,366	-
Office Equipments	1,389,402	1,597,649 (1,389,402)	-	-	2,987,051 (1,389,402)	372,740 (196,951)	-	569,691 (196,951)	1,192,451
<b>Total</b>	<b>458,799,692</b>	<b>95,202,391</b> (439,395,947)	<b>39,862,497</b>	<b>-</b> (19,403,745)	<b>514,139,586</b> (458,799,692)	<b>23,516,063</b> (16,433,168)	<b>-</b>	<b>39,949,231</b> (16,433,168)	<b>442,366,524</b>
Previous Year	-	-	-	-	-	-	-	-	-

Figures of previous years are shown in brackets

a Borrowing Cost capitalised during the year:

23,802,125

Particulars	Amount in Rs.			
	Other Adjustments		Addition in Capital Work in Progress	
	For the year	Transfer from Capital Work in Progress	For the year	
	2015-2016	2014-2015	2015-2016	2014-2015
Borrowing Cost	-	6,938,217	-	-
<b>Total</b>	<b>-</b>	<b>6,938,217</b>	<b>-</b>	<b>-</b>

b Deduction of Gross Block is Capital Subsidy of Rs. 39,862,497 (Previous year Rs. Nil)

12 Intangible Assets

Particular	GROSS BLOCK			AMORTISATION			NET BLOCK	
	As on 01.04.2015	Additions	Disposals	As on 31.03.2016	For the year	Deductions	As on 31.03.2016	As on 31.03.2015
<b>Own Assets</b>								
Computer Software	1,033,589	1,928,010 (1,033,589)	-	2,961,599 (1,033,589)	286,062 (155,039)	-	441,101 (155,039)	878,550
<b>Total</b>	<b>1,033,589</b>	<b>1,928,010</b> (1,033,589)	<b>-</b>	<b>2,961,599</b> (1,033,589)	<b>286,062</b> (155,039)	<b>-</b>	<b>441,101</b> (155,039)	<b>878,550</b>
Previous Year	-	-	-	-	-	-	-	-

**Arvind Goodhill Suit Manufacturing Private Limited**

13 Loans and Advances (Unsecured, Considered good unless otherwise stated)	Amount in Rs.			
	Long Term		Short Term	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Capital Advances	42,34,557	99,55,868	-	-
Advance Income Tax (TDS)	27,39,571	32,28,461	-	-
Security Deposits	172,40,000	171,60,000	-	-
Loan to Employees	-	1,45,839	3,05,075	2,49,996
Advances recoverable in cash or in kind or for value to be received	-	-	165,91,550	46,94,473
Prepaid Expenses	1,60,619	-	8,82,857	2,74,821
<b>Total</b>	<b>243,74,747</b>	<b>304,90,168</b>	<b>177,79,482</b>	<b>52,19,290</b>

14 Other Assets	Amount in Rs.			
	Non Current		Current	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Non-current bank balances (Note 18)	173,65,907	168,65,503	-	-
Entry Tax Refund Receivable	-	-	-	61,77,083
Interest Subsidy Receivable	-	-	120,35,609	170,45,489
Export Incentive Receivable	-	-	116,31,832	3,37,808
Others	-	-	4,88,339	7,05,600
<b>Total</b>	<b>173,65,907</b>	<b>168,65,503</b>	<b>241,55,780</b>	<b>242,65,980</b>

15 Inventories	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Raw Materials		
Fabrics	175,96,834	25,80,120
Accessories	433,10,757	51,25,493
Stores and Spares	48,04,540	16,87,023
Fuel	3,54,177	2,08,319
Work-in-Progress		
Garments	52,99,652	69,01,305
Finished Goods		
Garments	554,81,800	91,01,885
<b>Total</b>	<b>1268,47,760</b>	<b>256,04,145</b>

*m.s.g*

Arvind Goodhill Suit Manufacturing Private Limited

16 Trade Receivables (Unsecured, considered good unless otherwise stated)	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment	-	-
Others	929,12,763	454,15,387
<b>Total</b>	<b>929,12,763</b>	<b>454,15,387</b>

17 Cash and Bank Balances	Amount in Rs.			
	Non-current		Current	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Cash and Cash Equivalents:</b>				
<b>Cash on Hand</b>	-	-	40,255	66,380
<b>Balances with Banks</b>				
In Current Account	-	-	102,05,710	8,96,907
			<b>102,45,965</b>	<b>9,63,287</b>
<b>Other Bank Balances:</b>				
In Deposit Account				
Held as Margin Money	173,65,907	168,65,503	18,03,300	-
(Under lien with bank as Security for Guarantee Facility)				
	<b>173,65,907</b>	<b>168,65,503</b>	<b>18,03,300</b>	-
<b>Amount disclosed under the head "Other Non Current Assets" (Note 15)</b>	<b>173,65,907</b>	<b>168,65,503</b>		-
<b>Total</b>	-	-	<b>120,49,265</b>	<b>9,63,287</b>

