



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND LIFESTYLE BRANDS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ARVIND LIFESTYLE BRANDS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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.

SORAB S. ENGINEER & CO. (Regd.)

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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



SORAB S. ENGINEER & CO. (Regd.)

- (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 made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 7 to the financial statements;
 - iii. There has been no amount required to be transferred to the Investor Education and Protection Fund by the Company.

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 12, 2016

SORAB S. ENGINEER & CO. (Regd.)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: ARVIND LIFESTYLE BRANDS LIMITED

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

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties and thus requirement of Clause (i) (c) of paragraph 3 of the order are not applicable.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Act in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order are not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

SORAB S. ENGINEER & CO. (Regd.)

(b) Following amounts have not been deposited as on March 31, 2016 on account of any dispute :

Nature of the Statute	Nature of the dues	Amount Rs.	Period to which the amount relates	Forum where matter is Pending
Sales Tax Act	Sales Tax	996,490	1998-1999	Reference with High Court
		236,186	2000-2001	Reference with High Court
		2,549	2001-2002	Reference with High Court
		2,801,815	2005-2006	Special Commissioner
		3,877,683	2005-2006	Assistant Commissioner
		3,480,540	2005-2006	Deputy Commissioner
		869,603	2007-2008	Assistant Commissioner
		92,227,602	2008-2009	Assistant Commissioner
		729,029	2009-2010	Special Commissioner
		12,063,393	2009-2010	Appellate Tribunal
		69,186,783	2009-2010	Assistant Commissioner
		74,439,850	2010-2011	Assistant Commissioner
		102,125,980	2011-2012	Assistant Commissioner
		37,842,045	2011-2012	Assessing Officer
		29,423,303	2012-2013	Assessing Officer
24,108,172	2012-2013	Assistant Commissioner		
Central Excise Act	Excise Duty	1,603,064	2002-2003 to 2003-2004	Reference with High Court
		158,000	2006-2007	Commissioner of Central Excise
		100,000	2006-2007	CESTAT
Textile Committee	Textile Committee Cess	1,094,000	2006-2007	CESTAT

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. However, the term loans obtained during the year were, *prima facie*, applied by the Company for the purpose for which they were raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, no managerial remuneration is paid and thus requirement of clause (xi) of paragraph 3 of the order is not applicable.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

B

SORAB S. ENGINEER & CO. (Regd.)

- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 12, 2016

SORAB S. ENGINEER & CO. (Regd.)

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF ARVIND LIFESTYLE BRANDS LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Arvind Lifestyle Brands Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

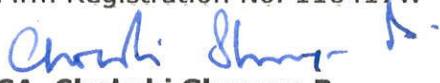
Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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


CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 12, 2016

Arvind Lifestyle Brands Limited

Balance Sheet

	Note	Amount in Rs.	
		As at	
		March 31, 2016	March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	336,351,000	299,351,000
Reserves and Surplus	4	4,647,543,329	2,612,748,323
Non-current liabilities			
Long Term Borrowings	5	1,914,759,628	1,491,788,391
Other Long Term Liabilities	6	373,808,870	279,505,240
Long Term Provisions	7	55,730,330	41,454,298
Current liabilities			
Short Term Borrowings	8	4,344,767,700	4,990,942,667
Trade Payables	9	6,644,527,843	5,582,995,315
Other Current Liabilities	10	1,279,169,209	1,196,485,749
Short Term Provisions	7	105,334,755	91,629,767
Total		19,701,992,664	16,586,900,750
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	11	2,448,224,650	2,051,827,454
Intangible Assets	12	457,905,542	565,878,445
Capital Work-in-progress		7,621,605	425,566
Intangible Assets under development		247,336,286	-
Non Current Investments	13	150,000	150,000
Deferred Tax Assets (Net)	14	447,005,930	508,682,849
Long Term Loans and Advances	15	1,738,643,889	1,430,198,240
Other Non Current Assets	16	684,831	4,503,227
Current assets			
Inventories	17	4,528,396,634	5,056,257,764
Trade Receivables	18	8,574,747,402	5,960,835,127
Cash and Bank Balances	19	187,454,518	77,622,329
Short Term Loans and Advances	15	1,013,784,307	910,610,233
Other Current Assets	16	50,037,070	19,909,516
Total		19,701,992,664	16,586,900,750
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 12, 2016

Life — *Director*
Director

Company Secretary
Company Secretary

Arvind Lifestyle Brands Limited

Statement of Profit and Loss

	Note	Amount in Rs.	
		Year ended	
		March 31, 2016	March 31, 2015
Revenue from operations (Gross)	22	25,328,630,784	21,927,162,684
Less : Value Added Tax		1,055,648,273	877,837,373
Revenue from operations (Net)		24,272,982,511	21,049,325,311
Other Income	23	65,915,222	74,243,840
Total Revenue		24,338,897,733	21,123,569,151
Expenses:			
Cost of materials consumed	24	31,974,844	43,860,880
Purchases of Stock in Trade	25	11,868,687,495	11,935,924,418
Changes in inventories of stock-in-trade	26	521,600,206	(909,427,297)
Employee benefits expense	27	1,947,738,628	1,588,406,446
Finance costs	28	755,471,638	858,280,270
Depreciation and amortization expense	29	867,889,608	682,171,920
Other expenses	30	8,062,063,389	7,177,503,335
Total expenses		24,055,425,808	21,376,719,972
Profit/(Loss) before exceptional and extraordinary items and tax			
Exceptional items	31	283,471,925	(253,150,821)
Profit/(Loss) before extraordinary items and tax			
Extraordinary Items		-	(224,039,733)
Profit/(Loss) before tax		283,471,925	(477,190,554)
Tax expense:			
Current Tax (MAT)		60,497,443	-
MAT Credit Entitlement		(60,497,443)	-
Deferred tax		61,676,919	(153,995,186)
Profit/(Loss) for the year		221,795,006	(323,195,368)
Earnings per equity share	37		
(Nominal Value per Share Rs. 10/- (Previous year Rs. 10/-):			
Basic and Diluted			
Before Exceptional Item		6.86	(3.54)
After Exceptional Item		6.86	(11.53)
Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 12, 2016

Joje — x *Dr*
Director
Director
Company Secretary
Company Secretary

B

Arvind Lifestyle Brands Limited

Cash Flow Statement

Amount in Rs.

