



Pranavadiya

Spinning Mills Limited

Annual Report
2 0 1 4 - 1 5





Contents

1	Corporate Information	30	Balance Sheet
2	Directors' Report	31	Profit & Loss Account
17	Corporate Governance Report	32	Cash Flow Statement
26	Auditors' Report	34	Notes forming part of Accounts



Corporate Information

Board of Directors

Mr. S. K. Agrawal - Chairman
Mr. Anil Kumar Jain
Mr. Kamal Mitra
Mr. P. N. Shah
Mr. R. Anand
Ms. Preeti Sheth
(Appointed w.e.f. 11th November, 2014)

Company Secretary & Compliance Officer

Mr. Abhishek Thareja

Auditors

B. K. Shroff & Co.
Chartered Accountants
3/7-B, Asaf Ali Road,
New Delhi 110 002

Corporate Office

301, Arcadia, Nariman Point,
Mumbai - 400 021, India.

Registered Office / Plant

Plot No. 266,
Village Alte, Kumbhoj Road,
Taluka: Hatkanagale
District: Kolhapur - 416 109

Registrar & Share Transfer Agent

Big Share Service Pvt. Ltd.
E-2-3/Ansa Industrial Estate,
Saki Vihar Road,
Saki Naka, Andheri (East)
Mumbai - 400 072

Banker

Union Bank Of India

CIN

L17119PN1990PLC058139

DIRECTORS' REPORT



Your Directors have pleasure in presenting their 25th annual report on the business and operations of your Company together with the audited financial statements and the Auditor's Report for the financial year ended March 31, 2015.

(₹ In lac, except EPS)

Financial Results	2014-15	2013-14
Revenue	6584.82	7305.18
EBIDTA	204.28	451.76
Less : Interest	29.96	25.82
Less : Depreciation	56.60	45.88
Less: Exceptional Item	-	-
Profit before Tax	117.72	380.06
Provision for Tax	34.85	123.57
Net Profit	82.87	256.54
EPS (₹)	0.43	1.33
Cash Profit	150.77	349.81
Net Profit for the year	82.87	256.54
Add: Balance in Profit & Loss Account	426.69	170.15
Sub-total	509.56	426.69
Less: Adjustment on account of depreciation	(2.71)	-
Balance carried to Profit & Loss Account	506.85	426.69

Operational and financial performance overview

During the financial year under review, the Company achieved revenue of ₹ 6584.82 lac as compared to ₹ 7305.18 lac in the previous year. There has been a drop in the EBIDTA from ₹ 451.76 lac to ₹ 204.28 lac. Net profit during the year is ₹ 82.87 lac as compared to Net profit of ₹ 256.54 lac in the previous year.

The Company performed reasonably during the fiscal year 2013-14. Performance for the year under review was affected as the Spinning Industry went into tailspin due to a number of factors. The major causes were:

- Raw cotton prices crashed globally by almost 50% and the benchmark New York Futures plunged from over 90 cents a pound in July 2014 to below 60 cents by Oct / Nov 2014. Indian cotton prices were no exception and crashed steeply.
- Spinning Mills, were left with high-priced cotton, with resultant value losses.
- The major factor in causing cotton price crash was significant changes in Chinese Cotton Procurement policies, which in the past had kept the global prices buoyant.

The reduced demand of Cotton from China, negatively impacted the cotton prices. The cotton prices fell below the Minimum Support Prices and Government of India started procuring cotton at minimum support price through Cotton Corporation of India (CCI), which resulted in non-availability of cotton to the Spinning Mills at reasonable price.

The fall in prices of yarn in export market due to sluggish demand for yarn in the China, Europe, Japan and other major yarn importing Countries from India negatively impacted the profitability of the Company.

Consequently, yarn prices also fell significantly leading to lack of parity between cotton and cotton yarn prices. The cotton yarn exports from India into China also dropped by nearly 23%.

These factors had a bearish effect on both demand and sales realization in the international as well as domestic market. Salaries & Wages continued to rise during the year besides hike in power cost, thereby impacting the manufacturing margins.

Management Discussion and Analysis

Industry structure and developments

India is one of the world's largest producers of textiles. Abundant availability of raw materials such as cotton, man-made fibers, wool, silk and jute as well as skilled workforce have made the country a sourcing hub. It is the world's second largest producer of textiles.

The Indian Textile Industry:

- accounts for about 24% of world's spindle capacity.
- 2nd largest employment provider, it provides direct employment to over 45 million people,
- contributes about 14 % to Industrial Production,
- contributes about 4% to the Gross Domestic Product (GDP),
- has 12% share of Country's total exports.

The textile industry has made a major contribution to the National economy in terms of direct and indirect employment generation and net foreign exchange earnings. Thus, the growth and all round development of the industry has a direct bearing on the growth of India's economy.

India has overtaken Italy, Germany and Bangladesh to emerge as the world's second largest textile exporter, as per recent data released by 'UN Comtrade'. India's share in Global Textiles is increasing year to year.

The Indian textiles industry is set for strong growth, buoyed by strong domestic consumption as well as export demand.



Opportunities and threats

India has one of the most efficient and competitive spinning industries of the world. We are the second largest producer and the largest exporter of spun yarn globally. Production of spun yarn registered impressive growth during the last 12 years and cotton yarn accounted for over 2/3rd of production throughout the period. Consumption of yarn and its exports also increased during the period. China reducing its spinning activities, India will have a growing opportunity in the global markets in this segment in the coming years. Yarn exports, therefore, need to be encouraged. India has a bright future for exports.

Cotton is one of the principal crops of the country and is the major raw material for domestic textile industry. It provides sustenance to millions of farmers as also the workers involved in cotton industry, right from processing to trading of cotton. The Indian textile industry consumes a diverse range of fibres and yarn, but is predominantly cotton based. Indian Textile Industry has an overwhelming presence in the economic life of the country.

According to the Ministry of Textiles, the domestic textile and apparel industry in India is estimated to reach US\$ 141 bn by 2021 from US\$ 58 bn in 2011. Apparel exports from India is expected to increase to US\$ 82 bn by 2021 from US\$ 31 bn in 2011. Total cloth production in India is expected to grow to 112 bn square meters by FY17 from 62 bn square meters in FY11.

The Spinning Industry faced many challenges due to the economic slowdown, higher cotton prices and fluctuations shown in dollar movement. In spite of stability shown in yarn prices both in the domestic and international markets, profits have not been better because of the above reasons.

Risks and concerns

Raw Cotton, an agricultural product, is the key raw material used for the manufacture of cotton yarn. Almost 65 % of area under cotton cultivation is rain-fed and hence is dependent on vagaries of monsoon. Adequate availability of raw cotton at right prices is crucial for the Company. Any disruption in the supply and/or violent changes in the cost structure would affect the profitability of the Company.

Dividend

Your Directors intend to plough back available resources for financial requirements and have not recommended any dividend for the financial year.

Outlook

Indian Textile Industry has a good opportunity as share of exports of textiles from China is going down. Indian Textile Industry can expect good growth in domestic consumption.

Bilateral discussions for the Free Trade Agreement with European Union are progressing well and on conclusion of the Agreement, India will have a level playing field to compete with our competitors, especially Pakistan and Bangladesh.

The industry expects improvement in the margins during the current year. Your directors are monitoring the cotton price and yarn price movement. If incentives/ reliefs packages are offered by Government of India, it will further boost exports. In view of this situation, the Company's performance is expected to improve.

Internal control systems and their adequacy

The Company maintains adequate internal control system and procedures commensurate with its size and nature of operations. The internal control systems are designed to provide a reasonable assurance over reliability in financial reporting, ensure appropriate authorisation of transactions, safe guarding the assets of the Company and prevent misuse/ losses and legal compliances.

The internal control system includes a well defined delegation of authority and a comprehensive Management Information System coupled with quarterly reviews of operational and financial performance, a well structured budgeting process with regular monitoring of expenses and Internal audit.

The Internal Audit reports are periodically reviewed by the management and the Audit Committee and necessary improvements undertaken.

Human Resources

Your Company has always provided a congenial atmosphere for work to its employees. Your Company is an equal opportunity employer and offers opportunities to all without regard to their caste, religion, colour, marital status and sex.

Segment

The Company is engaged only in one segment i.e. 'Textile'. The Segment reporting has been presented as per AS 17.

Directors

In accordance with provisions of Section 152 of Companies Act, 2013, Mr. Kamal Mitra (DIN: 01839261) Director retires by rotation and being eligible, has offered himself for re-appointment.

At the 24th Annual General Meeting of the company held on 23rd August, 2014, the company had appointed Mr. S. K. Agrawal (DIN: 00400892), Mr. P. N. Shah (DIN: 00096793), and Mr. R. Anand (DIN: 00040325) as Independent Directors under the Companies Act, 2013, to hold office for 5 consecutive years for a term upto 15th August, 2019.

Further, in terms of Section 149 (10) & (13), the Independent Directors of the Company are not liable to retire by rotation. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed both under the Act and Clause 49 of the Listing Agreement with the Stock Exchanges.

At the board meeting held on 11th November, 2014, the Board had appointed Ms. Preeti Sheth (DIN: 00202080) as an Additional Director in the category of Independent Director.

Your directors seek appointment of Ms. Preeti Sheth as Independent Director, not liable to retire by rotation, to hold office for 5 Consecutive years, for a term upto 15th August, 2020.

Key Managerial Personnel

At the board meeting held on 14th May, 2014, the Board had appointed Mr. R. Sundaram as a Chief Financial Officer (CFO) of the Company and Mr. A. G. Halasangi as a Chief Executive Officer (CEO) of the Company.



Corporate Governance

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance along with Auditor's Certificate confirming its compliance is annexed and forms integral part of this Report.

Related Party Transactions

All related party transactions entered into during the financial year were on an arm's length basis and in the ordinary course of business. Note 29 to the financial statement sets out related party disclosure. No related party transaction was in conflict with the interest of the Company. No materially significant related party transaction was made by the Company with the Key Managerial Personnel. As prescribed by Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of related party transactions are given in Form AOC-2, as "**Annexure 1**" to this Report. Company has adopted a policy on Related Party Transactions as approved by the Board.

Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism to deal with instance of fraud and mismanagement, if any. The details of vigil mechanism are explained in the Corporate Governance Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board carries out performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation is carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

Extract of Annual Return

Extract of the Annual Return of the Company in form MGT 9 is appended as "**Annexure 2**" to this Report".

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed C V Kulkarni & Co., (CP No. 2792, FCS: 3342), Company Secretaries to conduct Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report is annexed herewith as '**Annexure 3**'. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Internal Audit

M/s. Suresh Kumar Mittal & Co., Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

Company has adopted a policy for prevention of Sexual Harassment at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint.

Particulars of Employees

The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as "**Annexure 4**" to the Board's Report.

A statement containing the names of every employee employed throughout the financial year and in receipt of remuneration of Rs. 60 lac or more, or employed for part of the year and in receipt of Rs. 5 lac or more a month, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not provided, as none of the employees have been paid remuneration beyond the said limits.