18 Contingent Liabilities, Capital and other commitments	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
<b>Contingent Liabilities</b> (to the extent not provided for)	Nil	Nil
<b>Capital and Other Commitments</b>		
Capital Commitments	49,32,521	Nil
Others	Nil	Nil

*ms. G.*

Arvind Goodhill Suit Manufacturing Private Limited

19 Revenue from Operations

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
<b>Sale of products</b>		
Finished Goods		
Garments	428,540,327	119,341,402
<b>Sale of Services</b>		
Job Work Charges	45,559,924	33,430,116
<b>Other Operating Income</b>		
Sample and Scrap Sales	1,164,310	300,015
Export Incentive	16,230,350	385,510
<b>Total</b>	<b>491,494,911</b>	<b>153,457,043</b>

20 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest Income		
Bank Deposits	1,110,981	2,174,210
Rent Income	1,175,000	2,266,667
Foreign Exchange Gain (Net)	7,463,540	-
Others	1,629,197	1,570,022
<b>Total</b>	<b>11,378,718</b>	<b>6,010,899</b>

21 Cost of materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Raw Materials including Accessories		
Stock at the commencement	5,125,493	-
Purchases	299,270,514	64,594,968
	304,396,007	64,594,968
Less: Stock at Close	60,907,591	5,125,493
<b>Total</b>	<b>243,488,416</b>	<b>59,469,475</b>

a Details of Consumption

(i) Consumption of Raw Materials

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Fabric	139,274,432	30,742,727
Accessories	104,213,984	28,726,748
<b>Total</b>	<b>243,488,416</b>	<b>59,469,475</b>

(ii) Value of imported and indigenous materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
<b>Imported</b>	38,308,850	-
	16%	-
<b>Indigenous</b>	205,179,566	59,469,475
	84%	100%
<b>Total</b>	<b>243,488,416</b>	<b>59,469,475</b>
	100%	100%

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Arvind Goodhill Suit Manufacturing Private Limited

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

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
<b>(Increase)/Decrease in stocks</b>		
Stock at the end of the year		
Finished Goods	55,481,800	9,101,885
Work in Progress	5,299,652	6,901,305
	60,781,452	16,003,190
Transferred from Capital Work-in-Progress		
Finished Goods	-	15,591,438
Work in Progress	-	1,599,360
	-	17,190,798
Stock at the beginning of the year		
Finished Goods	9,101,885	-
Work in Progress	6,901,305	-
	16,003,190	-
<b>(Increase)/Decrease in stocks</b>	<b>-44,778,262</b>	<b>1,187,608</b>

23 Employee Benefits Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Salaries and Wages	164,056,043	77,289,501
Contribution to Provident Fund and Other Funds	20,720,388	9,927,457
Staff welfare expenses	2,571,632	1,526,540
<b>Total</b>	<b>187,348,063</b>	<b>88,743,498</b>

24 Finance Costs

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest		
On Term Loans (Net of TUF subsidy Rs. 12,035,609/-, Previous year Rs. 9,383,562/-)	14,502,730	11,671,535
On Working Capital Loans	4,451,060	1,059,505
Others	22,082	112,979
Other Borrowing cost	1,240,441	219,214
<b>Total</b>	<b>20,216,313</b>	<b>13,063,233</b>

25 Depreciation / Amortization Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Depreciation on Tangible assets	23,516,063	16,433,168
Amortization on Intangible assets	286,062	155,039
<b>Total</b>	<b>23,802,125</b>	<b>16,588,207</b>

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Arvind Goodhill Suit Manufacturing Private Limited