	Year ended	
	March 31, 2016	March 31, 2015
A Cash Flow From Operating Activities		
Profit/(Loss) Before taxation	283,471,925	(477,190,554)
Adjustments for:		
Depreciation /Amortization	867,889,608	682,171,920
Interest Income	(11,445,811)	(7,770,210)
Interest Expenses	755,471,638	858,280,270
Sundry Debit Written off	-	46,919
Provision for Doubtful Advances	13,095,402	15,000,000
Foreign Exchanges (Gain)/Loss	(314,593)	1,394,021
Fixed Assets Written off	2,401,650	67,848
Sundry Credit balances appropriated	(2,396,156)	(66,206)
(Profit)/Loss on Sale of Tangible assets	(410,000)	(904,320)
	1,624,291,738	1,548,220,242
Operating Profit before Working Capital Changes	1,907,763,663	1,071,029,688
Working Capital Changes:		
Changes in Inventories	527,861,130	(963,066,825)
Changes in other long term liabilities	94,303,630	120,099,576
Changes in trade payables	1,064,903,233	773,927,286
Changes in other current liabilities	(49,221,333)	(105,574,411)
Changes in provisions	27,981,020	16,462,025
Changes in long term loans and advances	(310,995,139)	(126,400,748)
Changes in trade receivables	(2,614,572,231)	(1,236,553,623)
Changes in other assets	(26,116,022)	(1,178,810)
Changes in Other Bank Balances	(98,884,510)	
Changes in short term loans and advances	(116,000,114)	(215,373,765)
	(1,500,740,336)	(1,737,659,295)
Cash Generated from Operations	407,023,327	(666,629,607)
Direct Taxes paid (Net of Income Tax refund)	(34,769,588)	(10,524,843)
Net Cash flow from Operating Activities	372,253,739	(677,154,450)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(1,416,508,216)	(1,043,294,494)
Sale of tangible assets	3,670,340	23,865,026
Changes in Capital Advances	41,538,405	82,724,230
Changes in Loans to Employees	(4,488,689)	(1,762,810)
Interest Income	7,434,279	8,356,280
Net cash flow from Investing Activities	(1,368,353,881)	(930,111,768)
C Cash Flow from Financing Activities		
Issue of Equity Shares including Securities Premium	1,850,000,000	1,000,000,000
Changes in long term Borrowings	482,428,881	209,443,339
Changes in short term borrowings	(646,174,967)	1,104,332,544
Interest Paid	(683,024,489)	(853,290,534)
Net Cash flow from Financing Activities	1,003,229,425	1,460,485,349
Net Increase/(Decrease) in cash & cash equivalents	7,129,283	(146,780,869)
Cash & Cash equivalents at the beginning of the period	45,245,958	155,021,865
Cash & Cash equivalents at the end of the period	52,375,241	45,245,958

Particulars	As at	
	March 31, 2016	March 31, 2015
Cash and cash equivalents comprise of: (Note 19)		
Cash on Hand	15,820	11,273
Balances with Banks	52,359,421	45,234,685
Total	52,375,241	45,245,958

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 12, 2016

[Signature]
Director

[Signature]
Company Secretary

B

Arvind Lifestyle Brands Limited

Notes to the financial statements

1. COMPANY BACKGROUND

Arvind Lifestyle Brands Limited (ALBL) is engaged in the business of distribution and Retailing of Readymade Garment Apparels and Accessories. True to being the pioneer in Apparel designing and retailing in India, ALBL launched first ever Denim Brand in India in the early 80's, brought first international brand Arrow to India in early 90's and also opened first exclusive brand outlet in India. With close to 600 stores covering 6 Lac plus square feet of Retail space panning the length and breadth of the country, ALBL today has some of the best known international portfolio brands, the likes of ARROW, GANT, U. S. POLO, IZOD, ELLE, NAUTICA, DEBENHAMS, NEXT and HANES apart from our very own Denim brand FLYING MACHINE spread across. The company has recently added two New Brands in GAP and TCP to strengthen its presence in Bridge to Lifestyle and Kidswear segment respectively.

Megamart, a division of ALBL is engaged in the business of Value Retailing of Apparels. Again taking Pioneer position, Megamart introduced the concept of Apparel Value retailing business in India and dominates the Branded Apparel Value-Retailing market in India. Megamart also introduced International Brands like Cherokee, Mossimo and Geoffrey Beane in the Value Retailing segment and created a big market excitement. With more than 135 regular format stores and 5 Big Format stores, Megamart operates with more than 8 million square feet of Retail space across India.

Both Brands and Megamart retail presence touches 800+ stores and 14.2Mn Retail space.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

(B) USE OF ESTIMATES

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial

statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialize.

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company except so far as they relate to assets acquired under the Scheme of Arrangement which are valued at their fair value. These costs are not adjusted to reflect the changing value in the purchasing power of money.

(D) REVENUE RECOGNITION

Retail sales and revenues are recognised on delivery of the merchandise to the customer, when the property in the goods is transferred for a price, when significant risks and rewards have been transferred and no effective ownership control is retained. Revenue from export sales are recognized on shipment basis.

The property in the merchandise of third party consignment stock does not pass to the Company. Since, however, the sale of such stock forms a part of the activities of the Company's departmental stores, the gross sales values and cost of the merchandise are displayed separately in the Statement of Profit and Loss.

Sales are stated net of returns, discount, Sales Tax and Value Added Tax.

Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

In respect of gift vouchers and point award schemes operated by the Company, sales are recognised when the gift vouchers or points are redeemed and the merchandise is sold to the customer.

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/ displayed. Facility management fees are recognised pro-rata over the period of the contract.

(E) INVENTORIES

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of materials and cost of conversion. The cost of finished goods has been measured on the Weighted Average Cost basis.

Merchandise received under consignment and concessionaire arrangements belong to the consignors/concessionaires and are therefore excluded from the Company's inventories.

(F) FIXED ASSETS

Tangible Assets

Tangible Fixed Assets are stated at acquisition cost, net of accumulated depreciation except in case of assets acquired under the scheme of demerger/amalgamation which are stated at fair value less accumulated depreciation.

The addition to the fixed assets is stated at their original cost of acquisition less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their location and working condition and includes all expenditure incurred up to the date of opening new stores to the extent they are attributable to the new store. Losses arising from the retirement of, and gains or losses from disposal of fixed assets are recognised in the Statement of Profit and Loss.

Intangible Assets

Intangible assets acquired are stated at their fair value, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

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

(G) DEPRECIATION/AMORTISATION

Depreciation on Tangible Assets

The carrying value of the tangible fixed assets as on April 1, 2014 is depreciated over remaining useful life of the assets based on independent technical evaluation carried out by external valuer

Depreciation on addition to tangible fixed assets is provided on the straight line method over useful lives of the assets based on internal assessment.

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

The management estimates the useful lives for the tangible fixed assets as follows:

Assets	Useful Life (in yrs)
Furniture & Fixture	6
Leasehold Improvements	6
Plant & Machinery	5
Vehicles	4

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

Amortisation of Intangible Assets

Job Workers' Network Value, Vendors' Network Value and Distribution Network Value have been amortized on Straight Line basis over the period of five years.

Value of License Brands acquired under demerger scheme has been amortized in the ratio of revenue expected to be generated from these brands over the period of ten years.

