



INDIA DENIM LIMITED

10TH ANNUAL REPORT

AUDITED BALANCE SHEET

2014-2015

Registered office: - Plot No. 145-147, Village Walthera Dholka – Bagodara Road Taluka – Dholka Dist. Ahmedabad 387 810 (Gujarat).

Administrative office : 709, M.V. house, Near Hathisingh wadi, Shahibaug, Ahmedabad – 380 004 (Gujarat).

Corporate office; Building No. 7 Mittal Industrial Estate, Sakinaka, Andheri East Mumbai-400 059 (Maharashtra).

INDEPENDENT AUDITOR'S REPORT

To the Members of India Denim Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying financial statements of **India Denim Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 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 Standalone Financial Statements

2. The management and Board of Directors of the Company are 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 Companies (Accounts) Rules, 2014. This responsibility 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; design, implementation and maintenance of adequate internal financial controls, that are 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

3. 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 thereunder. 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.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

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



Report on Other Legal and Regulatory Requirements

6. 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, to the extent applicable.
7. As required by section 143(3) of the Act, we further 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 applicable 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 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act;
 - f) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,
 - 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; as such the question of commenting on any material foreseeable losses thereon does not arise;
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Raj K. Agarwal & Co.
(Chartered Accountants)



Rajendrakumar Agarwal
(Proprietor)
Membership No. 70635
Firm Regs. No. 108306W

Ahmedabad
28th May 2015

Annexure referred to in paragraph of Our Report of even date to the members of India Denim Limited on the standalone financial statements for the year ended 31st March, 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- i. (a). The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets ;
(b). As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification;
- ii. (a). As explained to us, inventories of the Company at all its locations have been physically verified by the management during the year
(b). In our opinion, the procedures of physical verification of inventories 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 has maintained proper records of its inventories. As explained to us there were no material discrepancies noticed on physical verification of inventory as compared to book records.
- iii. According to the information and explanations given to us, The company has not granted any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
- v. According to the information and explanations given to us, The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013.
- vi. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
- vii. (a) According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, , Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India ;

(b) According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes except TDS of Rs. 6.40 Lacs.

(c) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise
- viii. The Company has accumulated losses at the end of the financial year. The Company has incurred cash losses during the financial year covered by the audit.
- ix. According to the records of the company examined by us and as per the information and explanations given to us, the company has not availed of any loans from any financial institution or banks and has not issued debentures

RAJ K. AGARWAL & CO.,
(Chartered Accountants)

C/502, Shilalekh,
Opp. Police Stadium,
Shahibaug, Ahmedabad-380004
Tel: - 079-25626743

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- x. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year
- xi. In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
- xii. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management

For Raj K. Agarwal & Co.
(Chartered Accountants)



Rajendrakumar Agarwal
(Proprietor)

Membership No.70635

Firm Regs. No. 108306W *

Ahmedabad
28th May 2015




Balance Sheet as at 31st March, 2015

Amount in (₹)

Particulars	Note No.	As at 31st March, 2015	As at 31st March, 2014
		Amount	Amount
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	11,44,59,000	11,44,59,000
(b) Reserves and surplus	4	(24,85,060)	2,39,14,581
		11,19,73,940	13,83,73,581
2 Non-current liabilities			
Long-term borrowings	5	32,95,76,886	26,94,40,265
		32,95,76,886	26,94,40,265
3 Current liabilities			
(a) Short-term borrowings	6	18,83,41,756	17,51,80,845
(b) Trade payables	7	1,29,00,711	2,26,03,910
(c) Other current liabilities	8	12,69,28,649	11,28,56,228
(d) Short-term provisions	9	68,29,369	25,40,223
		33,50,00,485	31,31,81,206
TOTAL		77,65,51,311	72,09,95,052
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
Tangible assets	10	28,55,54,548	30,85,79,788
(b) Deferred tax assets (Net)	11	2,03,19,855	77,20,018
(c) Long Term advances & receivables	12	1,00,79,402	1,00,79,402
		31,59,53,804	32,63,79,208
2 Current assets			
(a) Inventories	13	19,90,77,690	19,92,50,230
(b) Trade receivables	14	14,00,32,888	12,72,71,020
(c) Cash and cash equivalents	15	3,89,914	23,43,809
(d) Short-term loans and advances	16	12,08,99,418	6,56,89,825
(e) Other current assets	17	1,97,597	60,960
		46,05,97,507	39,46,15,844
TOTAL		77,65,51,311	72,09,95,052
See accompanying notes forming part of the financial statements			

In terms of our report attached.
For Raj K Agarwal & Co.
Chartered Accountants


RajendraKumar Agarwal
(Proprietor)
Membership No. 70635
Firm Regs. No. 108306W

For and on behalf of the Board of Directors

Prakashchand Dalmia
Chairman & Managing Director


R.B. Somany
Director

Place : Ahmedabad
Date : 28-5-20015

Place : Ahmedabad
Date : 28-5-20015



Statement of Profit and Loss for the year ended 31st March 2015

		Amount in (₹)	
Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
		Amount	Amount
1 Revenue from operations (gross)	18	40,02,89,638	50,75,31,163
2 Other income	19	9,72,404	13,30,464
3 Total revenue (1+2)		40,12,62,042	50,88,61,627
4 Expenses			
(a) Cost of materials consumed	20.a	30,89,91,444	36,93,77,421
(b) Changes in inventories of finished goods and work-in-progress	20.b	(62,82,400)	(37,37,255)
(c) Employee benefits expense	21	2,23,78,312	2,77,89,362
(d) Finance costs	22	3,45,53,036	4,63,30,318
(e) Depreciation and amortisation expense	10	2,32,61,053	2,83,40,904
(f) Other expenses	23	5,71,04,218	6,54,37,976
Total expenses		44,00,05,663	53,35,38,726
5 Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		(3,87,43,621)	(2,46,77,099)
6 Exceptional items (Loss on sale of Car)		(1,50,551)	-
7 Profit / (Loss) before extraordinary items and tax (5 ± 6)		(3,88,94,172)	(2,46,77,099)
8 Extraordinary items		-	-
9 Profit / (Loss) before tax (7 ± 8)		(3,88,94,172)	(2,46,77,099)
10 Tax expense:			
(a) Current tax expense for current year		-	-
(b) Deferred tax Asser (Liability)	11	1,25,99,837	77,20,018
11 Profit / (Loss) from operations (9 ± 10)		(2,62,94,336)	(1,69,57,081)
12 Earnings per equity share	24		
(a) Basic		(2.30)	(1.48)
(b) Diluted		(2.30)	(1.48)

In terms of our report attached.

For Raj K Agarwal & Co.
Chartered AccountantsRajendrakumar Agarwal
(Proprietor)
Membership No. 70635
Firm Regs. No. 108306W

For and on behalf of the Board of Directors

Prakashchand Dalmia
Chairman & Managing Director
R.B. Somany
DirectorPlace : Ahmedabad
Date : 28-5-20015Place Ahmedabad
Date : 28-5-20015