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INDEPENDENT AUDITOR'S REPORT

To the Members of Arvind Brands and Retail Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Arvind Brands and Retail Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind As financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

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 Ind AS 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 Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true

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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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2016 and the transition date opening balance sheet as at 1st April, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, whose report for the year ended 31st March, 2016 and 31st March, 2015 dated 12th May, 2016 and 6th May, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

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 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 (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

(e) On the basis of the written representations received from the directors as on 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 B".

(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 Ind AS financial position in its Ind AS financial statements;

ii. The Company did not have any material foreseeable losses on any long-term contracts including derivative contracts;

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

iv. The Company has provided requisite disclosures in the Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 9, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND BRANDS AND RETAIL 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 title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in Investment Property to the Ind AS financial statements, are held in the name of the Company except for the following:

Nature of Property	No. of Cases	Gross Block as at 31-03-2017 Rs.	Net Block as at 31-03-2017 Rs.
Buildings	9	16,630,884	16,129,455

Formalities for change of name are in progress.

(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) The Company is not engaged in production, processing, manufacturing or mining activities Therefore, the provisions of maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable.

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(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, 2017 for a period of more than six months from the date they became payable.

(b) Following amounts have not been deposited as on March 31, 2017 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
Income Tax Act	Income Tax	6,29,517	2008-09	Income Tax Appellate Tribunal (ITAT)
		15,460	2008-09	Income Tax Appellate Tribunal (ITAT)
		1,140,446	2009-10	Income Tax Appellate Tribunal (ITAT)
		104,796	2011-12	Commissioner of Income Tax Appeals
		600,389	2012-13	Commissioner of Income Tax Appeals

(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) The Company has not paid any managerial remuneration. Consequently, requirements of clause (xi) of paragraph 3 of the order are 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 sections 177 and 188 of the Act where applicable and the details have been disclosed in the Ind AS financial statements etc. as required by the applicable accounting standards.

(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 9, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND BRANDS AND RETAIL 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 Brands and Retail Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2017, 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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 9, 2017

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2017

1. Corporate Information

Arvind Brands & Retail Limited ('the Company') is engaged in the business of Brands Apparels and retailing apparels.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 09, 2017.

2. Statement of Compliance and Basis of Preparation

2.1 Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act. These financial statements for the year ended March 31, 2017 are the first financial statements that the Company has prepared in accordance with Ind AS. Refer to Note 39 for information of how the transition from previous GAAP to Ind AS has affected the Company's Balance sheet, Statement of profit & loss and Statement of cash flow.

2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

2.3 Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest rupee as per the requirement of Schedule III, except when otherwise indicated.

3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS:

3.1. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.
The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first-time adoption exemption is also used for associates and joint ventures.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Business combinations between entities under common control are accounted for at carrying value.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Tax* and Ind AS 19 *Employee Benefits* respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 *Share-based Payments* at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-*current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 *Financial Instruments*, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in exoess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

3.4. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.5. Fair value measurement

The Company measures financial instruments such as derivatives and Investments at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

Derecognition
An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Depreciation
Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery other than Lab equipment and Leasehold Improvements.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

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

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Transition to Ind AS
On transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at cost eligible under Ind AS 16 less accumulated amortisation and accumulated impairment losses, if any.

3.7. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Transition to Ind AS
For arrangements entered into prior to April 01, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee
A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.8. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on Investment property is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories are at carrying amount of the property transferred.

Transition to Ind AS

Since there is no change in functional currency, the Company has elected to continue with the carrying value of all of its Investment properties as at the date of transition measured as per the previous GAAP and used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. April 1, 2015.

3.9. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation
Software is amortized over management estimate of its useful life of 5 years or License Period whichever is lower.

Transition to Ind AS
On transition to Ind AS, the Company has elected to measure items of Intangible assets at cost eligible under Ind AS 38 less accumulated amortisation and accumulated impairment losses, if any.

3.10. Inventories

Inventories of Stock-in-trade are valued at the lower of cost and net realisable value.

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.11. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

3.12. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sales.

Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividend

Dividend Income is recognised when the Company's right to receive is established which is generally occur when the shareholders approve the dividend.

Profit or loss on sale of Investments

Profit or Loss on sale of investments is recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

3.13. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

(i) Initial recognition and measurement of financial assets

All financial assets, except investment in subsidiaries and joint ventures, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

(ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- **Financial assets at amortised cost:**
  A financial asset is measured at amortised cost if:
  - the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **Financial assets at fair value through other comprehensive income**
  A financial asset is measured at fair value through other comprehensive income if:
  - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
  - the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

  Financial assets included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

- **Financial assets at fair value through profit or loss**
  FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

  In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

- **Equity instruments:**
  All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

(iii) Derecognition of financial assets

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire,
  or
- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(iv) Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

(v) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:
- Trade receivables resulting from transactions within the scope of Ind AS 18, if they do not contain a significant financing component
- Trade receivables resulting from transactions within the scope of Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:
- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

b) Financial Liabilities

(i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

(ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains / losses are not subsequently transferred to P&L. However, the Company may transfer the cumulativc gain or loss within cquity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

- **Loans and Borrowings**

  This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.
  This category generally applies to borrowings.

(iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.14. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.15. Taxes

Tax expense comprises of current income tax and dcfcrrcd tax.

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax is recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.16. Employee Benefits

a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short-term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, exgratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan

The employee's gratuity fund scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) **Other long term employment benefits:**
The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

3.17. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.18. Earnings per share

Basic EPS is calculated by dividing the profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

3.19. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1. Significant judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

4.2. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 35 for further disclosures.

Allowance for uncollectible trade receivables
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

Share-based payments
The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 32.

Taxes
Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further details on taxes are disclosed in Note 26.

Intangible assets
Refer Note 3.9 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 7.

Property, plant and equipment
Refer Note 3.6 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Arvind Brands & Retail Limited
Balance Sheet as at March 31, 2017

Particulars	Notes	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees	As at April 01, 2015 Rupees
ASSETS				
I. Non-current assets				
(a) Property, plant and equipment	5	9,557,219	10,326,907	1,937
(b) Capital work-in-progress	5	681,101	681,101	-
(c) Investment property	6	16,129,455	16,532,607	-
(d) Intangible assets	7	5,286	74,069	-
(e) Financial assets				
(i) Investments	8	1,284,993,778	9,003,565,777	5,789,272,670
(ii) Other financial assets	8	94,271	94,271	-
(f) Other non-current assets	9	2,500,000	2,500,000	-
Total non-current assets		1,313,961,110	9,033,774,732	5,789,274,607
II. Current assets				
(a) Inventories	10	-	14,898,868	-
(b) Financial assets				
(i) Trade receivables	8	-	1,197,182	-
(ii) Cash and cash equivalents	8	1,230,670	36,557,438	68,296
(iii) Loans	8	5,639,756,079	22,072,339	12,524,200
(c) Current tax assets (net)	11	-	8,435,116	-
(d) Other current assets	9	460,742	577,629	-
Total current assets		5,641,447,492	83,738,572	12,592,496
Total Assets		6,955,408,602	9,117,513,304	5,801,867,103
EQUITY AND LIABILITIES				
Equity				
Equity share capital	12	169,709,972	167,641,780	117,175,200
Other equity	13	6,529,927,665	8,646,161,777	5,681,471,844
Share application money pending	13	140,000,000	-	114,000,100
Share Suspense Account	12	-	1,605,090	-
Amalgamation Reserve	13	1,026,141,249	1,026,141,249	-
Securities premium account	13	7,982,226,342	7,949,287,350	5,552,124,800
Retained earnings	13	(2,618,439,926)	3,154,838	15,346,944
OCI reserve	13	0	(334,026,750)	-
Total equity		6,699,637,637	8,813,803,557	5,798,647,044
LIABILITIES				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	14	10,800,000	10,800,000	-
(b) Long-term provisions	15	-	619,635	-
(c) Deferred tax liabilities (net)	26	6,496,380	5,265,114	592
Total non-current liabilities		17,296,380	16,684,749	592

Arvind Brands & Retail Limited

Balance Sheet as at March 31, 2017

II.Current liabilities				
(a) Financial liabilities				
(i) Borrowings	14	200,039,451	171,885,113	-
(ii) Trade payables	14	381,708	67,119,596	58,076
(iii) Other financial liabilities	14	-	28,681,126	118,289
(b) Other current liabilities	17	28,046	18,974,631	2,989,732
(c) Short-term provisions	15	-	364,533	-
(d) Current tax liabilities (net)	16	38,025,380	-	53,369
Total current liabilities		**238,474,585**	**287,024,999**	**3,219,466**
Total equity and liabilities		**6,955,408,602**	**9,117,513,304**	**5,801,867,103**
Summary of significant accounting policies	3			