Software is depreciated over management estimate of its useful life of 3 years.

Handwritten signature

Handwritten mark

(H) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of profit and loss.

(I) INVESTMENTS

Long Term investments are stated at cost. Fall in the value, other than temporary, has been charged to the Statement of Profit and Loss.

(J) FOREIGN CURRENCY TRANSACTIONS

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded at the exchange rate prevailing at the time of the transaction.

Subsequent Recognition:

As at the reporting date, all monetary assets and liabilities in foreign currency have been restated at the year end rate. The difference arising as a result has been accounted as income/ expense.

Forward Contracts:

The premium or discount arising at the inception of the forward exchange contracts, or other financial instruments that are in substance forward exchange contracts is amortized as expense or income over the life of the contracts.

Realized gain or loss on cancellation of forward exchange contracts are recognised in the Statement of Profit and Loss of the period in which they are cancelled.

Forward Contracts remaining unsettled at the Balance sheet date are revalued at the closing rate and exchange difference arising on such revaluation is charged to Statement of Profit and Loss.

(K) RETIREMENT BENEFITS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund. The Company's contributions thereto are charged to revenue every year. The Company's Contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. The actuarial valuation is done based on Projected Unit Credit Method. Gratuity scheme is administered by Life Insurance Corporation of India.

mtg.

B

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

(L) BORROWING COST

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds and considered as revenue expenditure and charged to profit and loss for the year in which it is incurred.

(M) LEASE ACCOUNTING

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

(N) TAXES ON INCOME

Tax expense consists of both current as well as deferred tax liability. Current tax represents amount of income tax payable including the tax payable u/s 115JB, if any, in respect of taxable income for the year.

Minimum Alternate Tax Credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax within the specified period.

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

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

(O) EARNING PER SHARE

The Company reports basic and diluted Earnings Per Share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year. Diluted EPS is computed by dividing the net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares, except where the results are anti-dilutive.

(P) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the accounts by way of a note.

Contingent assets are neither recognized nor disclosed in the financial statements.

3 Share Capital

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Authorised 50,000,000 Equity Shares (Previous Year 50,000,000) Par Value of Rs.10/- per share	500,000,000	500,000,000
Issued 33,635,100 Equity Shares (Previous Year 29,935,100) Par Value of Rs.10/- per share	336,351,000	299,351,000
Subscribed and fully paid up 33,635,100 Equity Shares (Previous Year 29,935,100) Par Value of Rs.10/- per share fully paid up	336,351,000	299,351,000
Total	336,351,000	299,351,000

a Reconciliation of Number of Shares

Particulars	As at			
	March 31, 2016		March 31, 2015	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	29,935,100	299,351,000	27,935,100	279,351,000
Add:				
Shares issued during the year	3,700,000	37,000,000	2,000,000	20,000,000
Balance at the end of the year	33,635,100	336,351,000	29,935,100	299,351,000

b Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2016)

62,85,000 shares of Rs. 10 each were allotted as fully paid up in the year 2013-14 pursuant to the scheme of arrangement without payment being received in cash.

c Rights, Preferences and Restrictions attached to Equity Shares

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

d Shares held by Holding Company

Particulars	As at	
	March 31, 2016	March 31, 2015
Holding Company - Arvind Brands and Retail Limited (along with nominees)	336,351,000	29,935,100

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

Particulars	As at	
	March 31, 2016	March 31, 2015
Holding Company - Arvind Brands and Retail Limited (along with nominees)	336,351,000 100.00%	29,935,100 100.00%

4 Reserves and Surplus

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Securities Premium Account		
Balance as per last financial statements	2,964,000,000	1,984,000,000
Add: Addition during the year	1,813,000,000	980,000,000
Balance at the end of the year	4,777,000,000	2,964,000,000
Capital Reserve on Amalgamation		
Balance as per last financial statements	590,531,059	590,531,059
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(941,782,736)	(280,028,446)
Less : Adjustment of Depreciation (Net of Deferred Tax of Rs. 162,601,498/-) (Note 40)	-	(338,558,922)
Add : Profit/(Loss) for the year	221,795,006	(323,195,368)
Balance at the end of the year	(719,987,730)	(941,782,736)
Total	4,647,543,329	2,612,748,323

5 Long Term Borrowings

	Amount in Rs.			
	Non- Current portion		Current Maturities	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Secured				
Term Loans :				
From Banks	1,133,033,606	1,470,762,224	522,500,000	469,500,000
Hire Purchase Loans :				
From Banks	30,428,602	16,265,245	12,761,949	5,135,928
From Others	1,297,420	4,760,922	3,297,456	4,465,833
Unsecured				
Non Convertible Debentures	750,000,000	-	-	-
	1,914,759,628	1,491,788,391	538,559,405	479,101,761
Amount disclosed under the head "Other Current Liabilities" (Note 10)	-	-	538,559,405	479,101,761
Total	1,914,759,628	1,491,788,391	-	-

(1) Details of Secured Borrowings

a Nature of Security

I Term Loans from Banks are secured by:

i. Loans of Rs 159,79,71,725 is secured against First charge over the entire fixed assets of the Company both present and future and second charge over entire stock, receivables and other current assets of the Company.

ii. Loan of Rs. 575,61,781 is secured against First charge over the stocks, receivable and other current asset, excluding stocks of Nautica Brand and second charge over the entire fixed assets of the Company both present and future;

iii. All the above loans are additionally secured by Corporate Guarantee given by Arvind Limited, the ultimate holding company.

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

b Rate of Interest and Terms of Repayment

Particulars	Amount in Rs.	Range of Interest (%)	Terms of Repayment
A. Term Loan			
State Bank of India/Bank of Baroda/HDFC Bank	1,247,200,269	0.5% to 1.75% above Base Rate	Repayable in quarterly installments ranging between 16 to 20 after moratorium of one year from the date of loan
HDFC Bank	408,333,337	0.5% above Base Rate	Repayable in 60 monthly instalments after moratorium upto April 2015.
B. Hire Purchase Loans			
AXIS Bank and HDFC Bank	43,190,551	9% to 15%	Repayable in 48 monthly installments from the date of release of respective loans
Kotak Mahindra Prime Limited	4,594,876	9% to 11%	Repayable in 48 monthly installments from the date of release of respective loans

(2) Details of Unsecured Borrowings

a 10.35% per annum interest bearing 750 Non Convertible Debentures of face value 1,000,000 each are redeemable at par in 3 equal annual instalments starting from July 27, 2018

6 Other Long Term Liabilities

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Security Deposits	373,808,870	279,505,240
Total	373,808,870	279,505,240