Meetings

During the year 4 Board Meetings, 1 Independent Directors' meeting, 4 Audit Committee Meetings, 1 Nomination & Remuneration Committee Meeting and 1 Stakeholders' Relationship Committee, were held. The details of the meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Particulars of Loans given, Investments made, Guarantees given and Securities provided are provided in the financial statement (Please refer to Note 29 to the financial statement).

Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended 31st March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;



- b. that such accounting policies have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2015 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Auditors

M/s. B K Shroff & Co., Chartered Accountants, have been appointed as Auditor of the Company for a period of 3 years to hold office from the conclusion of the 24th Annual General Meeting to the conclusion of the 27th Annual General Meeting of the Company, subject to ratification by the members at each Annual General Meeting.

The Audit Committee and the Board of Directors have recommended to the members of the Company, ratification of appointment of M/s. B K Shroff & Co., Chartered Accountants, as Auditor to hold office from the conclusion of the ensuing Annual General Meeting to the conclusion of the 26th Annual General Meeting of the Company.

Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

Conservation of Energy, Technology Absorption & Foreign Exchange Earning & Outgo

Information required under Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in "**Annexure 5**" forming part of this Report.

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Mr. Anil Kumar Jain & Mr. Kamal Mitra who are Non-Executive Directors of the Company are executive directors of Indo Count Industries Limited (Holding Company) in the capacity of Chairman & Managing Director and Director (Works), respectively.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

Acknowledgements

Our growth has been made possible because of our culture of professionalism, integrity and continuous evolvement.

Your Directors take this opportunity to thank Central and State Governments, our customers, suppliers, investors and bankers for their consistent support and co-operation to the Company. We place on record our appreciation of the contribution made by employees at all levels, without whose whole-hearted efforts, the overall performance would not have been possible.

Your Directors look forward to the long term future with confidence.

On behalf of Board of Directors

S. K. AGARWAL
CHAIRMAN
DIN: 00400892

Mumbai, 9th May, 2015



Annexure-1

FORM AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below :

- No contracts or arrangements or transactions were entered into by the Company with related parties during the year ended March 31, 2015, which were not at arm's length basis.
- Details of contracts or arrangements or transactions at arm's length basis during the year ended 31st March, 2015:

Sr. No.	Name of the related party	Nature of Relationship	Nature of contracts / arrangements / transaction	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value (Rs. In Lacs)	Amount paid as advances, if any
1	Indo Count Industries Limited	Holding Companies	Purchase-Goods	Ongoing	Based on transfer pricing guidelines. Rs. 17.50	Nil
			Sale -Goods	Ongoing	Based on transfer pricing guidelines. Rs. 46.54	
			Purchase -Machinery	Ongoing	Based on transfer pricing guidelines. Rs. 1.13	

Annexure-2

EXTRACT OF ANNUAL RETURN

Form No. MGT-9

as on the financial year ended on 31st March, 2015

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration & other details

CIN	L17119PN1990PLC058139
Registration Date	12/09/1990
Name of the Company	Pranavadiya Spinning Mills Limited
Category / Sub-Category of the Company	Public Company/Limited by shares
Address of the Registered office and Contact details	Office No. 2, Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale, Kolhapur, Maharashtra - 416109. Phone: 0230-2483105 / 3292933
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Big Share Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Sakivihar Road, Sakinaka, Andheri (East), Mumbai 400 072 Telephone No. 022 – 40430200, Fax No. 022 – 28475207 Email id: investor@bigshareonline.com

II. Principal business activities of the Company

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Preparation and spinning of Cotton fibres including blended cotton	13111	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Indo Count Industries Limited	L17119PN1990PLC058139	Holding	74.53	2(46)



IV. Share holding pattern (Equity share capital breakup as percentage of total Equity)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2014]				No. of Shares held at the end of the year [As on 31-03-2015]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individuals / HUF	0	0	0	0	0	0	0	0	0.0
b) Central Government/ State Government (s)	0	0	0	0	0	0	0	0	0.0
c) Bodies Corporate	14341280	0	14341280	74.53	14341280	0	14341280	74.53	0.0
d) FI/ Banks	0	0	0	0	0	0	0	0	0.0
e) Any other	0	0	0	0	0	0	0	0	0.0
Sub Total (A)(1)	14341280	0	14341280	74.53	14341280	0	14341280	74.53	0.0
2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0.0
c) Institutions	0	0	0	0	0	0	0	0	0.0
d) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0.0
e) Any other	0	0	0	0	0	0	0	0	0.0
Sub Total (A)(2)	0	0	0	0	0	0	0	0	0.0
Total Shareholding of Promoter and Promoter Group (A)(1)+(A)(2)	14341280	0	14341280	74.53	14341280	0	14341280	74.53	0.0
B. Public Shareholding									
1) Institutions									
a) Mutual Funds / UTI	0	0	0	0	0	0	0	0	
b) Financial Institutions / Banks	51121	0	51121	0.27	51121	0	51121	0.27	0.0
c) Central Government/ State Government (s)	0	0	0	0	0	0	0	0	0.0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0.0
e) Insurance Companies	0	0	0	0	0	0	0	0	0.0
f) Foreign Institutional Investors	0	0	0	0	0	0	0	0	0.0
g) Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0.0
h) Any other	0	0	0	0	0	0	0	0	0.0
Sub Total (B)(1)	51121	0	51121	0.27	51121	0	51121	0.27	0.0
2) Non-Institutions									
a) Bodies Corporate	2759753	850	2760603	14.35	1909003	850	1909853	9.93	-4.42
b) Individuals									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	571351	60534	631885	3.28	511503	60313	571816	2.97	-0.31
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1347899	0	1347899	7.01	2299203	0	2299203	11.95	4.94



Share holding pattern Contd.....

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-04-2014]				No. of Shares held at the end of the year [As on 31-03-2015]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
c) Any other (specify)									
c-i) Clearing Member	0	0	0	0	2666	0	2666	0.01	0.01
c-ii) Trust	98282	0	98282	0.51	54831	0	54831	0.29	-0.22
c-iii) NRI	250	9960	10210	0.05	550	9960	10510	0.06	0.01
Sub Total (B)(2)	4777535	71344	4848879	25.20	4777756	71123	4848879	25.20	0.0
Total Public Shareholding (B)(1)+(B)(2)	4828656	71344	4900000	25.47	4828877	71123	4900000	25.47	0.0
C. Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0.0
Grand Total (A+B+C)	19169936	71344	19241280	100	19170157	71123	19241280	100	0.0

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2014)			Shareholding at the end of the year (31.03.2015)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Indo Count Industries Ltd.	14341280	74.53	0	14341280	74.53	0	0
	Total	14341280	74.53	0	14341280	74.53	0	0

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2014)		Cumulative Shareholding during the year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	No changes during the year			
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No changes during the year			
	At the End of the year	No changes during the year			



iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the top ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	As per Annexure A			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)				

Annexure A

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding		Date	Increase/ Decrease In shareholding	Reason	Cumulative Shareholding during the Year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
1	Henko Commodities Pvt. Ltd.	900500	4.68	01-Apr-2014	0	Nil movement during the year		
		900500	4.68	31-Mar-2015			900500	4.68
2	Sarita Saraf	500000	2.60	01-Apr-2014	0	Nil movement during the year		
		500000	2.60	31-Mar-2015			500000	2.60
3	Suresh Kumar Saraf	500000	2.60	01-Apr-2014	0	Nil movement during the year		
		500000	2.60	31-Mar-2015			500000	2.60
4	Priti Mercantile Company Limited	500000	2.60	01-Apr-2014				
				06-Feb-2015	-1200	Sale	498,800	2.59
		498,800	2.59	31-Mar-2015			498,800	2.59
5	Raghav Poddar	0	0	01-Apr-2014				
				24-Oct-2014	485244	Purchase	485244	2.52
				31-Oct-2014	4756	Purchase	490000	2.55
		490000		31-Mar-2015			490000	2.55
6	Nishant Inbuild Limited	446197	2.32	01-Apr-2014				
				06-Feb-2015	-5000	Sale	441197	2.29
		441197	2.29	31-Mar-2015			441197	2.29
7	Anubhav Poddar	0	0	01-Apr-2014				
				24-Oct-2014	360000	Purchase	360000	1.87
		360000	1.87	31-Mar-2015			360000	1.87
8	Sharad Kanayalal Shah	0	0	01-Apr-2014				
				22-Aug-2014	7032	Purchase	7032	0.04
				29-Aug-2014	5964	Purchase	12996	0.07
				05-Sep-2014	2356	Purchase	15352	0.08
				10-Oct-2014	9344	Purchase	24696	1.28
				17-Oct-2014	155	Purchase	24851	0.13
				24-Oct-2014	127570	Purchase	152421	0.79
				31-Oct-2014	5251	Purchase	157,672	0.82
				07-Nov-2014	13400	Purchase	171,072	0.89
				14-Nov-2014	13807	Purchase	184,879	0.96
				21-Nov-2014	2847	Purchase	187,726	0.98
				12-Dec-2014	13000	Purchase	200,726	1.04
		200726	1.04	31-Mar-2015			200726	1.04



Annexure A Continued...

Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name	Shareholding		Date	Increase/Decrease In share-holding	Reason	Cumulative Shareholding during the Year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
9	Viswanath Chandran	0	0	01-Apr-2014				
				21-Nov-2014	5,200	Purchase	5,200	0.03
				05-Dec-2014	13912	Purchase	19,112	0.10
				12-Dec-2014	1500	Purchase	20,612	0.11
				19-Dec-2014	400	Purchase	21,012	0.11
				31-Dec-2014	1900	Purchase	22,912	0.12
				02-Jan-2015	1897	Purchase	24,809	0.13
				09-Jan-2015	100	Purchase	24,909	0.13
				16-Jan-2015	6728	Purchase	31,637	0.16
				23-Jan-2015	10017	Purchase	41,654	0.22
				30-Jan-2015	7487	Purchase	49,141	0.26
				06-Feb-2015	15000	Purchase	64,141	0.33
				13-Feb-2015	11001	Purchase	75,142	0.39
				20-Feb-2015	1949	Purchase	77,091	0.40
		06-Mar-2015	5686	Purchase	82,777	0.43		
		20-Mar-2015	2000	Purchase	84,777	0.44		
		84990	0.44	31-Mar-2015	213		84,990	0.44
10	ICICI Bank Ltd.	51121	0.27	01-Apr-2014	0	Nil Movement during the year		
		51121	0.27	31-Mar-2015			51,121	0.27

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	As per Annexure B			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year				