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
Date :09th May, 2017

For and on behalf of the board of directors of Arvind Brands & Retail Limited

Director
DIN: 00012250
Ahmedabad
Date :09th May, 2017

Director
DIN: 00201475
Ahmedabad
Date :09th May, 2017

Arvind Brands & Retail Limited

Statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
Income			
Revenue from operations			
Sale of Products	18	32,214,615	13,887,333
Revenue from operations		**32,214,615**	**13,887,333**
Other income	19	186,200,104	33,785,394
Total income (I)		**218,414,719**	**47,672,727**
Expenses			
Purchase of stock-in-trade	20	10,350,026	6,196,542
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	14,878,276	2,701,757
Employee benefits expense	22	2,091,111	1,823,119
Finance costs	23	45,726	37,219,837
Depreciation and amortisation expense	24	1,241,623	240,961
Other expenses	25	2,625,636,174	5,685,226
Total expenses (II)		**2,654,242,936**	**53,867,442**
Profit before exceptional items and tax (III)=(I-II)		**(2,435,828,217)**	**(6,194,715)**
Exceptional items (IV)			
Profit before tax (V) = (III-IV)		**(2,435,828,217)**	**(6,194,715)**
Tax expense			
Current tax	26	65,000,000	645,500
Deferred tax	26	1,231,266	5,291,519
Total tax expense (VI)		**66,231,266**	**5,937,019**
Profit for the period (VII) = (V-VI)		**(2,502,059,483)**	**(12,131,734)**
Other comprehensive income			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans	13	-	(87,369)
Income tax effect	26	-	26,997
		-	(60,372)
Net gain / (loss) on FVOCI equity instruments	13	-	(334,026,750)
Income tax effect	26	-	-
		-	(334,026,750)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		-	(334,087,122)
B. Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		-	-
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods (B)		-	-
Total other comprehensive income for the period, net of tax (VIII) = (A+B)		-	**(334,087,122)**
Total comprehensive income for the period, net of tax (VII+VIII)		**(2,502,059,483)**	**(346,218,856)**

Arvind Brands & Retail Limited
Statement of profit and loss for the year ended March 31, 2017

Earning per equity share [nominal value per share Rs.10/- (March 31, 2016: Rs.10/-)]			
Basic	31	(29.69)	(0.17)
Diluted	31	(29.69)	(0.17)
Summary of significant accounting policies	3		

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
Date :09th May, 2017

For and on behalf of the board of directors of Arvind Brands & Retail Limited

Director
DIN: 00012250
Ahmedabad
Date :09th May, 2017

Director
DIN: 00201475
Ahmedabad
Date :09th May, 2017

Arvind Brands & Retail Limited
Statement of changes in Equity for the year ended March 31, 2017

A. Equity share capital

Balance	Amount in Rs.
	Note 12
As at April 1, 2015	117,175,200
Issue of Equity Share capital	50,466,580
As at March 31, 2016	167,641,780
Issue of Equity Share capital	2,068,192
As at March 31, 2017	169,709,972

B. Other equity

Particulars	Attributable to the equity holders of the parent						
		Reserves and Surplus				FVOCI	Total
	Share application money pending allotment	Share Suspense Account	Securities premium	Retained Earnings	Amalgamation Reserve	Net gain / (loss) on FVOCI equity instruments	
	Note 13	Note 13	Note 13	Note 13	Note 13	Note 13	
Balance as at April 1, 2015	**114,000,100**	-	**5,552,124,800**	**15,346,944**	-	-	**5,681,471,844**
Loss for the year	-	-	-	(12,131,734)	-	-	(12,131,734)
Add/less during the year	(114,000,100)	1,605,090	2,397,162,550	-	-	-	2,284,767,540
Add: Adjustment due to merger (Note 40)	-	-	-	-	1,026,141,249	-	1,026,141,249
Other comprehensive income for the year	-	-	-	(60,372)	-	(334,026,750)	(334,087,122)
Total Comprehensive income for the year	(114,000,100)	1,605,090	2,397,162,550	(12,192,106)	1,026,141,249	(334,026,750)	**2,964,689,933**
Balance as at March 31, 2016	-	**1,605,090**	**7,949,287,350**	**3,154,838**	**1,026,141,249**	**(334,026,750)**	**8,646,161,777**
Balance as at April 1, 2016	-	**1,605,090**	**7,949,287,350**	**3,154,838**	**1,026,141,249**	**(334,026,750)**	**8,646,161,777**
Loss for the year	-	-	-	(2,502,059,483)	-	-	(2,502,059,483)
Add/less during the year	140,000,000	(1,605,090)	32,938,992	-	-	-	171,333,902
Other comprehensive income for the year	-	-	-	-	-	214,491,469	214,491,469
Total Comprehensive income for the year	140,000,000	(1,605,090)	32,938,992	(2,502,059,483)	-	214,491,469	**(2,116,234,112)**
Transfer from/to OCI	-	-	-	(119,535,281)	-	119,535,281	-
Balance as at March 31, 2017	**140,000,000**	-	**7,982,226,342**	**(2,618,439,926)**	**1,026,141,249**	**0**	**6,529,927,665**