Arvind Lifestyle Brands Limited

7 Provisions	Amount in Rs.			
	Long Term		Short Term	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provision for Employee Benefits				
Leave Encashment	47,138,914	41,454,298	11,811,368	6,765,564
Gratuity	8,591,416	-	24,742,852	25,060,249
Provision for Wealth tax	-	-	146,070	174,230
Provision for Litigation/Disputes (Note a)	-	-	30,000,000	30,000,000
Provision for Customer Loyalty Program Reward Points (Note b)	-	-	33,807,971	23,414,626
Provision for Forward Contract Premium	-	-	4,826,494	6,215,098
Total	55,730,330	41,454,298	105,334,755	91,629,767

a Provision for Litigation/Disputes

The Company has made provisions for pending disputed matters in respect of Indirect Taxes like Sales Tax, Excise Duty and Custom Duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off. The movement in the provision account is as under:

Particulars	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Balance as per last financial statements	30,000,000	28,124,552
Add : Provision made during the year	-	1,875,448
Balance at the end of the year	30,000,000	30,000,000

b Provision for Customer Loyalty Program Reward Points

The Company has made provision for customer loyalty program reward points. The movement in provision for those reward points are given below:

Particulars	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Balance as per last financial statements	23,414,626	9,898,081
Add : Provision made during the year	31,969,903	37,247,642
Less : Redeemed/Reversal made during the year	(21,576,558)	(23,731,097)
Balance at the end of the year	33,807,971	23,414,626

8 Short Term Borrowings

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Secured		
Working Capital Loans repayable on demand		
From Banks	2,697,982,663	2,797,169,228
	2,697,982,663	2,797,169,228
Unsecured		
Under Buyer's Credit Arrangement from Banks	749,316,008	532,624,441
Intercorporate Deposits		
From Related Parties	897,469,029	1,661,148,998
	1,646,785,037	2,193,773,439
Total	4,344,767,700	4,990,942,667

a Nature of Security

Loans from banks are secured by:

- i. First charge over entire stocks, receivables and other current assets excluding stocks of Nautica Brand and second charge over entire fixed assets of the Company both present and future including but not limited to in relation to textile division at ahmedabad etc.
- ii. Additionally secured by Corporate Guarantee given by Arvind Limited, the ultimate holding company.

b Rate of Interest

- i. Loans from banks carry interest rates ranging from 0.5% to 1.5% above base rate.
- ii. Inter Corporate Deposits carry interest @ 10.25% per annum.

Handwritten signature and initials in blue and green ink.

Arvind Lifestyle Brands Limited

9 Trade Payables

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Total outstanding dues to Micro and Small Enterprises	286,147,739	90,423,526
Outstanding due to other than Micro and Small Enterprise	4,407,941,185	4,372,687,122
Acceptances	1,950,438,919	1,119,884,667
Total	6,644,527,843	5,582,995,315

- a Disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	310,567,278	121,777,143
(b) Interest paid during the year;	10,908,511	14,384,730
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;	679,378,695	694,108,365
(d) Interest due and payable for the period of delay in making payment;	24,419,539	31,353,617
(e) Interest accrued and unpaid at the end of the accounting year; and	24,419,539	31,353,617
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	24,419,539	31,353,617

10 Other Current Liabilities

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings (Note 5)	538,559,405	479,101,761
Interest accrued but not due	110,781,470	6,980,704
Interest accrued and due	-	31,353,617
Advance from Customers	15,831,672	60,085,118
Statutory dues including Provident Fund and Tax deducted at Source	239,571,948	245,564,134
Payable in respect of Capital Goods	145,270,566	80,353,667
Book Overdraft	46,727,687	85,042,679
Payable in respect of employees	143,729,608	156,884,355
Security Deposit	1,156,000	1,156,000
Others	37,540,853	49,963,714
Total	1,279,169,209	1,196,485,749

Handwritten signature/initials in blue ink.

Handwritten mark in green ink.

Arvind Lifestyle Brands Limited

11 Tangible Assets

Particulars	Gross Block					Depreciation / Amortization					Amount in Rs. Net Block		
	As on 01.04.2015	Additions	Disposals	As on 31.03.2016	As on 01.04.2015	Other Adjustments	For the year	Deductions	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015	As on 31.03.2015	
	Own Assets	670,912,161	134,837,596	33,803,389	771,946,368	328,332,459	-	122,682,002	33,691,737	417,322,724	354,623,644	342,579,702	342,579,702
Plant and Equipments	1,118,798,536	348,598,938	27,523,128	1,439,874,346	497,340,832	-	201,748,540	25,378,206	673,711,166	766,163,180	621,457,704	621,457,704	
Furniture and Fixtures	47,886,306	27,504,029	8,734,373	66,655,962	16,307,319	-	12,802,257	5,474,034	23,635,542	43,020,420	31,578,987	31,578,987	
Vehicles	172,077,892	46,507,105	6,018,188	212,566,809	89,997,613	-	33,497,354	5,995,235	117,499,732	95,067,077	82,080,279	82,080,279	
Office Equipments	1,914,817,010	490,574,584	90,977,063	2,314,414,531	1,034,110,408	-	294,068,303	90,861,824	1,237,316,887	1,077,097,644	880,706,602	880,706,602	
Leasehold Improvements	244,204,929	66,293,770	4,618,294	305,880,405	150,780,749	-	47,463,130	4,616,159	193,627,720	112,252,685	93,424,180	93,424,180	
Data Processing Equipments	4,168,696,834	1,114,316,022	171,674,435	5,111,338,421	2,116,869,380	-	712,261,586	166,017,195	2,663,113,771	2,448,224,650	2,051,827,454	2,051,827,454	
Total													

Particulars	Gross Block					Depreciation / Amortization					Net Block		
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	As on 01.04.2014	Other Adjustments (Note 40)	For the year	Deductions	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014	As on 31.03.2014	
	Own Assets	464,435,411	210,131,121	3,654,371	670,912,161	143,438,464	102,227,195	83,316,464	649,664	328,332,459	342,579,702	320,996,947	320,996,947
Plant and Equipments	765,746,523	356,620,248	3,568,235	1,118,798,536	242,060,852	98,354,198	158,545,274	1,619,492	497,340,832	621,457,704	523,685,671	523,685,671	
Furniture and Fixtures	39,082,969	21,658,261	12,854,924	47,886,306	19,068,439	1,338,458	7,551,720	11,651,298	16,307,319	31,578,987	20,014,530	20,014,530	
Vehicles	112,371,094	61,445,323	1,738,525	172,077,892	38,012,608	22,904,933	29,457,732	377,660	89,997,613	82,080,279	74,358,486	74,358,486	
Office Equipments	1,639,496,787	287,748,445	12,428,222	1,914,817,010	570,475,022	250,487,633	217,839,227	4,691,474	1,034,110,408	880,706,602	1,069,021,765	1,069,021,765	
Leasehold Improvements	184,853,636	63,127,150	3,775,857	244,204,929	85,943,911	25,848,003	39,230,750	241,915	150,780,749	93,424,180	98,909,725	98,909,725	
Data Processing Equipments	3,205,986,420	1,000,730,548	38,020,134	4,168,696,834	1,098,999,296	501,160,420	535,941,167	19,231,503	2,116,869,380	2,051,827,454	2,106,987,124	2,106,987,124	
Total													