Annexure B

Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding		Date	Increase/Decrease In share-holding	Reason	Cumulative Shareholding during the Year (01-04-14 to 31-03-15)	
		No. of Shares at the beginning (01-04-14) / end of the year (31-03-15)	% of total shares of the company				No. of shares	% of total shares of the company
A Directors								
1	Mr. S. K. Agrawal	10	0	01-Apr-2014		Nil Holding/movement during the year		
		10	0	31-Mar-2015	0		10	0
2	Mr. Anil Kumar Jain	75	0	01-Apr-2014	0	Nil Holding/movement during the year		
		75	0	31-Mar-2015			75	0
3	Mr. Kamal Mitra	10	0	01-Apr-2014	0	Nil Holding/movement during the year		
		10	0	31-Mar-2015			10	0
4	Mr. P. N. Shah	100	0	01-Apr-2014	0	Nil Holding/movement during the year		
		100	0	31-Mar-2015			100	0
5	Mr. R. Anand	10	0	01-Apr-2014	0	Nil Holding/movement during the year	0	
		10	0	31-Mar-2015			0	0
6	Ms. Preeti Sheth	0	0	01-Apr-2014	0	Nil Holding/movement during the year		
		0	0	31-Mar-2015			0	0
B Key Managerial Personnel (KMP)								
1	Mr. Abhishek Thareja (Company Secretary & Compliance officer)	0	0	01-Apr-2014		Purchase		
				23-Jul-2014	+2			
		02	0	31-Mar-2015			02	0
2.	Mr. R. Sundaram (CFO)	0	0	01-Apr-2014	0	Nil Holding/movement during the year		
		0	0	31-Mar-2015			0	0
3.	Mr. A. G. Halasangi (CEO)	0	0	01-Apr-2014	0	Nil Holding/movement during the year		
		0	0	31-Mar-2015			0	0

VI) Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid	491428	11028344	--	11519772
iii) Interest accrued but not due				
Total (i+ii+iii)	491428	11028344	--	11519772
Change in Indebtedness during the financial year				
• Addition				
• Reduction	388334	11028344	--	11416678
Net Change	103094	--		103094
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid	103094	--	--	103094
iii) Interest accrued but not due				
Total (i+ii+iii)	103094	--	--	103094



VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1.	Gross salary					Not Applicable
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors						Total Amount (In ₹)
		Mr. S.K. Agrawal	Mr. Anil Kumar Jain	Mr. Kamal Mitra	Mr. P.N. Shah	Mr. R. Anand	Ms. Preeti Sheth	
1	Independent Directors							
	• Fee for attending board / committee meetings	55000	-	-	50000	45000	10000	160000
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (1)	55000	-	-	50000	45000	10000	160000
2	Other Non-Executive Directors							
	• Fee for attending board / committee meetings	-	25000	35000	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-	-
	Total (2)	NIL	25000	35000	NIL	NIL	NIL	60000
	Total (1+2)	55000	25000	35000	50000	45000	10000	220000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act							887495



C. Remuneration to Key Managerial Personnel Other than MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. A. G. Halasangi (CEO)	Mr. Abhishek Thareja (Company Secretary)	Mr. R. Sundaram (CFO)	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	14,72,344	15,22,104	-	29,94,448
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2.	Stock Option	Nil	Nil	-	Nil
3.	Sweat Equity	Nil	Nil	-	Nil
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total	14,72,344	15,22,104	-	29,94,448

VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					



Annexure-3

Form No. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Pranavadiya Spinning Mills Limited
Regd. Office: Office No. 2, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale, Kolhapur 416109.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Pranavadiya Spinning Mills Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on **31st March, 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Pranavadiya Spinning Mills Limited** for the Company's Financial Year ended on 31st March, 2015 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1956 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

VI. The Factories Act, 1948, The Employees Provident Funds and Pension Scheme 1952, the Payment of Gratuity Act, 1972, the Maternity Benefit Act, 1961, the Employees State Insurance Act 1948, the Minimum Wages Act, 1948, the Payment of Bonus Act 1965, the Maharashtra Labour Welfare Fund Act, 1953, the Equal Remuneration Act, 1976, the Payment of wages Act, 1936, Sexual Harassment of Women at Workplace Act (Prevention, Prohibition and Redressal), 2013, the Contract Labour (Regulation and Abolition) Act, 1970.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Stock Exchanges ;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

I further Report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority Decision is carried through while the dissenting members' views if any, are captured and recorded as part of the minutes.

I further Report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

FOR C. V. KULKARNI & COMPANY COMPANY SECRETARIES

C. V. KULKARNI
COMPANY SECRETARY

Place: Pune
Date : 9th May, 2015
FCS No: 3342
CP No: 2792



To,

The Members,
Pranavadiya Spinning Mills Ltd.
Regd. Office: Office No. 2, Plot No. 266, Village Alte,
Kumbhoj Road, Taluka Hatkanangale, Kolhapur 416109.

My report of even date is to be read along with this letter

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices & process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes & practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness & appropriateness of financial records & Books of Accounts of the Company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules & regulations & happening of events etc.
5. The compliance of the provisions of Corporate & other applicable laws, Rules, Regulations, standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of its efficacy or effectiveness with which the management has conducted the affairs of the Company.

FOR C.V.KULKARNI & CO.
COMPANY SECRETARIES

C.V.KULKARNI
COMPANY SECRETARY,

FCS : 3342
CP : 2792
Place: Pune
Date : 9th May, 2015

Annexure - 4

Statement of particulars as per Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the Director/ Key Managerial Personnel and Designation	Remuneration of Director / Key Managerial Personnel for the year ended March 31, 2015	% increase in the remuneration in the year ended March 31, 2015	Ratio of the remuneration of each Director to the median remuneration of the employees	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company
1	Mr. Anil Kumar Jain Non Independent, Non- executive, Director	25,000	Refer Note 1 below	0.19	There is no Executive Director
2.	Mr S. K. Agrawal Chairman and Independent Director	55,000		0.43	
4.	Mr. Kamal Mitra Non Independent, Non- executive, Director	35,000		0.27	
5.	Mr. P. N. Shah Independent Director	50,000		0.39	
6.	Mr. R. Anand Independent Director	45,000		0.35	
7.	Ms. Preeti Sheth Independent Director	10,000		Refer Notes 1 & 2 below	
8.	Mr. A. G. Halasangi Chief Executive Officer	14,72,344	8.17%	11.42	Net Profit for the year ended 31 st March, 2015 declined to ₹ 82.87 Lac
9.	Mr. R Sundaram Chief Financial Officer	NIL	Refer Note 3 below	-	
10.	Mr. Abhishek Thareja Company Secretary	15,22,104	NIL	11.81	

Notes:

1. Company does not have any executive director. The Sitting Fee for attending Board and Committee Meetings has been revised from ₹ 5,000/- per meeting to Rs.10,000/- per meeting.
2. Details not given as Ms. Preeti Sheth was appointed as Director only for part of the financial year 2014-15, that is, from 11th November, 2015.
3. Mr. R Sundaram is an employee of Indo Count Industries Limited (Holding Company) and as such he does not draw any remuneration from Pranavadiya Spinning Mills Limited.



- i) The median remuneration of employees of the Company during the year ended 31st March, 2015 was Rs. 1,28,922/-.
- ii) During the year ended 31st March, 2015, there was an increase of 19.57% in the median remuneration of employees.
- iii) As on 31st March, 2015, the Company had 44 permanent employees.
- iv) Relationship between average increase in the remuneration and performance of the Company:-
Net Profit for the year ended 31st March, 2015 declined by 68% and the median remuneration increased by 19.57%.
- v) Comparison of remuneration of the Key Managerial Personnel against the performance of the Company:
Net Profit for the year ended 31st March, 2015 declined by 68% and the remuneration of Key Managerial Personnel increased by 3.86% in 2014-15.
- vi) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.
- vii) During the financial year 2014-15, there was an average 15.6% increase in the salaries of employees other than the key managerial personnel. Remuneration of the key managerial personnel rose by 3.86%.
- viii) The key parameters for any variable component of remuneration availed by the directors:
All directors of the Company are non-executive directors and are paid Sitting Fee, basis their participation at the Board Meeting.
- ix) During the year ended, 31st March, 2015, there was no employee, who is not a director of the Company and received remuneration in excess of the highest paid executive director of the Company.
- x) We affirm that the remuneration paid is as per the Remuneration policy of the Company.

On behalf of Board of Directors

Anil Kumar Jain
Director
DIN:

Place: Mumbai
Dated: 9th May, 2015

Sr. No.	Particulars	As at March 31, 2015	As at March 31, 2014
1.	Market Capitalisation	BSE: ₹ 5060.46	BSE: ₹ 2308.95
2.	Price Earnings Ratio	BSE: 61.16	BSE: 9.02

Annexure-5

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO ETC:

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

The report of the Board shall contain the following information and details, namely:-

(A) Conservation of energy-

- (i) the steps taken or impact on conservation of energy;
- Old Compressors replaced with new compressors with high efficiency motors.
 - Started replacement of LED tube lights 15W in place of 36W tube lights which consume less power.
- (ii) the steps taken by the company for utilising alternate sources of energy;
Applied for alternate sources of energy.
- (iii) the capital investment on energy conservation equipments; ₹ 6,63,218/-

(B) Technology absorption-

- (i) the efforts made towards technology absorption;
NIL
- (ii) the benefits derived like product improvement, cost

reduction, product development or import substitution;
NIL

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-
- the details of technology imported;
N.A.
 - the year of import;
N.A.
 - whether the technology been fully absorbed;
N.A.
 - if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;
N.A.
- (iv) the expenditure incurred on Research and Development.
N.A.

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(₹ In Lacs)

Particulars	2014-15	2013-14
Foreign Exchange earned in terms of Actual Inflows	1620.19	4689.74
Foreign Exchange outgo in terms of Actual Outflows	20.35	40.40

CORPORATE GOVERNANCE REPORT



1. Company's Governance Philosophy

The Company's philosophy on Corporate Governance is to observe the highest level of ethics in all its dealings and accountability to ensure efficient conduct of affairs of the Company. The Company is committed to achieve its goal of maximising value for all its stakeholders.

The Governance framework gives due importance to regulatory compliance under the guardianship of a strong Board of Directors and executed by committed management and employees.

2. Board of Directors

Composition

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with the requirements of, Clause 49 of the Listing Agreement

entered into with the stock exchanges on which Company's equity shares are listed and, Section 152 of the Companies Act, 2013, in this regard.

The Board comprises 6 members – 2 Non-Executive, Non Independent Directors and 4 Independent Directors. All Directors are competent and experienced personalities in their respective fields. Mr. S. K. Agrawal is the Non Executive, Independent Chairman of the Company.

The Company has a Woman director on the Board, Ms. Preeti Sheth, as required under Section 149(3) of the Companies Act, 2013.

None of the Directors on the Board is a Member of more than 10 Board-level Committees, nor a Chairman of more than 5 such Committees, across all companies in which he/she is a Director. All Directors other than Independent Directors are liable to retire by rotation.