26 Other Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Power & Fuel	16,054,726	7,093,746
Stores Consumed	6,000,908	3,435,624
Processing Charges	4,660,107	825,914
Communication Expense	569,243	393,936
Rent	23,870,116	17,178,606
Repairs		
To Machinery	4,359,117	681,909
To Others	291,084	263,901
Travelling and Conveyance	1,364,153	1,422,007
Freight Expense	4,527,518	250,757
Security Expense	2,562,826	1,457,109
Housekeeping Expense	161,347	118,345
Printing & Stationery	254,772	132,461
Legal and Professional Fees	1,830,437	181,463
Application, Inspection & Registration Fees	476,204	130,138
Sales Promotion Expense	12,800	50,375
Filing Fees	3,682	3,681
Insurance	407,732	109,422
Payments to the auditor as		
(a) Auditor	269,300	56,180
(b) For Other Certification work	34,000	47,753
(c) For Tax Audit	77,500	-
(d) For reimbursement of expenses	30,550	28,090
Exchange Rate Loss (Net)	-	57,096
Share Issue Expenses	80,000	200,000
Rates and Taxes	6,644	-
Bank Charges	1,276,334	67,486
Miscellaneous Expense	3,086,812	1,870,164
<b>Total</b>	<b>72,267,912</b>	<b>36,056,163</b>

27 CIF Value of Imports

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Capital Goods	58,614,343	46,984,358
Raw Materials	43,482,160	-

28 Expenditure in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Travelling	644,077	47,468
Others	175,030	-

29 Earning in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Export of goods calculated on F.O.B. basis	205,212,120	3,890,392

30 Earning Per Share (EPS) :

		Year ended		
		March 31, 2016		March 31, 2015
		Profit / (Loss) for the year available to equity shareholders	Rs.	529,062
Weighted average no. of Equity Shares	Nos.	724,153	593,425	
Nominal value of Equity Shares	Rs.	10	10	
Basic/Diluted Earning Per Share	Rs.	0.73	(93.76)	

a Weighted average number of Equity Shares

	Year ended	
	March 31, 2016	March 31, 2015
	Opening No. of Shares for Basic EPS	680,000
Weighted average number of shares issued during the year	44,153	313,425
Weighted average number of shares considered for calculating EPS	724,153	593,425

2016

**Arvind Goodhill Suit Manufacturing Private Limited**

**31 Disclosure as required by Accounting Standard on Employee Benefits (AS 15):**

**(i) Defined Contribution Plans**

The Company has recognised the following amounts in the financial statement for Defined Contribution Plans:

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Provident Fund	13,769,870	8,583,106

**(ii) State Plans**

The Company has recognised the following amounts in the financial statement for Contribution to State Plans:

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Employee's State Insurance	5,903,757	2,931,648

**(iii) Defined Benefit Plans**

**(a) Leave Encashment/Compensated Absences**

Amount of Rs. 831,173/- (Previous year Rs. 555,009/-) recognised in the financial statement towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

**(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, 2016	March 31, 2015
<b>Change in the Benefit Obligations :</b>		
Liability at the beginning of the year	1,612,669	267,922
Interest Cost	130,304	24,944
Current Service Cost	2,692,503	725,705
Benefits Paid	-	-
Actuarial Loss/(Gain)	(1,872,046)	594,098
<b>Liability at the end of the year</b>	<b>2,563,430</b>	<b>1,612,669</b>
<b>Fair Value of Plan Assets :</b>		
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Actuarial gain/(loss) on Plan Assets	-	-
<b>Fair Value on Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total Actuarial (Loss) /Gain to be recognized</b>	<b>1,872,046</b>	<b>(594,098)</b>
<b>Actual Return on Plan Assets :</b>		
Expected Return on Plan Assets	-	-
Actuarial gain/(loss) on Plan Assets	-	-
<b>Actual Return on Plan Assets</b>	<b>-</b>	<b>-</b>
<b>Amount Recognized in the Balance Sheet :</b>		
Liability at the end of the year	2,563,430	1,612,669
Fair Value of Plan Assets at the end of the year	-	-
<b>Amount recognized in the Balance Sheet under " Provision for Employee Benefits "</b>	<b>2,563,430</b>	<b>1,612,669</b>
<b>Expense Recognized in Financial Statement :</b>		
Interest Cost	130,304	24,944
Current Service Cost	2,692,503	725,705
Expected Return on Plan Assets	-	-
Net Actuarial loss/(gain) to be recognized	(1,872,046)	594,098
<b>Expense recognized in Financial Statement</b>	<b>950,761</b>	<b>1,344,747</b>
<b>Reconciliation of the Liability Recognized in the Balance Sheet :</b>		
Opening Net Liability	1,612,669	267,922
Expense Recognized	950,761	1,344,747
Contribution by the Company	-	-
<b>Amount recognized in the Balance Sheet under " Provision for Employee Benefits "</b>	<b>2,563,430</b>	<b>1,612,669</b>

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, 2016	March 31, 2015
Discount Rate (%)	7.96	8.08
Attrition Rate (%)	2.00	2.00