[Handwritten signature]

[Handwritten mark]

Arvind Lifestyle Brands Limited

12. Intangible Assets

Particular	Amount in Rs.									
	Gross Block			Amortization			Net Block			
	As on 01.04.2015	Additions	Disposals	As on 31.03.2016	As on 01.04.2015	For the year	Impairment Loss	Deductions	As on 31.03.2016	As on 31.03.2015
License Brands	640,957,210	-	-	640,957,210	252,072,484	72,717,757	-	-	324,790,241	388,884,726
Brand Value	176,720,712	-	-	176,720,712	78,849,487	30,222,195	-	-	109,071,682	97,871,225
Computer Software	200,040,413	47,659,869	18,210	247,682,072	141,772,038	36,112,640	-	13,460	177,871,218	58,268,375
Jobworkers' Network	17,295,984	-	-	17,295,984	17,295,984	-	-	-	17,295,984	-
Vendors' Network	62,728,346	-	-	62,728,346	62,728,346	-	-	-	62,728,346	-
Distribution Network	43,146,454	-	-	43,146,454	22,292,335	3,091,036	-	13,484,394	38,867,765	20,854,119
Total	1,140,889,119	47,659,869	18,210	1,188,530,778	575,010,674	142,143,628	13,484,394	13,460	730,625,236	565,878,445

Particular	Amount in Rs.								
	Gross Block			Amortization			Net Block		
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	As on 01.04.2014	For the year	Deductions	As on 31.03.2015	As on 31.03.2014
License Brands	640,957,210	-	-	640,957,210	208,101,878	43,970,606	-	252,072,484	432,855,332
Brand Value	176,720,712	-	-	176,720,712	48,374,725	30,474,762	-	78,849,487	128,345,987
Computer Software	162,364,313	42,138,381	4,462,281	200,040,413	78,838,300	63,156,094	222,356	141,772,038	83,526,013
Jobworkers' Network	17,295,984	-	-	17,295,984	17,295,984	-	-	17,295,984	-
Vendors' Network	62,728,346	-	-	62,728,346	62,728,346	-	-	62,728,346	-
Distribution Network	43,146,454	-	-	43,146,454	13,663,044	8,629,291	-	22,292,335	20,854,119
Total	1,103,213,019	42,138,381	4,462,281	1,140,889,119	429,002,277	146,230,753	222,356	575,010,674	674,210,742

B

Arvind Lifestyle Brands Limited

13 Non Current Investments

Amount in Rs.	
As at	
March 31, 2016	March 31, 2015

Trade Investments (At Cost)		
Investments in Government Trust Securities National Saving Certificates (Lodged with Sales Tax Authorities)	150,000	150,000
Total	150,000	150,000

a	Aggregate amount of quoted investments	-	-
	Market value of quoted investments	-	-
	Aggregate amount of unquoted investments	150,000	150,000

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	150,000	150,000
Current Investments		-
Total	150,000	150,000

14 Deferred Tax Assets (Net)

Amount in Rs.	
As at	
March 31, 2016	March 31, 2015

Deferred Tax Asset		
Fixed Assets	345,522,411	232,565,760
Expenditure allowable on payment basis	53,296,320	59,213,912
Unabsorbed loss/ Depreciation	32,071,692	210,909,287
Others	16,115,507	5,993,890
Deferred Tax Asset (Net)	447,005,930	508,682,849

Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing taxation laws.

Arvind Lifestyle Brands Limited

15 Loans and Advances

(Unsecured, Considered good unless otherwise stated)

	Amount in Rs.			
	Long Term		Short Term	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Capital Advances	36,915,313	78,453,718	-	-
Security Deposits	1,534,101,093	1,223,105,954	-	-
Loans to Employees	4,219,327	-	10,960,408	10,691,046
Advances recoverable in cash or in kind or for value to be received	-	-	648,537,296	681,805,598
Considered Good	-	-	60,255,413	46,367,498
Considered Doubtful	-	-	708,792,709	728,173,096
Less: Provision for Doubtful Advances	-	-	(60,255,413)	(46,367,498)
Prepaid Expenses	-	-	648,537,296	681,805,598
Deferred Premium on Forward Contracts	-	-	351,785,822	214,523,032
Advance Income Tax (Net of Provision of Rs. 81,623,244 Previous Year	67,910,713	93,638,568	2,500,781	3,590,557
Rs. 21,125,801)	-	-	-	-
MAT Credit Entitlement	95,497,443	35,000,000	-	-
Total	1,738,643,889	1,430,198,240	1,013,784,307	910,610,233

16 Other Assets

	Amount in Rs.			
	Non Current		Current	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Non Current Bank Balances (Note 19)	684,831	4,503,227	-	-
Duty Drawback Receivable	-	-	33,760,314	15,190,846
Interest Accrued	-	-	4,786,511	774,979
Insurance Claim Receivable	-	-	7,709,976	2,104,398
Other Income Receivable	-	-	3,780,269	1,839,293
Total	684,831	4,503,227	50,037,070	19,909,516

[Handwritten signature]

[Handwritten mark]

Arvind Lifestyle Brands Limited

17 Inventories

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Fabric and Accessories	58,412,746	64,414,624
Fabric Stock in Transit	2,426,940	148,506
Stock-in-trade- Garments	4,391,353,113	4,912,953,319
Stock-in-trade in Transit - Garments	17,175,598	16,389,635
Packing Materials	59,028,237	62,351,680
Total	4,528,396,634	5,056,257,764

18 Trade Receivables

(Unsecured, considered good unless otherwise stated)

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment	1,099,946,087	83,700,913
Others	7,474,801,315	5,877,134,214
Total	8,574,747,402	5,960,835,127

19 Cash and Bank Balances

	Amount in Rs.			
	Non Current		Current	
	As At		As At	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Cash and Cash Equivalents:				
Cash on Hand	-	-	15,820	11,273
Balances with Banks				
In Current Account	-	-	47,340,915	8,795,193
In Cash Credit Account	-	-	3,698,506	32,769,492
In Deposit Account (with original maturity up to 3 months)	-	-	1,320,000	3,670,000
Other Bank Balances:			52,375,241	45,245,958
In Deposits Accounts				
Held as Margin Money	553,138	4,390,107	131,900,516	32,233,579
(Under lien with bank as Security for Guarantee Facility)	131,693	113,120	3,178,761	142,792
Lodged with Government Department	684,831	4,503,227	135,079,277	32,376,371
Amount disclosed under the head "Other Non Current Assets" (Note 16)	684,831	4,503,227		
Total	-	-	187,454,518	77,622,329