Director	DIN	Category	No. of Board meetings attended	No. of directorships held (including Pranavadiya)#	No. of Membership/ Chairmanship in Board Committees (including Pranavadiya) @	
					Member	Chairman
Mr S. K. Agrawal	00400892	Chairman and Independent Director	4	6	7	2
Mr. Anil Kumar Jain	00086106	Non Independent, Non-executive Director	4	3	2	2
Mr. Kamal Mitra	01839261	Non Independent, Non-executive, Director	4	2	2	-
Mr. P. N. Shah	00096793	Independent Director	4	6	2	4
Mr. R. Anand	00040325	Independent Director	4	4	3	-
Ms. Preeti Sheth (appointed w.e.f. 11 th November, 2014)	00202080	Independent Director	1	1	-	-

Directorship in companies registered under the Companies Act, 2013 (earlier Companies Act, 1956), excluding directorships in private companies, foreign companies, companies under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and alternate directorship.

@ Only covers Membership / Chairmanship of Audit Committee and Stakeholders Relationship Committee of public limited companies.

Board Meetings

During the financial year 2014-15, four meetings of the Board of Directors were held. The maximum gap between any two meetings was less than four months. The Board was presented with all relevant information at its meetings including information as required under the listing agreement.

Attendance of Directors at the Board meetings and the Annual General Meeting:

Director	Date of Board meeting				Attendance at AGM
	14 th May, 2014	12 th August, 2014	11 th November, 2014	10 th February, 2015	
Mr Sushil Kumar Agrawal	✓	✓	✓	✓	✓
Mr. Anil Kumar Jain	✓	✓	✓	✓	✓
Mr. Kamal Mitra	✓	✓	✓	✓	✓
Mr. P. N. Shah	✓	✓	✓	✓	-
Mr. R. Anand	✓	✓	✓	✓	-
Ms. Preeti Sheth	Not applicable	Not applicable	✓	Leave of absence	Not applicable



The Board periodically reviews items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance, progress of major projects and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the goals set and seeks accountability. It also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in Clause 49 of the Listing Agreement to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

3. Committees of the Board

With a view to have a more focused attention on various facets of business and for better governance and accountability, the Board has constituted the following committees namely, Audit Committee, Stakeholders' Relationship Committee, Nomination & Remuneration Committee and Share Transfer Committee.

The terms of reference of these Committees are determined by the Board of Directors in accordance with the requirements of Securities Laws. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee. The minutes of the committee meetings are sent to all Directors individually and tabled at the Board Meetings.

1. Audit Committee

The Audit Committee acts as a link between the statutory, Internal Auditors and the Board of Directors of the Company. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Some of the important functions performed by the Committee are:

Financial Reporting and Related Processes

- Oversight of the Company's financial reporting

process and financial information submitted to the Stock Exchanges, regulatory authorities or the public.

- Reviewing with the Management the quarterly unaudited financial statements and the Auditors' Limited Review Report thereon/audited annual financial statements and Auditors' Report thereon before submission to the Board for approval.
- This would, inter alia, include reviewing changes in the accounting policies and reasons for the same, major accounting estimates based on exercise of judgement by the Management, significant adjustments made in the financial statements and/ or recommendation, if any, made by the Statutory Auditors in this regard.
- Review the Management Discussion & Analysis of financial and operational performance.
- Discuss with the Statutory Auditors its judgement about the quality and appropriateness of the Company's accounting principles with reference to the Generally Accepted Accounting Principles in India (IGAAP).
- Review the investments made by the Company.

Internal Controls and Governance Processes

- Review the adequacy and effectiveness of the Company's internal control system. Review and discuss with management the Company's major financial risk exposures and steps taken by the Management to monitor and control such exposure.
- To oversee and review the functioning of a Vigil Mechanism and to review findings of investigation into cases of material nature and the actions taken in respect thereof.

Audit

- Review the scope of the Statutory Auditor, the annual audit plan and the Internal Audit Plan with a view to ensure adequate coverage.
- Review the significant audit findings from the statutory and internal audits carried out, the recommendations and Management's response thereto.
- Review and recommend to the Board appointment/re-appointment of the Statutory Auditor, Internal Auditor and Cost Auditors considering their independence and effectiveness and their replacement and removal.
- Approve such additional services to be rendered by the Statutory Auditors except those enumerated in Section 144 of the Companies Act, 2013 and payment for such services.



- To recommend to the Board the remuneration of the Statutory Auditors/Cost Auditors.
- To discuss with the Statutory Auditors/Chief Internal Auditors any significant difficulties encountered during the course of the Audit.
- Review annual Cost Audit Report submitted by the Cost Auditor.

All the Members on the Audit Committee have requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls. The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Cost Auditor is invited to attend the Meeting of the Audit Committee when the Cost Audit Report is tabled for discussion. The Chief Financial Officer (CFO) and the Internal Auditors also attend the Audit Committee Meetings.

The minutes of the Audit Committee meetings are placed before the Board of Directors in the subsequent Board Meeting. The Chairman of the Audit Committee was present at the last Annual General Meeting to respond the queries raised by the shareholders.

The composition of Audit Committee and details of attendance of the members during the year 2014-15 are as under:

Director	Category	Attendance at the Audit Committee Meeting held on			
		13 th May, 2014	12 th August, 2014	11 th November, 2014	10 th February, 2015
Mr. S. K. Agrawal (Chairman)	Non-executive Independent	✓	✓	✓	✓
Mr. P.N. Shah	Non-executive Independent	✓	✓	✓	✓
Mr. R. Anand	Non-executive Independent	✓	✓	✓	✓
Mr. Kamal Mitra	Non-executive Non-Independent	Leave of absence	✓	✓	✓

2. Stakeholders' Relationship Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement, the Board has dissolved the existing "Shareholders' / Investors' Grievance Committee" and constituted the "Stakeholders' Relationship Committee" on 14th May, 2014.

The terms of reference of the Committee are determined by the Board of Directors in accordance

with Section 178 of the Companies Act, 2013 and Listing Agreement.

The composition of Stakeholders' Relationship Committee and attendance of the Members during the year 2014-15 is as under:

Director	Category	Attendance at the Meeting held on 14 th July, 2014
Mr. S. K. Agrawal (Chairman)	Non-executive Independent	✓
Mr. Anil Kumar Jain	Non-executive, Non-Independent	✓
Mr. Kamal Mitra	Non-executive, Non-Independent	Leave of absence

3. Nomination and Remuneration Committee

In compliance with Section 178 of the Companies Act, 2013, the Board has constituted the "Nomination and Remuneration Committee on 14th May, 2014".

The terms of reference of the Committee are in compliance with Section 178 of the Companies Act, 2013 and, inter alia, include:

- Succession planning of the Board of Directors and Senior Management Employees;
- Lay down criteria for identifying and selection of candidates for appointment as Directors/ Independent Directors and Key Managerial Personnel and other Senior Management positions;
- Formulate and review the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration.

The composition of Nomination and Remuneration Committee and attendance of the Members during the year 2014-15 is as under:

Director	Category	Attendance at the Meeting held on 11 th November 2014
Mr. S. K. Agrawal (Chairman)	Non-executive, Independent	✓
Mr. R. Anand	Non-executive, Independent	✓
Mr. P.N. Shah	Non-executive, Independent	✓

4. Share Transfer Committee

The Company has a Share Transfer Committee. This comprises three directors. The Committee deals with various matters relating to share transfer, share transmission, issue of duplicate share certificates, the



approval of split and consolidation requests, the dematerialisation and re-materialisation of shares as well as other matters that relate to the transfer and registration of shares. The members of this committee are Mr. Anil Kumar Jain, as Chairman, Mr. S. K. Agrawal and Mr. Kamal Mitra, as members.

4. Independent Directors' Meeting

During the year under review, the Independent Directors met on 26th March, 2015, inter alia, to discuss the "roles and responsibilities of Independent Directors" and "assess the quality and flow of information from the Company to the directors, from time to time".

All Independent Directors were present at the Meeting, except Mr. R. Anand who could not attend for other commitments.

5. Policy for selection and appointment of directors and their remuneration

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and their remuneration.

A. Criteria of selection of Non Executive Directors

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director:
 - I. Qualification, expertise and experience of the Directors in their respective fields;
 - II. Personal, Professional or business standing;
 - III. Diversity of the Board.
- e. In case of re-appointment of Directors, the N & R Committee shall take into consideration the performance evaluation of the Director and his engagement level, for making its recommendation to the Board.

B. Remuneration

The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board / Committee meetings and commission as detailed hereunder:

- i. A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- ii. A Non Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the N&R Committee;
- iii. The N&R Committee may recommend to the Board, the payment of commission on uniform basis, to all the Independent Director.
- iv. The N&R Committee may recommend commission for the Executive Directors taking into consideration their overall responsibilities, terms of appointment and the Company performance.
- v. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

C. Remuneration of Key Managerial Personnel

The remuneration to Key Managerial Personnel shall take into account the Company's overall performance, Key Managerial Personnel's contribution for the same and trends in the industry in general, in a manner which will ensure and support a high performance culture. The remuneration shall be subject to the approval of the Members of the Company in General Meeting.

At present, the Company has no stock options plans and hence, such instruments do not form part of his remuneration package. The Remuneration for Senior Management employees shall be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate operational performance benchmarks.

6. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board carries out



the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. A structured questionnaire is prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise is carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors is carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors is carried out by the Independent Directors. The Directors have expressed their satisfaction with the evaluation mechanism.

7. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in compliance with the requirements laid down under the Companies Act, 2013 and Clause 49 of the Listing Agreement. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for Related Party Transactions.

8. Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 2013. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

9. CEO & CFO Certification

The CEO and the CFO have issued certificate pursuant to the provisions of Clause 49 of the Listing Agreement certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

10. Reconciliation of Share Capital Audit

M/s. Sandeep Gandhi & Co., a qualified practicing Company Secretary, carries out quarterly Reconciliation of Share Capital audits to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the aggregate of total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

11. Code of Conduct

Integrity, transparency and trust form part of the core beliefs of all activities at Pranavaditya, which has been the basis of its growth and development. The Company has adopted a Code of Conduct applicable to all its Directors and members of the Senior Management which is in consonance with the requirements of Clause 49 of the Listing Agreement.

The Code is based on three important principles of corporate behavior, those are, good corporate governance, good corporate citizenship and exemplary personal conduct.

This Code lays down general principles designed to guide the Senior Management in making ethical decisions.

12. Vigil Mechanism / Whistle Blower Policy

The Company believes that every employee is a trustee of its stakeholders and must adhere to the Company's Code of Conduct and conduct himself or herself at all times in a professional and ethical manner. The Company encourages and has provided a mechanism for directors and employees to communicate concerns about unethical behaviour, actual or suspected incidents of fraud or violation of Code of Conduct, that could adversely impact the Company's operations, business performance and/ or reputation, in a secure and confidential manner.

Provision has been made in the Policy for access to Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

A quarterly status report on total number of complaints received, if any, during the period with summary of the findings and corrective steps taken is to be placed before the Audit Committee.

13. Code for Prevention of Insider Trading

The Company has adopted a code of conduct for Prevention of Insider Trading with a view to regulate dealing



in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board Members and Senior Officers have affirmed their compliance with the Code of Conduct for the year ended March 31, 2015 and a declaration signed by the Chief Executive Officer to this effect is attached and forms part of this Report.