**Arvind Goodhill Suit Manufacturing Private Limited**

**32 Related Party Disclosures :**

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

**a List of Related Parties & Relationship :**

Arvind Limited	Holding Company
Arvind Internet Limited	Fellow Subsidiary Company
Arvind Lifestyle Brands Limited	Fellow Subsidiary Company
Goodhill Corporation	Associate Company
F-One Limited	Associate Company

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

**b Related Party Transactions :**

Nature of Transactions	Amount in Rs.	
	March 31, 2016	March 31, 2015
<b>Processing Income</b>		
Arvind Internet Limited	1,773,000	2,235,700
Arvind Limited	9,272,500	-
<b>Sales</b>		
Arvind Internet Limited	-	-
Arvind Limited	5,967,675	4,684,455
Arvind Lifestyle Brands Limited	83,670,098	2,033,064
<b>Rent Income</b>		
Arvind Internet Limited	535,000	2,266,667
Arvind Limited	640,000	-
<b>Purchase</b>		
Arvind Limited	1,171,650	217,563
Arvind Lifestyle Brands Limited	-	-
Goodhill Corporation	85,873	-
F-One Limited	260,551	-
<b>Issue of Equity Shares</b>		
Arvind Limited	40,800,000	102,000,000
Goodhill Corporation	23,200,000	58,000,000
F-One Limited	16,000,000	40,000,000
<b>Outstanding :</b>		
<b>Receivable in respect of Current Assets</b>		
Arvind Limited	12,838,196	193,308
Arvind Internet Limited	-	3,601,659
Arvind Lifestyle Brands Limited	5,517,933	129,150
<b>Payable in respect of Current Liabilities</b>		
Arvind Limited	10,013,976	-

**c Transactions and Balance :**

Particulars	Holding Company		Fellow Subsidiary Companies		Associate Company	
	Year ended		Year ended		Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Transactions:</b>						
Processing Income	-	-	1,773,000	2,235,700	-	-
Rent Income	640,000	-	535,000	2,266,667	-	-
Sales	5,967,675	4,684,455	83,670,098	2,033,064	-	-
Purchase	1,171,650	217,563	-	-	346,424	-
Issue of Equity Shares	40,800,000	102,000,000	-	-	39,200,000	98,000,000
<b>Outstanding:</b>						
Receivable in respect of Current Assets	12,838,196	193,308	5,517,933	3,730,809	-	-
Share Application money received pending allotment	40,800,000	-	-	-	-	-
Payable in respect of Current Liabilities	10,013,976	-	-	-	-	-

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**Arvind Goodhill Suit Manufacturing Private Limited**

**33 Lease Rent**

**Operating Lease**

- a Operating lease rental charged: Rs. 23,856,472/- (Previous year Rs. 17,152,020)
- b Rent expense includes lease rental payments towards factory buiding and Guest House. Such leases are not having any non-cancellable period and they are generally for a period of 11 to 108 months with the option of renewal against increased rent.

**34 Segment Reporting**

- a The Company is primarily engaged in the business of Garments, which in the context of Accounting Standard 17 on " Segment Reporting" constitutes a single reportable primary (business) segment.
- b **Secondary Segment (Geographical by Customers)**

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
<b>Segment Revenue</b>		
a) In India	286,282,791	149,566,651
b) Outside India	205,212,120	3,890,392
<b>Total Sales</b>	<b>491,494,911</b>	<b>153,457,043</b>
<b>Carrying Cost of Assets by location of Assets</b>		
a) In India	774,601,197	616,504,044
b) Outside India	17,605,983	3,459,516
<b>Total</b>	<b>792,207,180</b>	<b>619,963,560</b>
<b>Addition to Assets</b>		
a) In India	69,246,298	87,153,305
b) Outside India	-	-
<b>Total</b>	<b>69,246,298</b>	<b>412,534,810</b>

**35 Unhedged Foreign Currency Exposures at the Reporting Date:**

Particulars	Year ended	
	March 31, 2016	March 31, 2015
<b>Receivable on sale of goods</b>		
Amount in USD	131,732	55,352
Amount in GBP	92,991	-
Amount in Rs.	17,605,983	3,459,516
<b>Payable on purchase of goods</b>		
Amount in USD	230,155	-
Amount in JPY	66,955	-
Amount in Rs.	15,288,412	-

- 36 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.
- 37 Previous year figures are regrouped wherever required.

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

*Bangalore*  
*May 5, 2016*

*Jarujashoth*  
**Director**

*[Signature]*  
**Director**