Arvind Lifestyle Brands Limited**20 Contingent Liabilities**
(to the extent not provided for)

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
(a) Claims against the Company not acknowledged as debts	25,689,793	25,689,793
(b) Disputed Demands in respect of (Note 1)		
Income Tax	2,193,488	12,703,529
Sales Tax and Value Added Tax (Note 2)	708,785,041	374,415,079
Excise Duty	1,861,064	4,153,856
Textile Committee Cess	1,094,000	1,094,000

Notes:

- (1) Future cash outflows in respect of (b) above are determinable only on receipt of judgments / decisions pending with various forums/authorities.
- (2) Disputed demand for Sales Tax and VAT includes demand raised mainly due to non-submission of various statutory forms to appropriate authority. Subsequent to the demand, the Company has collected forms covering substantial amount of demand. The Company is in the process of collecting balance forms and hence no provision is considered necessary for the same.

21 Capital and Other Commitments

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	160,723,105	101,037,840
Other Commitments	-	-



Arvind Lifestyle Brands Limited

22 Revenue from Operations

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Sale of Products		
Own Merchandise (Including concession sales)	25,177,456,924	21,782,200,551
Consignment Merchandise	153,873,267	145,225,797
	25,331,330,191	21,927,426,348
Less : Value Added Tax	1,055,648,273	877,837,373
Less : Cost of Consignment Merchandise	116,834,571	109,628,112
	24,158,847,347	20,939,960,863
Other operating revenues		
Commission Income	50,881,643	61,601,165
Royalty Income	32,480,136	25,642,892
Duty Drawback Income	20,511,331	15,054,997
Rent Income	7,710,706	5,400,228
Others	2,551,348	1,665,166
Total	24,272,982,511	21,049,325,311

a Details of Sales (Net of VAT)

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Garments	24,112,328,789	20,890,894,613
Others	46,518,558	49,066,250
Total	24,158,847,347	20,939,960,863

23 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest Income	11,445,811	7,770,210
Profit on sale of fixed Assets	410,000	904,320
Sundry Credit Balances Appropriated	2,396,156	66,206
Insurance Claim	-	13,984,107
Discount Income	38,727,933	39,137,936
Sub Lease Income	4,007,038	3,806,665
Miscellaneous Income	8,928,284	8,574,396
Total	65,915,222	74,243,840

24 Cost of Materials Consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Fabrics	17,744,260	238,717
Accessories and Others	7,738,588	40,940,076
	25,482,848	41,178,793
Loss on Sale of Fabrics	6,491,996	2,682,087
Total	31,974,844	43,860,880

(a) Value of imported and indigenous materials consumed

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Imported (Rs.)	2,524,640	1,099,338
(%)	9.91%	2.67%
Indigenous (Rs.)	22,958,208	40,079,455
(%)	90.09%	97.33%
Total	25,482,848	41,178,793

mtk

B

25 Purchase of Stock-in-Trade

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Garments	11,868,687,495	11,935,924,418
Total	11,868,687,495	11,935,924,418

26 Changes in Inventories of Stock-in-Trade

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
(Increase)/Decrease in stocks		
Stock at the end of the year Stock in Trade - Garments	4,391,353,113	4,912,953,319
Stock at the beginning of the year Stock in Trade - Garments	4,912,953,319	4,003,526,022
(Increase)/Decrease in stocks	521,600,206	(909,427,297)

27 Employee Benefits Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Salaries and Wages	1,699,815,587	1,404,060,507
Contribution to Provident Fund and Other Funds	135,382,648	100,480,148
Staff Welfare Expenses	112,540,393	83,865,791
Total	1,947,738,628	1,588,406,446

Arvind Lifestyle Brands Limited**Disclosure as required by Accounting Standard on Employee Benefits (AS 15):****(i) Defined Contribution Plans**

The Company has recognised the following amounts in the Statement of Profit and Loss for Defined Contribution Plans:

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Provident Fund	44,393,281	35,270,491
Superannuation Fund	2,262,577	2,458,511

(ii) State Plans

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

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Employee's State Insurance	14,441,914	13,336,972
Employee's Pension Scheme	45,973,441	32,047,098

(iii) Defined Benefit Plans**(a) Leave Encashment/Compensated Absences**

Salaries and Wages includes Rs. 21,703,688 (Previous Year Rs. 18,502,481) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

(b) Contribution to Gratuity Funds

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

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Change in the Benefit Obligations :		
Liability at the beginning of the year	45,263,191	31,979,785
Interest Cost	3,109,554	2,104,595
Current Service Cost	15,808,455	12,953,945
Benefits Paid	(15,299,679)	(5,294,190)
Actuarial Loss/(Gain)	10,593,445	3,519,056
Liability at the end of the year	59,474,966	45,263,191
Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	20,202,943	14,938,923
Expected Return on Plan Assets	1,809,654	1,886,548
Contributions	20,037,416	8,866,049
Benefits Paid	(15,299,679)	(5,294,190)
Actuarial gain/(loss) on Plan Assets	(347,790)	(194,387)
Fair Value on Plan Assets at the end of the year	26,402,544	20,202,943
Total Actuarial (Loss) /Gain to be recognized	(10,941,235)	(3,713,443)
Actual Return on Plan Assets :		
Expected Return on Plan Assets	1,809,654	1,886,548
Actuarial gain/(loss) on Plan Assets	(347,790)	(194,387)
Actual Return on Plan Assets	1,461,864	1,692,161
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	59,474,966	45,263,191
Fair Value of Plan Assets at the end of the year	26,402,544	20,202,943
Amount recognized in the Balance Sheet under " Provision for Employee Benefits "	33,072,422	25,060,248
Expense Recognized in Statement of Profit and Loss :		
Interest Cost	3,109,554	2,104,595
Current Service Cost	15,808,455	12,953,945
Expected Return on Plan Assets	(1,809,654)	(1,886,548)
Net Actuarial loss/(gain) to be recognized	10,941,235	3,713,443
Expense recognized in Statement of Profit and Loss under "Employee Benefit Expense"	28,049,590	16,885,435
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	25,060,248	17,040,862
Expense Recognized	28,049,590	16,885,435
Contribution by the Company	(20,037,416)	(8,866,049)
Amount recognized in the Balance Sheet under " Provision for Employee Benefits "	33,072,422	25,060,248

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

MSL

B

Principal Assumptions:

	Year ended	
	March 31, 2016	March 31, 2015
Discount Rate (%)	8.21	7.81
Return on Plan Assets (%)	8.00	8.00