14. Remuneration of Directors

Directors are paid a sitting fee of ₹ 5,000/- for each meeting of the Board and/ or Committee thereof. The Company also reimburses out-of-pocket expenses for attending meetings. Independent Directors are not paid any remuneration except sitting fees for attending the Board Meetings and Committee Meetings. Details of sitting fees paid to the Directors during the year are as under:

(Amount in ₹)

Name	Remuneration	Total
Mr. S.K. Agrawal	Sitting Fees	55,000
Mr. Anil Kumar Jain	Sitting Fees	25,000
Mr. Kamal Mitra	Sitting Fees	35,000
Mr. P.N. Shah	Sitting Fees	50,000
Mr. R. Anand	Sitting Fees	45,000
Ms. Preeti Sheth	Sitting Fees	10,000
Total		220,000

Mr. Anil Kumar Jain is the Promoter, Chairman and Managing Director of Indo Count Industries Limited and Mr. Kamal Mitra is an Executive Director of Indo Count Industries Limited, apart from the aforesaid, there is no other pecuniary relationship of the said Directors vis-a-vis Company.

15. Communication with Members

The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the close of the financial year as per the requirements of the Listing Agreement with the BSE.

The aforesaid financial results are sent to BSE Limited (BSE) where the Company's securities are listed, immediately after these are approved by the Board. The results are thereafter published within forty-eight hours in leading English and Marathi daily newspapers. The audited financial statements form a part of the Annual Report which is sent to the Members well in advance of the Annual General Meeting.

The Company also informs by way of intimation to BSE all price sensitive matters or such other matters, which in its opinion are material and of relevance to the members and subsequently issues a Press Release in regard to the same.

The Annual Report of the Company, the quarterly / half yearly and the annual results and the press releases of the Company are also placed on the Company's website and can be downloaded.

In compliance with Clause 52 of the Listing Agreement, the quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to BSE Limited are filed electronically on BSE's on-line portal.

The Company has designated 'investors @ pranavadiya . com' as the Designated Exclusive email- id, for redressal of investor grievances. SCORES (SEBI Complaints Redressal System):- SEBI has commenced processing of investor complaints in a centralized web based complaints redress system i.e. SCORES. The Company supported SCORES by using it as a platform for communication between SEBI and the Company.

16. General Meetings

a.) **Annual General Meetings:** The details of previous three Annual General Meeting of the Company are as follows:

AGM	Date	Time	Venue	No. of special Resolutions passed
22 nd	25-08-2012	11.30 a.m.	Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanagale District: Kolhapur - 416 109	0
23 rd	20-07-2013	11.00 a. m.		0
24 th	23-08-2014	11.00 a. m.		1

b.) **Extra-Ordinary General Meeting:** No Extra-ordinary General Meeting held during the year under review.

c.) **Postal Ballot:** A Special Resolution was passed authorizing the Board of directors to create charge on Company's assets.

17. Compliance

The certificate regarding compliance of the conditions of corporate governance obtained from our statutory auditors M/s B.K. Shroff & Company is given elsewhere in this Annual Report.



18. Compliance Officer

The name and designation of the Compliance Officer of the Company is:

Mr. Abhishek Thareja –Company Secretary & Compliance Officer Contact details are : Tel: 022-43419533, Fax: 022-22823098, E-mail Id: abhishek.thareja@indocount.com

19. Disclosures

a) Subsidiary Companies

The Company has no subsidiary Company.

b) Disclosure of Accounting Treatment

There is no deviation in following the treatments prescribed in any Accounting Standard in preparation of financial statements for the year 2014-15.

c) Board Disclosures-Risk Management

The risk assessment and minimization procedures are in place and the Board is regularly informed about the business risks and the steps taken to mitigate the same.

d) The Management Discussion and Analysis report is included elsewhere in this Annual Report

20. Statutory Compliance, Penalties and Strictures

The Company complied with all the requirements of the Stock Exchanges / SEBI / and other statutory authorities on all matters related to the capital markets during the last three years. There were no penalties or strictures imposed on the Company by the Stock Exchanges, the SEBI or any statutory authority on matters relating to capital markets.

21. General Shareholders' information

Corporate

Pranavadiya Spinning Mills Limited was incorporated at Mumbai in the State of Maharashtra on 12th September, 1990. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L17119PN1990PLC058139.

The address of our Registered office is: Office No. 2, Plot No. 266, Village : Alte, Taluka: Hatkanangale, Dist. Kolhapur -416109, Maharashtra.

Listing on Stock Exchanges	BSE Limited
Stock Exchange Code:	531172
Listing Fee	Paid for 2015-2016.
Dividend	No dividend has been recommended by the Board for the year.
Custodian Fee	The Company has paid Custodian Fee both to, Central Depository Services (India) Ltd.

and National Securities Depository Limited for the year 2015-16.

ISIN INE569D01028

Investor Information

AGM: At the registered office of the Company.

Date of AGM: As specified in the notice for Meeting AGM.

Financial year : 01st April to 31st March

Financial Calendar

Financial Results :

for 1st Quarter (unaudited) On or before 14-08-2015

for 2nd Quarter (unaudited) On or before 14-11-2015

for 3rd Quarter (unaudited) On or before 14-02-2016

for 4th Quarter at full year (Audited) On or before 30-05-2016

Date of Book Closure: As specified in the Notice for the AGM.

Market Price Data

The monthly high and low quotations of the closing price and volume of shares traded at BSE Limited from April, 2014 to March, 2015 are as under:

Month	Company Share		
	High (₹)	Low (₹)	Volume
April -2014	13.48	11.98	7,569
May -2014	11.55	9.92	2,841
June -2014	9.86	6.78	8,224
July -2014	7.78	5.96	8,249
August -2014	13.94	7.00	61,467
September- 2014	13.22	10.55	21,464
October -2014	22.03	11.37	7,79,137
November- 2014	21.00	19.30	74,659
December -2014	21.20	16.40	39,114
January- 2015	50.10	19.55	1,19,831
February- 2015	54.95	33.60	2,37,379
March -2015	45.85	24.10	51,488



Share Transfers and other communication regarding share certificates, dividends, and change of address, etc., may be addressed to

M/s Big Share Services Pvt. Ltd.

E-2/3, Ansa Industrial Estate
Sakivihar Road, Sakinaka,
Andheri (East), Mumbai 400 072
Telephone No. 022 – 40430200
Fax No. 022 – 28475207
Email id: investor@bigshareonline.com

Share Transfer System

Transfer of equity shares in dematerialized form is done through the depositories without any involvement of the Company. Share transfers are registered and returned within a period of 10/15 days from the date of receipt if the documents are in order. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47(c) of the Listing Agreement with stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Complaints received from Investors during the year 2014-15

Particulars	No. of complaints
Beginning	Nil
Received	Nil
Resolved	Nil
Pending	Nil

Distribution of shareholding as on 31st March 2015

	No. of shares	As a % Total Share Capital
A Promoter and Promoter Group	1,43,41,280	74.53
B Public Shareholding		
1. Financial Institutions / Banks	51,121	0.27
2. Bodies Corporate	19,09,853	9.93
3. Individuals	28,71,019	14.92
4. Others		
- NRIs	10,510	0.06
- Trust	54,831	0.28
- Clearing Member	2,666	0.01
Total Public Shareholding	49,00,000	25.47
Total Shareholding (A)+(B)	19,241,280	100

Dematerialisation of shares and liquidity

The equity shares of the company are available for dematerialisation with National Securities Depository Limited (NSDL) and Central Depository Services of India Limited (CDSL). The equity shares of the company have been notified by SEBI for settlement only in the demat form for all investors from 21st March 2000.

Shares held in demat and physical mode as on 31st March, 2015:

Category	Number of		% to total equity
	Shareholders	Shares	
Demat Mode			
NSDL	766	17528382	91.10%
CDSL	514	1641775	8.53%
Total	1280	19170157	99.63
Physical Mode	2594	71123	0.37%
Grand Total	3874	19241280	100.00

Service of documents through electronic mode

As a part of Green initiative, the members who wish to receive documents like the Notice convening the general meetings, Financial Statements, Director's Report, Auditors Report etc., through e-mail, may kindly intimate their e-mail address to Company / Registrars (for shares held in physical form) and Depository Participants (for shares held in dematerialized form).

Mandatory / Non Mandatory Requirements

The Company has complied with all the mandatory requirements of clause 49 of the Listing agreement relating to Corporate Governance. At present, the Company has not adopted the non-mandatory requirements of clause 49 of the Listing Agreement.

Declaration

As required under Clause 49 of the Listing Agreement with the Stock Exchange (s), it is hereby declared that all the Board members and Senior Management Personnel of Pranavaditya Spinning Mills Limited have affirmed compliance with the Code of Business Conduct and Ethics for the year ended 31st March, 2015.

Anil Kumar Jain

Director

DIN No. 00086106

Mumbai, 9th May, 2015

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To
The Members
PRANAVADITYA SPINNING MILLS LIMITED

We have examined the compliance of conditions of Corporate Governance by Pranavaditya Spinning Mills Limited, for the financial year ended on 31st March 2015 as stipulated in clause 49 of the listing Agreement of the said Company with stock exchange in India.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in clause 49 of the listing Agreement with the stock exchange for the year ended 31st March 2015

On the basis of the records maintained by the shareholder /investors Grievance Committee of the Company, we state that no investor grievance is pending for a period exceeding one month.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B.K. SHROFF & CO.,
Chartered Accountants
Firm Reg. No.302166E

Place : Mumbai
Date : 9th May, 2015

PARTNER
Membership No.6329

INDEPENDENT AUDITORS' REPORT



To
The Members of
Pranavadiya Spinning Mills Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Pranavadiya Spinning Mills Limited ("the Company") which comprise the Balance Sheet as at 31 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 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 of 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. 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

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 Companies Act, 2013, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the 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 the written representations received from the directors as on 31st March, 2015 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, the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls are adequate.

INDEPENDENT AUDITORS' REPORT



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 20 to the financial statements;
 - ii. The Company has no long-term contracts including derivative contracts hence no provision is required under the applicable law or accounting standards;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **B.K.Shroff & Co.**
Chartered Accountants
Firm Reg. No. : 302166E

Mumbai, 9th May, 2015

Partner
Membership Number: 6329

ANNEXURE TO INDEPENDENT AUDITORS' REPORT



Annexure referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory requirements" of our report of even date

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (c) During the year, the company has not disposed off any substantial part of its fixed assets. Therefore, it has not affected the going concern concept of the company.
- (ii) (a) Physical verification of inventory (except material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material.
- (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 and as such clauses (iii) (a) and (b) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system.
- (v) According to the information and explanation given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.
- (vii) (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, wealth tax, sales tax, service tax, custom duty, excise duty, cess and other statutory dues applicable to it.
- (b) Dues on account of penalty levied by excise authorities amounting to ₹1.00 lac for the earlier year have not been deposited and appeal for the same is pending before CESTAT. There are no dues in the nature of sales tax, income tax, custom tax, wealth tax, excise duty and cess which are disputed and outstanding.
- (c) No amount was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.
- (viii) The Company has no accumulated losses as at 31st March, 2015. The company has not incurred any cash loss during the financial year.
- (ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) In our opinion, the company has not given guarantee for loans taken by others from banks or financial institutions.
- (xi) The company has not obtained any fresh term loans during the year under review. Accordingly, the provisions of clause (xi) of the Order are not applicable to the company.
- (xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **B.K.Shroff & Co.**
Chartered Accountants
Firm Reg. No. : 302166E

Partner

Mumbai, 9th May, 2015

Membership Number: 6329



FINANCIAL STATEMENTS 2014-15

BALANCE SHEET

As at 31st March, 2015



(₹ In lac)

Particulars	Note	As at 31.03.2015		As at 31.03.2014	
I EQUITY AND LIABILITIES					
(1) SHAREHOLDERS' FUNDS					
(a) Share Capital	2	1,924.13		1,924.13	
(b) Reserves & Surplus	3	2,136.98	4,061.11	2,132.07	4,056.20
(2) NON-CURRENT LIABILITIES					
(a) Long-Term Borrowings	4	-		1.03	
(b) Long-Term Provisions	5	84.61	84.61	64.29	65.32
(3) CURRENT LIABILITIES					
(a) Short-Term Borrowings	6	-		110.28	
(b) Trade Payables	7	374.60		866.75	
(c) Other Current Liabilities	8	184.73		226.90	
(d) Short Term Provisions	9	158.47	717.80	133.89	1,337.82
			4,863.52		5,459.34
II ASSETS					
(1) NON CURRENT ASSETS					
(a) Fixed Assets					
i) Tangible Assets	10	2,751.82		2,823.24	
ii) Capital Work in progress	11	13.40	2,765.22	-	2,823.24
(b) Non-Current Investments	12		0.16		0.16
(c) Deferred Tax Assets (Net)	13		277.32		310.86
(d) Long-Term Loans & Advances	14		120.45		84.94
(2) CURRENT ASSETS					
(a) Inventories	15	562.48		624.63	
(b) Trade Receivables	16	547.95		669.58	
(c) Cash & Cash Equivalents	17	103.77		279.52	
(d) Short Term Loans & Advances	18	308.53		468.55	
(e) Other Current Assets	19	177.64	1,700.37	197.86	2,240.14
			4,863.52		5,459.34

See accompanying notes to the financial statements

As per our report of even date annexed
For **B.K.SHROFF & CO.**,
Chartered Accountants
Reg. No. 302166E

S. K. Agrawal
Chairman

Anil Kumar Jain
Director

Partner
Membership No. 6329
Mumbai, 9th May, 2015

Abhishek Thareja
Company Secretary & Compliance Officer

R. Sundaram
Chief Financial Officer

PROFIT & LOSS ACCOUNT

For the year ended 31st March, 2015



(₹ In lac)

PARTICULARS	NOTE	YEAR ENDED 31.03.2015	YEAR ENDED 31.03.2014
I Revenue from Operations	21	6,537.58	7,274.09
II Other Income	22	47.24	31.09
TOTAL REVENUE		6,584.82	7,305.18
III EXPENSES			
Cost of Materials Consumed	23	4,460.26	4,942.17
Purchases - Traded Goods		23.72	8.51
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	24	(34.13)	(25.19)
Employee Benefits Expense	25	669.16	614.99
Finance Costs	26	29.96	25.82
Depreciation and Amortisation Expense	27	56.60	45.88
Other Expenses	28	1,261.52	1,312.96
TOTAL EXPENSES		6,467.09	6,925.14
IV Profit before Tax		117.73	380.04
V Tax Expense:			
Current tax		23.56	76.13
Deferred tax		34.85	123.57
MAT Credit Entitlement		(23.56)	(76.18)
VI Profit for the Year		82.88	256.52
VII EARNING PER SHARE	30		
Basic and dilutive		0.43	1.33

See accompanying notes to the financial statements

As per our report of even date annexed
For **B.K.SHROFF & CO.**,
Chartered Accountants
Reg. No. 302166E

S. K. Agrawal
Chairman

Anil Kumar Jain
Director

Partner
Membership No. 6329
Mumbai, 9th May, 2015

Abhishek Thareja
Company Secretary & Compliance Officer

R. Sundaram
Chief Financial Officer

CASH FLOW STATEMENT

For the year ended 31st March, 2015



(₹ In lac)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extraordinary item and tax	117.73	380.04
Adjustments for:-		
Depreciation and amortisation	56.60	45.88
Profit on sale of assets	(22.22)	(3.20)
Loss on sale of assets	1.58	-
Finance Cost	29.96	25.82
Interest income	(7.18)	(9.80)
Operating profit before working capital changes	176.47	438.74
Changes in working capital :		
Adjustment for (increase)/decrease in operating assets		
Inventories	62.14	53.97
Trade Receivables	121.63	(264.71)
Short term loans and advances	208.01	(128.50)
Long term loans and advances	(35.52)	(13.40)
Other current assets	43.77	(25.81)
	400.03	(378.45)
Adjustment for increase/(decrease) in operating liabilities		
Trade payables	(492.15)	511.43
Other current liabilities	(42.17)	51.61
Short term provisions	1.05	0.25
Long-Term Provisions	20.33	4.95
	(512.94)	568.24
Net income tax(paid)/refunds	(47.99)	(80.48)
Net Cash flow from /(used in) operating activities (A)	15.57	548.05
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(98.57)	(302.99)
Sale of tangible assets	41.33	5.25
Interest Received - Others	7.18	9.80
Net Cash flow from/(used in) investing activities (B)	(50.06)	(287.94)
C Cash Flow from financing activities		
Net increase/(Decrease) in long term borrowings	(1.03)	(3.88)
Net increase/(Decrease) in short term borrowings	(110.28)	(30.37)
Proceeds from other short term borrowings	-	-
Repayment of other short term borrowings	-	-
Finance Cost	(29.96)	(25.82)
Dividend Paid		
Tax on dividend		
Cash flow from extraordinary items		
Net Cash flow from /(used in) financing activities (C)	(141.27)	(60.07)

CASH FLOW STATEMENT

For the year ended 31st March, 2015



(₹ In lac)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Net Increase /(decrease) in cash and cash equivalents (A+B+C)	(175.76)	200.04
Cash and cash equivalents at the beginning of the year	279.53	79.49
Cash and cash equivalents at the end of the year	103.77	279.53
Reconciliation of cash and cash equivalents with the balance sheet :		
Cash and cash equivalents as per Balance sheet	103.77	279.53
Cash and cash equivalents as per Balance sheet comprises of:		
(a) cash on hand	2.01	2.20
(b) balance with banks		
i) In Current accounts	92.71	246.23
ii) In earmarked accounts	9.05	31.10

Notes:

Previous year figures have been regrouped / reclassified wherever applicable.

As per our report of even date annexed

For **B.K.SHROFF & CO.,**
Chartered Accountants
Reg. No. 302166E

S. K. Agrawal
Chairman

Anil Kumar Jain
Director

Partner

Membership No. 6329
Mumbai, 9th May, 2015

Abhishek Thareja
Company Secretary & Compliance Officer

R. Sundaram
Chief Financial Officer

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



1. Significant Accounting Policies adopted by the company

Method of Accounting

i) The accounts are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.

ii) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

iii) Accounting policies not significantly referred to are consistent with generally accepted accounting principles.

iv) Fixed Assets

Fixed assets are stated at cost except for land, plant & machinery and buildings which have been shown at revalued amount. Cost is inclusive of inward freight, duties & taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational, start-up and trial run expenses form part of the value of the assets capitalized. As per practice, expenses incurred on modernization / debottlenecking/ relocation / relining of plant & equipment are capitalized. Fixed assets, other than leasehold land, acquired on lease are not treated as assets of the company and lease rentals are charged off as revenue expenses.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

v) Depreciation

Depreciation is calculated on fixed assets on straight line method in accordance with Schedule II to the Companies Act 2013. Software system is amortized over a period of five years.

vi) Investments

Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. Current investments are stated at lower of cost and quoted / fair value.

vii) Inventories

Inventories are valued at lower of cost or net realizable value except for waste.

Cost of raw materials, stores and spares, and dyes and chemicals are determined at weighted average method.

Finished goods and stock in process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Wastage and rejections are valued at estimated realizable value.

Obsolete, defective and unserviceable stocks are duly provided for.

viii) Excise and other Duties

Excise duty in respect of finished goods lying in factory premises is provided and included in the valuation of inventories. CENVAT benefit is accounted for by reducing the purchase cost of the fixed assets.

ix) Retirement and other employee related benefits

i) Short term Employee Benefits

All employee benefits payable only within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, ex-gratia, and incentives are recognized in the period during in which the employee renders the related service.

ii) Post employment Benefits

a) Defined Contribution Plans

State Government Provident Fund Scheme is a defined contribution plan. The contribution paid/payable under the scheme is recognized in the profit & loss account during the period, in which the employee renders the related service.

b) Defined Benefit Plans

Gratuity and Leave Encashment are defined benefit plans. The present value of obligation

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



under such defined benefit plans are determined based on actuarial valuation under the projected unit credit method which recognizes each period of service as giving rise to additional unit of employees benefits entitlement and measures each unit separately to build up the final obligation.

The obligations are measured at the present value of future cash flows. The discount rates used for determining the present value having maturity periods approximated to the returns of related obligations.

x) Foreign Currency Transactions, Derivatives instruments and hedge accounting:

Transactions in foreign currency other than those covered by forward contracts are accounted for at the prevailing conversion rates at the close of the year and difference arising out of the settlement are dealt with in the Profit & Loss account. Outstanding export documents when covered by foreign exchange forward contracts are translated at contracted rates. Other foreign currency current assets and liabilities outstanding at the close of the year are valued at the year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

The company uses foreign currency forward contracts and currency options to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions and not for trading or speculation purpose.

xi) Research and Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research & development is shown as an addition to fixed assets.

xii) Earnings per share

Basic earning per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity share outstanding during the year.

Diluted earning per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equity share outstanding during the year (adjusted for the effects of dilative options).

xiii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

xiv) Operating Leases

Operating lease payments are recognized as expense in the profit & loss account on a straight-line basis over the lease term.

xv) Events occurring after balance date

Events occurring after the balance sheet date have been considered in the preparation of the financial statements.

xvi) Contingent Liabilities

Contingent liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



2. SHARE CAPITAL

Particulars	No. of Shares		Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
a) Authorised				
Equity Shares of ₹ 10 each				
At the beginning of the period	19,270,000	19,270,000	1,927.00	1,927.00
At the end of the period	19,270,000	19,270,000	1,927.00	1,927.00
b) Issued, Subscribed and Paid up				
Equity Shares of ₹ 10 each				
At the beginning of the period	19,241,280	19,241,280	1,924.13	1,924.13
At the end of the period	19,241,280	19,241,280	1,924.13	1,924.13

Terms/rights attached to equity shares

- The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. 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 of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of equity shares in the company held by each shareholder holding more than 5% of shares is as under:

Name of the Shareholder	No. of Shares			
	As at 31.03.2015	percentage	As at 31.03.2014	percentage
Indo Count Industries Limited (Holding company)	14,341,280	74.53%	14,341,280	74.53%

3. RESERVES & SURPLUS

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Capital Reserve		
At the beginning of the period	25.00	25.00
At the end of the period	25.00	25.00
Revaluation Reserve		
At the beginning of the period	1,680.40	1,753.54
Less: Reduction during the period	75.26	73.14
At the end of the period	1,605.14	1,680.40
Profit & Loss Account		
At the beginning of the period	426.67	170.15
Less: Adjustment on account of depreciation (net of deferred tax asset of ₹1.30 lac)	2.71	-
Add: Profit for the period	82.88	256.52
At the end of the period	506.84	426.67
TOTAL	A+B+C	2,132.07
		2,136.98

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



4. LONG TERM BORROWINGS

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Secured		
Hire purchase finance from banks *	-	1.03
TOTAL	-	1.03

* Secured against hypothecation of Vehicle against under auto loan scheme.