Arvind Lifestyle Brands Limited

28 Finance Costs

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest		
On Term Loans	189,693,263	203,107,773
On Cash Credit Facilities	111,984,177	273,370,998
Others	331,393,403	282,660,778
Forward Contract Premium Amortisation	18,111,362	12,647,211
Other Borrowing Costs	104,289,433	86,493,509
Total	755,471,638	858,280,270

29 Depreciation / Amortization Expense

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Depreciation on Tangible assets	712,261,586	535,941,167
Amortization on Intangible assets	142,143,628	146,230,753
Impairment of Intangible assets	13,484,394	-
Total	867,889,608	682,171,920

30 Other Expenses

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Power and fuel	283,647,079	291,612,201
Insurance	15,138,590	16,603,546
Processing Charges	29,783,218	39,449,587
Printing, Stationary & Communication	113,681,375	102,751,121
Rent	1,854,198,346	1,691,732,396
Commission, Brokerage and Discounts	748,425,475	723,797,810
Rates and taxes	94,909,647	102,271,226
Repairs to Buildings	10,209,588	7,138,406
Repairs to Others	343,045,942	344,164,665
Royalty on Sales	871,161,163	625,549,369
Freight, Insurance and Clearing Charges	290,750,495	253,049,209
Octroi	81,548,791	97,641,618
Legal and Professional Fees	82,873,213	75,317,434
Housekeeping Charges	77,321,814	72,979,025
Security Charges	86,949,764	79,669,036
Computer Expenses	71,844,680	39,880,327
Conveyance and Travelling Expenses	198,799,974	173,854,376
Advertisement and Publicity	1,421,426,131	1,196,907,376
Design Fees	5,316,918	13,294,883
Sales Promotion	58,521,518	49,316,196
Charges for Credit Card Transactions	85,643,045	85,818,214
Packing Materials	121,066,969	83,494,243
Contract Labour Charges	709,133,956	617,196,838
Sampling and Testing Expenses	62,580,684	112,856,474
Sundry Debits/Deposits written off	-	46,919
Provision for Doubtful advances	13,095,402	15,000,000
Payments to the auditor as		
(a) Auditor	5,100,000	4,000,000
(b) For taxation matters	1,500,000	1,100,000
(c) For reimbursement of expenses	265,147	193,380
(d) Certification Work	1,768,441	382,500
Fixed Assets Written off	2,401,650	67,848
Business Conducting Fees	122,588	4,469,154
Foreign Exchange Loss	2,347,665	24,677,605
Warehouse Charges	159,397,746	108,628,357
Staff Training and Recruitment Expense	55,858,662	43,319,977
Director Sitting Fees	40,000	-
Bank Charges	40,721,363	32,212,921
Miscellaneous Expenses	61,466,350	47,059,098
Total	8,062,063,389	7,177,503,335

Wsk
B

31 Exceptional Item

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Settlement Charges (Note a)	-	224,039,733
Total	-	224,039,733

Note :

- a. On March 26, 2015, the Company settled the foregoing matters and entered into a Settlement Agreement ("Settlement Agreement") with the Ralph Lauren Corporation, PRL USA Holdings, Inc. and The Polo/Lauren Company, L. P. (collectively, "RLC") along with U. S Polo Association Inc. and Arvind Limited. In the Settlement Agreement, the Company denied and disputed the allegations made by RLC. For settlement of the said dispute, as per the settlement agreement, the Company recorded a charge of Rs. 224,039,733/- (including legal costs) related to the matters that were the subject of the Settlement Agreement. The said amount has been shown as exceptional item in the Statement of Profit and Loss.

Arvind Lifestyle Brands Limited**32 CIF Value of Imports**

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Finished Goods	1,452,314,949	1,362,286,942
Fabric	4,771,837	6,041,322
Accessories and Trims	31,631,753	69,690,996
Capital Goods	43,179,719	9,974,697

33 Expenditure in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Royalty	686,269,570	628,376,560
Settlement Charge	-	200,000,000
Rent	25,540,709	20,900,682
Travel	16,760,690	16,063,805
Design Fees	3,982,977	4,879,064
Advertisement and Sales Promotion Expenses	20,700,779	28,491,740
Professional and Consultation Fees	2,978,007	2,294,559
Interest	8,295,078	5,481,722
Buying Office Commission	13,993,309	10,677,711
Franchisee fees	-	6,008,691
Other Matters	1,613,583	4,802,629

34 Earning in Foreign Currency

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Revenue from Exports on FOB Basis	320,972,949	279,097,396

Arvind Lifestyle Brands Limited

35 Lease Rent:

Rent expense includes lease rental payments towards office premises, showrooms and other facilities. Such lease agreements are generally for a period of 11 to 108 months with the option of renewal against increased rent.

The particulars of operating leases are as follows:

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
(a) Lease Payment recognised in the Statement of Profit and Loss	1,850,292,292	1,686,821,905
(b) Future Minimum lease payments obligation on non-cancellable operating leases :		
Not later than one year	448,368,997	527,754,933
Later than one year and not later than five years	292,730,708	1,17,924,643
Later than five years	-	-

Sub-lease income includes receipt towards office premises, and Sub-lease agreement is for a period of 60 months. Sub-lease income received (or receivable) recognized in the Statement of Profit and Loss amounts to Rs. 4,007,038/- (Previous Year Rs. 3,806,665)

36 Segment Reporting:

The Company is primarily engaged in the business of retail trade through retail and departmental store facilities, which in the context of Accounting Standard 17 on 'Segment Reporting' constitutes a single reportable primary business segment.

Secondary Segment (Geographical by Customers):

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Segment Revenue		
a) In India	23,952,009,562	20,770,227,915
b) Outside India	320,972,949	279,097,396
Total Sales	24,272,982,511	21,049,325,311
Carrying Cost of Assets by location of Assets		
a) In India	19,631,218,675	16,525,709,956
b) Outside India	70,773,989	61,190,794
Total	19,701,992,664	16,586,900,750
Addition to Assets		
a) In India	1,416,508,216	1,043,294,495
b) Outside India	-	-
Total	1,416,508,216	1,043,294,495

37 Earning Per Share (EPS):

		Year ended	
		March 31, 2016	March 31, 2015
Profit/(Loss) before exceptional item available to Equity Shareholder	Rs.	221,795,006	(99,155,635)
Profit/(Loss) after exceptional item available to Equity Shareholder	Rs.	221,795,006	(323,195,368)
Weighted average no. of Equity Shares for Basic/Diluted EPS	No.	32,351,220	28,022,771
Nominal value of Equity Shares	Rs.	10	10
Basic / Diluted Earning per Equity Share before exceptional item	Rs.	6.86	(3.54)
Basic / Diluted Earning per Equity Share after exceptional item	Rs.	6.86	(11.53)

(A) Weighted average number of Equity Shares

	Year ended	
	March 31, 2016	March 31, 2015
Opening No. of Shares for Basic EPS	29,935,100	27,935,100
Weighted average number of shares issued during the year	2,416,120	87,671
Weighted average number of shares considered for Calculating EPS	32,351,220	28,022,771

will

B

Arvind Lifestyle Brands Limited

38 Related Party Disclosures:

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

a List of Related Parties and Nature of Relationship:

Arvind Limited	Ultimate Holding Company
Arvind Brands and Retail Limited	Holding Company
Asman Investment Limited	Fellow Subsidiary
Arvind Goodhill Suit Manufacturing Private Limited	Joint Venture Subsidiary of Ultimate Holding Company
Arvind Infrastructure Limited	Fellow Subsidiary
Arvind Accel Limited	Fellow Subsidiary
Arvind Internet Limited	Fellow Subsidiary
Arvind Beauty Brands Retail Private Limited	Fellow Subsidiary
Aura Securities Private Limited	Company under the control of Key managerial personnel of Ultimate Holding Company
Premium Garments Wholesale Trading Private Limited	Joint Venture of Holding Company
Mr. J. Suresh	Key Managerial Personnel

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

b Disclosure in respect of Related Party Transactions:

Nature of Transactions	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Purchase of Goods		
Arvind Limited	151,183,605	145,667,387
Arvind Goodhill Suit Manufacturing Private Limited	83,670,098	2,033,064
Sale of Goods		
Arvind Limited	402,432,604	200,580,523
Asman Investments Limited	4,957,278	5,445,247
Other Expenses		
Arvind Limited	5,496,000	4,913,280
Other Income		
Arvind Limited	3,456,461	-
Arvind Internet Limited	1,109,337	4,277,170
Premium Garments Wholesale Trading Private Limited	514,232	-
Reimbursement of Expenses		
Arvind Limited	1,198,669	-
Arvind Internet Limited	381,747	-
Premium Garments Wholesale Trading Private Limited	63,290,438	-
Arvind Beauty Brands Retail Private Limited	8,919,367	-
Loan Taken (Net)		
Arvind Limited	741,626,644	857,123,149
Interest Expense		
Arvind Limited	104,867,390	215,232,683
Issue of Equity Shares		
Arvind Brands and Retail Limited	1,850,000,000	1,000,000,000
Sale of Assets		
Arvind Beauty Brands Retail Private Limited	1,272,222	-
Receivable in respect of Current Assets		
Arvind Limited	159,957,748	66,227,195
Asman Investments Limited	222,095	447,278
Arvind Internet Limited	-	1,040,366
Arvind Brands and Retail Limited	1,752,964	1,752,964
Arvind Infrastructure Limited	562,500	562,500
Premium Garments Wholesale Trading Private Limited	25,363,549	3,697,052
Payable in respect of Loan		
Arvind Limited	897,469,029	1,661,148,998
Payable in respect of Current Liabilities		
Arvind Limited	280,941,966	237,332,334
Asman Investments Limited	128,000	128,000
Arvind Beauty Brands Retail Private Limited	11,576,398	-
Arvind Goodhill Suit Manufacturing Private Limited	5,517,933	129,150

msk
B

Arvind Lifestyle Brands Limited

c Transactions and Balances:

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiary		Joint Venture Subsidiary of		Joint Venture of Holding Company	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Transactions:										
Purchase of goods	151,183,605	145,667,387	-	-	4,957,278	5,445,247	83,670,098	2,033,064	-	-
Sale of goods	402,432,604	200,580,523	-	-	-	-	-	-	-	-
Other Expenses	5,496,000	4,913,280	-	-	1,109,337	4,277,170	-	-	514,232	-
Other Income	3,456,461	-	-	-	9,301,114	-	-	-	63,290,438	-
Reimbursement of Expenses	1,198,669	-	-	-	-	-	-	-	-	-
Loan taken(net)	741,626,644	857,123,149	-	-	-	-	-	-	-	-
Interest Expense	104,867,390	215,232,683	-	-	-	-	-	-	-	-
Issue of Equity shares	-	-	1,850,000,000	1,000,000,000	1,272,222	-	-	-	-	-
Sale of Assets	-	-	-	-	-	-	-	-	-	-
Balances as at year end:										
Receivable in respect of Current Assets	159,957,748	66,227,495	-	1,752,964	784,595	2,050,144	-	-	25,363,549	3,697,052
Payable in respect of Loan	897,469,029	1,651,148,998	-	-	11,704,398	-	5,517,933	129,150	-	-
Payable in respect of Current Liability	280,941,966	237,332,334	-	-	-	-	-	-	-	-

[Handwritten signature]

[Handwritten mark]

Arvind Lifestyle Brands Limited

39 Derivatives and Unhedged Foreign Currency Exposure:

a Category-wise quantitative data about derivative instruments outstanding:

	As at 31st March, 2016		As at 31st March, 2015	
	In FC	Amount in Rs.	In FC	Amount in Rs.
Forward Purchase	USD 3,593,055	238,057,859	USD 3,726,841	232,927,563

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

	As at 31st March, 2016		As at 31st March, 2015	
	In FC	Amount in Rs.	In FC	Amount in Rs.
Payable towards royalty	USD 3,240,863 SEK 1,706,000 EUR 117,105	214,723,364 13,942,282 8,829,164	USD 1,529,902 SEK 566,852 EUR 215,685 GBP 26,420	95,618,875 4,102,592 14,491,893 2,443,021
Payable for purchase of merchandise	EUR 46,073 USD 982,866 GBP 3,59 SEK 78,189	3,473,674 65,119,787 34,275 638,999	EUR 81,635 USD 1,980,785 GBP 3,596	5,485,064 123,799,068 332,517
Payable for Settlement Agreement	-	-	USD 3,200,000	200,000,000
Receivable on sale of Merchandise	USD 1,068,206	70,773,989	USD 979,053	61,190,794
Payable towards Foreign Currency Loans	USD 11,309,577	749,316,024	USD 4,795,150	299,696,855

40 Effective from April 1, 2014 the Company has revised the useful lives of fixed assets based on an independent evaluation. Accordingly, the carrying value of fixed assets as on that date, net of residual value, has been depreciated over the revised remaining useful lives. Further, an amount of Rs. 338,558,922/- (net of deferred tax of Rs. 162,601,498/-) representing the carrying value of assets, whose remaining useful life is Nil as at April 1, 2014, has been charged to the opening balance of retained earnings pursuant to the Companies Act, 2013.

41 Receivables, Payables and Loans and Advances include certain accounts which are subject to confirmation/reconciliation and consequential adjustments if any, the effect of which is not ascertainable.

42 Previous year's figures have been regrouped / rearranged with those of current year wherever necessary.

As per our report of even date attached

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

Chokshi Shreyas B.

CA Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 12, 2016

Director

[Handwritten signature]

Director

[Handwritten signature]
Company Secretary

[Handwritten mark]