5. OTHER LONG TERM LIABILITIES

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Employee Benefits	84.61	64.29
TOTAL	84.61	64.29

6. SHORT TERM BORROWINGS

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Unsecured		
From Holding Company (including interest accrued)	-	110.28
TOTAL	-	110.28

7. TRADE PAYABLES

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Total outstanding dues of Micro Enterprises and Small Enterprises (a)	-	-
Others (b)	374.60	866.75
TOTAL	374.60	866.75

(a) The company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.

(b) Includes amount payable to holding company ₹ NIL (previous year ₹ 105.51 lac)

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



8. OTHER CURRENT LIABILITIES

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Current Maturities of Long Term Debts	1.03	3.88
Security Deposit	0.35	0.35
Advance from Customers	1.35	3.94
Other Payables (a, b)	182.00	218.73
TOTAL	184.73	226.90

(a) Amount to be credited to Investor Education & Protection Fund-

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
a) Unpaid Dividend	-	-
b) Unpaid application money received for allotment of securities and due for refund	-	-
c) Unpaid matured deposits	-	-
d) Unpaid matured debentures	-	-
e) Interest accrued on (a) to (d) above	-	-

(b) Includes amount payable to holding company ₹ NIL (previous year ₹ 26.69 lac)

9. SHORT TERM PROVISIONS

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Provision for Income Tax	154.18	130.63
Provision for Employees Benefits	4.29	3.26
TOTAL	158.47	133.89

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



₹ In lac

PARTICULARS	G R O S S B L O C K				D E P R E C I A T I O N				N E T B L O C K	
	As at 01-04-2014	Additions	Sales / Adjustment	As at 31-03-2015	As at 01-04-2014	Additions	Sales / Adjustment	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
TANGIBLE:										
a) At cost:										
Land - Freehold	28.75	-	-	28.75	-	-	-	28.75	28.75	28.75
Buildings	467.91	-	-	467.91	200.71	14.63	-	252.57	267.20	267.20
Plant & Machinery	3,567.73	82.77	233.61	3,416.89	2,750.20	37.95	212.93	841.67	817.53	817.53
Furniture & Fixtures	53.81	-	-	53.81	51.17	0.06	-	2.58	2.64	2.64
Factory & Office Equipment	106.49	2.37	-	108.86	96.15	3.78	-	8.93	10.34	10.34
Vehicles	32.43	-	-	32.43	16.03	4.20	-	12.20	16.40	16.40
b) At revalued cost:										
Land - Freehold	817.46	-	-	817.46	-	-	-	817.46	817.46	817.46
Buildings	540.47	-	-	540.47	44.05	8.81	-	487.61	496.42	496.42
Plant & Machinery	665.56	-	19.83	645.73	307.01	54.78	9.30	293.24	358.55	358.55
Factory & Office Equipment	13.63	-	-	13.63	5.68	1.14	-	6.82	7.95	7.95
TOTAL	6,294.24	85.14	253.44	6,125.94	3,471.00	125.35	222.23	3,374.12	2,751.82	2,823.24
Previous Year	6,050.32	302.99	59.07	6,294.24	3,408.99	108.39	46.38			

a) The Company revalued its land, building and plant & machinery as on 01-04-2009 based on the the valuation made by an approved valuer. Accordingly, the original cost of such assets resulted in gross increase in the value of assets over their original cost by ₹ 2017.29 lac (excluding the assets sold till 31-03-2015), increase in depreciation upto 31-03-2015 on revaluation by ₹ 412.17 lac and thereby net revaluation reserve as at 31-03-2015 is ₹ 1605.12 lac.

b) The term loans of holding company are additionally secured by way of first/second charge on the existing fixed assets of the company.

c) Refer Note No 31.

11. Capital Work in progress does not include capital advances ₹ 120.34 lac (previous year ₹ Nil).

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



12. NON CURRENT INVESTMENTS

Particulars	No. of Shares		Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014	As at 31.03.2015	As at 31.03.2014
-Unquoted				
Shri Datta Nagari Sah Pat Sanstha Ltd	1,050	1,050	0.11	0.11
Choudeswari Co-op Bank Ltd.	200	200	0.05	0.05
TOTAL			0.16	0.16

13. DEFERRED TAX ASSETS

As required under Accounting standard (AS-22), 'Accounting for taxes on income' issued by the Institute of Chartered Accountants of India, the Company is required to account for deferred taxation while preparing its accounts. The details of deferred tax assets / liabilities are as under:

Particulars		Amount (₹ in lac)		
		As at 31.03.2014	Tax effect for the period	As at 31.03.2015
Deferred Tax liability				
Fixed Assets	A	(156.61)	(26.74)	(183.35)
		(156.61)	(26.74)	(183.35)
Deferred Tax Assets				
Loss		433.20	(13.52)	419.68
Others		34.27	6.72	40.99
	B	467.47	(6.80)	460.67
NET DEFERRED TAX ASSETS/(LIABILITY)	A-B	310.86	(33.54)	277.32

14. LONG TERM LOANS & ADVANCES

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
(Unsecured-considered good)		
Capital Advances	120.34	-
Security Deposits	0.11	84.94
TOTAL	120.45	84.94

15. INVENTORIES

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Stores & Spares (a)	21.10	28.40
Raw Materials (b), (c)	262.30	351.27
Waste	7.36	11.94
Work in Progress	204.74	161.83
Finished Goods	66.98	71.19
TOTAL	562.48	624.63

(a) Including Goods in Transit ₹ 0.78 lac (previous year ₹ 3.57 lac)

(b) Including Goods in Transit ₹ 35.89 lac (previous year ₹ NIL)

(c) The Company has changed the method of valuation of raw materials from FIFO (first in first out) basis to weighted average method. The difference in value due to change in method is not significant.

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



16. TRADE RECEIVABLES

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Others	547.95	669.58
TOTAL	547.95	669.58

17. CASH & CASH EQUIVALENTS

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Cash in hand	2.01	2.20
Balances with Banks		
In Current Accounts	92.71	246.22
Held as margin / Fixed deposits	9.05	31.10
TOTAL	103.77	279.52

Fixed deposits with maturity within 12 Months is ₹ 9.06 lac (previous year ₹ 31.10 lac)

18. SHORT TERM LOANS & ADVANCES

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Advance Income Tax (including tax deducted at source)	156.27	108.28
Others (considered good)	152.26	360.27
TOTAL	308.53	468.55

19. OTHER CURRENT ASSETS

(Unsecured-considered good)

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Export Incentives / Claims recoverable	23.46	67.23
MAT Credit Entitlement	154.18	130.63
TOTAL	177.64	197.86

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



20. CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

A Contingent Liabilities

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
(a) i) Bank Guarantees *	89.12	4.12
Includes a bank guarantee of ₹ 0.42 lac given by Holding Company to the Commissioner of Customs for duty free import of machines		
ii) Excise duty demands disputed in appeals	1.00	1.00

(b) i) The Board for Industrial and Financial Reconstruction (BIFR) in its order dated 16th September 2010 has directed that the Company ceases to be a sick industrial Company within the meaning of section 3 (1) (o) of the SICA as its net worth has turned positive for the year ended 31.03.2010 and its revival is sustainable. It is therefore discharged from the purview of SICA/BIFR.

ii) The unimplemented provisions of SS-07 as may be there would be implemented by the Company/promoters and the concerned agencies and implementation would be monitored by the Board of Directors of the Company.

iii) The Company would complete necessary formalities with the concerned Registrar of Companies as may be required.

iv) Aggrieved with the impugned order of BIFR directed to implement the unimplemented provisions of SS-07, The Director General of Income Tax (DGIT) has filed an appeal with the Appellate Authority of Industrial and Financial reconstruction (AAIFR) requesting to set aside the BIFR order dated 16.09.2010.

(c) The Company has not made any provision of MAT/ Income Tax on the basis of scheme of rehabilitation sanctioned by the BIFR. In their order dated 16.09.2010, the " Board" has stated that the unimplemented provisions of SS-07 would be implemented by the company/ promoters and concerned agencies. Against this order DGIT had filed an appeal before AAIFR challenging the validity of the order. The Company is confident that the directions of BIFR will be upheld and no liability towards MAT/ Income Tax will arise. In case any liability arises, the same will be accounted for as and when arises/ determined.

(d) The term loans and working capital loans obtained by Indo Count Industries Limited are to be secured by way of pari-passu charge of the existing fixed assets of the company.

B Commitments

Particulars	Amount (₹ in lac)	
	As at 31.03.2015	As at 31.03.2014
Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for	18.23	-

21. REVENUE FROM OPERATIONS

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Gross Sales of Products *	6,503.99	7,183.15
Less: Excise Duty	-	-
Net Sales	6,503.99	7,183.15
Export Incentives / Benefits	33.59	90.94
TOTAL	6,537.58	7,274.09

* Includes sale to holding company ₹ 46.54 lac (previous year ₹ 887.81 lac)

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



22. OTHER INCOME

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Interest Banks *	4.76	2.50
Interest Others **	2.41	7.30
Interest Received on VAT Refund	6.17	-
Miscellaneous Receipts and Incomes	0.23	0.40
Exchange rate difference (net)	2.12	-
Liability no longer required written back	9.33	17.12
Quality Claim Received	-	0.57
Profit on Sale of Assets	22.22	3.20
TOTAL	47.24	31.09

* Includes tax deducted at source ₹ 0.48 lac (previous year ₹ 0.25 lac)

** Includes tax deducted at source ₹ 0.24 lac (previous year ₹ 0.73 lac)

23. COST OF MATERIALS CONSUMED

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Raw material & Components consumed		
Opening Stock	351.27	435.15
Add : Purchases *	4,371.29	4,858.29
SUB - TOTAL	4,722.56	5,293.44
Less : Closing Stock	262.30	351.27
TOTAL	4,460.26	4,942.17

* Includes purchase from holding company ₹ 17.50 lac (previous year ₹ Nil)

24. Changes in inventories of Finished goods, work in progress and stock in trade

Particulars		Amount (₹ in lac)	
		For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Closing Stock			
Finished Goods		66.99	71.19
Stock in Process		204.74	161.83
Waste		7.36	11.94
SUB - TOTAL	A	279.09	244.96
Less : Opening Stock			
Finished Goods		71.19	37.31
Stock in Process		161.83	172.32
Waste		11.94	10.14
SUB - TOTAL	B	244.96	219.77
(Increase)/Decrease in Stock	B-A	(34.13)	(25.19)

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



25. EMPLOYEE BENEFITS EXPENSES

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Salaries & Wages	601.57	559.35
Contribution to Provident & Other Funds	36.48	32.03
Gratuity	22.73	16.50
Staff Welfare Expenses	8.38	7.11
TOTAL	669.16	614.99

EMPLOYEE POST RETIREMENT BENEFITS

Particulars	Amount (₹ in lac)			
	For the period 01.04.2014 to 31.03.2015		For the period 01.04.2013 to 31.03.2014	
During the year, the following contribution have been made under				
Employer's Contribution to Provident Fund	36.48		32.03	
Gratuity and Leave encashment benefits	34.35		17.24	
Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
i) Assumptions				
Discount Rate	8%	8%	8%	8%
Salary Escalation	7%	7%	7%	7%
ii) Table showing changes in present value of obligations				
Present value of obligation as at beginning of the year	94.17	21.30	78.97	20.49
Interest cost	7.53	1.70	6.32	1.64
Current Service Cost	12.64	11.07	9.32	2.73
Benefits Paid	(5.10)	(1.71)	(4.34)	(0.80)
Actuarial (gain)/loss on obligation	6.36	(0.38)	3.91	(2.76)
Present value of obligations as at end of year	115.61	31.99	94.17	21.30
iii) Table showing changes in the present value of plan				
Fair value of plan assets at the beginning of year	37.10	10.83	29.07	8.03
Expected return on plan assets	3.54	1.03	3.05	0.87
Contributions	9.66	2.98	9.31	2.72
Benefits paid	(5.10)	(1.71)	(4.34)	(0.80)
Actuarial gain / (Loss) on plan assets	0.27	0.09	-	-
Fair value of plan assets at the end of year	45.47	13.23	37.10	10.83
iv) Table showing fair value of plan assets				
Fair value of plan assets at the beginning of year	37.10	10.83	29.07	8.03
Actual return on plan assets	3.54	1.03	3.05	0.87
Contributions	9.66	2.98	9.31	2.72
Benefits paid	(5.10)	(1.71)	(4.34)	(0.80)
Actuarial (gain)/loss on plan asset				
Fair value of plan assets at the end of year	45.47	13.23	37.10	10.83
Present value of obligation at the end of year	115.61	31.99	94.17	21.30

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



EMPLOYEE POST RETIREMENT BENEFITS (Contd.)

Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
v) Actuarial Gain / Loss recognized				
Actuarial gain / Loss for the year – obligation	6.36	(0.38)	3.91	(2.76)
Actuarial (gain)/Loss for the year – plan	-	-	-	-
Total (gain) / Loss for the year	6.36	(0.38)	3.91	(2.76)
Actuarial (gain) / Loss recognized in the year	6.36	(0.38)	3.91	(2.76)
vi) The amounts to be recognized in the				
balance sheet and statements of Profit &				
Possessent value of obligations as at the end of year	115.61	31.99	94.17	21.30
Fair value of plan assets as at the end of the year	45.47	13.23	37.10	10.83
Funded status	(70.14)	(18.76)	(57.08)	(10.48)
Net Asset / (Liability) recognized in balance sheet	70.14	18.76	57.08	10.48
vii) Expenses recognized in statement of Profit & Loss				
Current services cost	12.64	11.07	9.32	2.73
Interest cost	7.53	1.70	6.32	1.64
Expected return on plan assets	(3.54)	(1.03)	(3.05)	(0.87)
Net Actuarial (gain)/Loss recognized in the year	6.36	(0.38)	3.91	(0.28)
Expenses recognized in statement of P&L	22.99	11.36	16.50	0.74

The Estimates of rate of future salary increase takes account inflation, seniority, promotion and other relevant factors on long term basis.

The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

26. FINANCE COSTS

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Interest Expense		
-Banks	12.11	0.66
-Others *	0.08	8.77
Bank Charges	17.77	16.39
TOTAL	29.96	25.82

* Includes interest paid to holding company ₹ Nil (previous year ₹ 5.54 lac)

27. DEPRECIATION & AMORTISATION EXPENSES

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Depreciation	121.33	108.38
Less : Transfer to Revaluation Reserve	64.73	62.50
TOTAL	56.60	45.88

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



28. OTHER EXPENSES

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Consumption of Stores, Spare and Packing Materials	200.08	206.45
Power & Fuel	880.13	837.22
Rent (including lease rent) (a)	0.25	13.87
Rates, Taxes & Fees	9.34	9.30
Insurance	10.44	10.20
Repairs to Machinery	7.89	4.80
Repairs to Buildings	4.80	1.87
Commission & Brokerage	59.82	82.26
Freight Outward	23.36	63.68
Loss on sale of Assets	1.58	-
Miscellaneous expenses (b)	63.83	83.31
TOTAL	1,261.52	1,312.96

(a) Includes Operating Lease paid to Holding Company.

As Lessee :

Particulars	2014-15	2013-14
A) The total of future minimum lease payments under		
I) Not latter than one year	-	-
ii) Later than one year and not later than five years,		
iii) Later than five years,	-	-
B) The total of future minimum sub-lease payments expected to be received under non cancelable sub leases at the balance sheet date,	-	-
C) Lease payments recognized in the statement of profit & loss	-	13.62

The assets taken on lease were purchased by the Company on 01.10.2013, hence future minimum sub-lease payments as on 31.03.2015 is ₹ Nil

(b) Includes payment to auditors

Details of Auditors remuneration

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
As Statutory Audit Fees	2.00	2.00
As Quarterly Audit / Limited Review Fees	1.50	1.50
As Tax Audit Fees	0.50	0.50
For Certification Work	0.03	0.05
In Other Capacity	0.15	0.15
TOTAL	4.18	4.20

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



29. RELATED PARTY DISCLOSURE:

Related party disclosures as required by AS - 18 "Related Party Disclosures" are given below:-

A. Holding Company :

- i) Indo Count Industries Ltd.

B. Directors :

- i) Shri Anil Kumar Jain
- ii) Shri Kamal Mitra

C. Associates :

- i) Margo Finance Ltd.

Transactions with Related Parties during the year and balances at the end of the year.

Amount (₹ in lac)

Nature of transaction	Holding Company		Associates		Total	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
i) Unsecured Loans						
- Opening balance	110.28	140.66	-	-	110.28	140.66
- Taken during year	-	114.99	-	-	-	114.99
- Repaid during year	110.28	145.36	-	-	110.28	145.36
- Closing balance	-	110.28	-	-	-	110.28
ii) Debtors	-	-	-	-	-	-
iii) Creditors	-	105.51	-	-	-	105.51
iv) Other Payables	-	26.69	-	-	-	26.69
v) Expenses						
- Purchases/Jobwork Chrges	18.63	120.15	-	-	18.63	120.15
- Rent	-	-	0.25	0.25	0.25	0.25
- Interest	-	5.54	-	-	-	5.54
- Lease Rental	-	13.62	-	-	-	13.62
- Other Expenses	44.26	55.36	0.01	-	44.27	55.36
vi) Income						
- Sales during the year	46.54	887.81	-	-	46.54	887.81

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



30. EARNING PER SHARE (EPS)

Particulars		For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Basic / Dilutive Earnings Per Share			
Profit after tax as per profit & loss account (₹ In lac)		82.88	256.52
Less : Dividend and tax thereon in respect of preference shares (₹ In lac)		-	-
Profit available for shareholders (₹ In lac)	A	82.88	256.52
No. of equity shares	B	19,241,280	19,241,280
Basic / Dilutive Earning Per Share (₹)	(A/B)	0.43	1.33

31. Effective 1st April, 2014, the company has revised its estimated useful life of fixed assets, wherever appropriate, on the basis of useful life specified in Schedule II of the Companies Act, 2013. The carrying amount as on 1st April, 2014 is depreciated over the revised remaining useful life. As a result of these changes, the depreciation charged for the year ended 31st March, 2015 is higher by ₹ 0.06 lac and the effect relating to the period prior to 1st April, 2014 is ₹ 2.71 lac (net of deferred tax asset of ₹ 1.30 lac) which has been adjusted against opening balance of retained earnings
32. In the opinion of the management, the current assets, loans and advances are expected to realize at least the amount at which they are stated, if realized in the ordinary course of business. Provision for all known liabilities have been adequately made in the accounts.
33. It is the management's perception that since the company is exclusively engaged in the activity of manufacture of cotton yarn which are governed by the same set of risks and returns the same are considered to constitute a single reportable segment in the context of Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.
34. Figures have been rounded off to the nearest ₹ in lac and have been regrouped/rearranged wherever considered necessary.

35. Value of imported / indigenous Raw materials, Stores & spares consumed

Class of Goods	For the period 01.04.2014 to 31.03.2015		For the period 01.04.2013 to 31.03.2014	
	Percentage	Amount ₹ In lac	Percentage	Amount ₹ In lac
Raw Materials				
Imported	-	-	-	-
Indigenous	100.00	4,460.26	100.00	4,942.17
	100.00	4,460.26	100.00	4,942.17
Stores & Spares				
Imported	-	-	-	-
Indigenous	100.00	200.08	100.00	206.45
	100.00	200.08	100.00	206.45

NOTES ON FINANCIAL STATEMENTS

For the year ended 31st March, 2015



36. Other Informations

Particulars	Amount (₹ in lac)	
	For the period 01.04.2014 to 31.03.2015	For the period 01.04.2013 to 31.03.2014
Expenditure in Foreign Currency		
Selling Commission / Claims	20.35	40.40
Earnings in Foreign Currency		
FOB value of exports (Including deemed exports ₹ 364.16 lac (previous year ₹ 1644.30 lac))	1,620.19	4,689.74

[See accompanying notes to the financial statements](#)

As per our report of even date annexed

For **B.K.SHROFF & CO.,**
Chartered Accountants
Reg. No. 302166E

S. K. Agrawal
Chairman

Anil Kumar Jain
Director

Partner

Membership No. 6329
Mumbai, 9th May, 2015

Abhishek Thareja
Company Secretary & Compliance Officer

R. Sundaram
Chief Financial Officer



To,
The Company Secretary
Pranavadiya Spinning Mills Limited
Plot No. 266, Village Alte, Kumbhoj Road, Taluka Hatkanangale,
District Kolhapur, Maharashtra - 416 109.

Updation of Shareholder Information

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: * (applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank: Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder

This page has been intentionally left blank



A Subsidiary of



Pranavadiya Spinning Mills Limited

Plot No. 266, Village Alte, Kumbhoj Road,
Taluka: Hatkanagale, District: Kolhapur - 416 109
Email - investors@pranavadiya.com