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

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
Date :09th May, 2017

For and on behalf of the board of directors of Arvind Brands & Retail Limited

Director
DIN: 00012250
Ahmedabad
Date :09th May, 2017

Director
DIN: 00201475
Ahmedabad
Date :09th May, 2017

Arvind Brands & Retail Limited

Statement of cash flows for the year ended March 31, 2017

	Particulars	**Year ended**			
		March 31, 2017		**March 31, 2016**	
A	**Operating activities**				
	Profit Before taxation		**(2,435,828,218)**		**(6,194,714)**
	Adjustments to reconcile profit before tax to net cash flows:				
	Depreciation /Amortization	1,241,623		240,961	
	Interest Income	(180,516,325)		(33,653,394)	
	Interest and Other Borrowing Cost	45,726		37,219,837	
	Dividend Income	(5,550,405)		-	
	Provision for Diminution in value of long term investments	54,840		-	
	Re-measurement gains / (losses) on defined benefit plans	-		(87,369)	
	Loss/(Profit) on sale of Investments	2,621,076,377		-	
			2,436,351,836		3,720,035
	Operating Profit before Working Capital Changes		**523,618**		**(2,474,679)**
	Working Capital Changes:				
	Changes in Inventories	14,898,868		(14,898,868)	
	Changes in trade payables	(66,737,888)		(3,296,092)	
	Changes in other current liabilities	(18,946,585)		15,984,898	
	Changes in other current financial liabilities	(28,681,126)		28,562,837	
	Changes in provisions	(984,168)		984,168	
	Changes in trade receivables	1,197,182		(1,197,182)	
	Changes in other current assets	116,887		(577,629)	
	Changes in other current financial assets	-		(94,271)	
	Net Changes in Working Capital		(99,136,830)		25,467,861
	Cash Generated from Operations		**(98,613,212)**		**22,993,182**
	Direct Taxes paid (Net of Income Tax refund)		(18,539,504)		(9,133,985)
	Net Cash from Operating Activities		**(117,152,716)**		**13,859,197**
B	**Cash Flow from Investing Activities**				
	Purchase of tangible/intangible assets	-		(17,662,633)	
	Changes in Capital Advances	-		(2,500,000)	
	Change in Long Term Investments	5,097,440,782		(2,128,176,023)	
	Changes in Loans given	(5,617,683,740)		(9,357,438)	
	Dividend Income	5,550,405		-	
	Change in Security Deposits received	-		10,800,000	
	Interest Income	180,516,325		33,653,394	
	Net cash flow from Investing Activities		**(334,176,228)**		**(2,113,242,700)**
C	**Cash Flow from Financing Activities**				
	Issue of Share Capital	2,068,192		50,466,580	
	Securities Premium received	32,938,992		2,397,162,550	
	Changes in Share Suspense Account	(1,605,090)		1,605,090	
	Net gain / (loss) on FVOCI equity instruments	214,491,469		(334,026,750)	
	Share Application money pending allotment	140,000,000		(114,000,100)	
	Changes in short term borrowings	28,154,339		171,885,112	
	Interest and Other Borrowing Cost Paid	(45,726)		(37,219,837)	
	Net Cash flow from Financing Activities		416,002,176		2,135,872,645
	Net Increase/(Decrease) in cash & cash equivalents		(35,326,768)		36,489,142
	Cash & Cash equivalent at the beginning of the period		36,557,438		68,296
	Cash & Cash equivalent at the end of the period		1,230,670		36,557,438

Particulars	**As at**	
	March 31, 2017	**March 31, 2016**
Cash and cash equivalents comprise of: (Note 8)		
Cash on Hand	16,959	63,773
Cheques on Hand	200	31,936,973
Balances with Banks	1,213,511	4,556,692
Cash and cash equivalents as restated	**1,230,670**	**36,557,438**

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

Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

2 Purchase of property, plant & equipment / intangible assets include movement of capital work-in-progress and intangible assets under development during the year.

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

CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
Date :09th May, 2017

For and on behalf of the board of directors of Arvind Brands & Retail Limited

Director
DIN: 00012250
Ahmedabad
Date :09th May, 2017

Director
DIN: 00201475
Ahmedabad
Date :09th May, 2017

Note 5 : Property, plant and equipment

Fixed Assets	Buildings	Furniture & fixture	Vehicles	Office equipment	Computer, server & network	Total	CWIP
Deemed Cost							
As at April 1, 2015	-	-	-	-	**38,750**	**38,750**	-
Additions	-	-	-	-	-	-	681,101
Adjustment due to merger (Note 40)	9,128,092	463,185	416,576	396,836	53,770	10,458,459	-
Deductions	-	-	-	-	-	-	-
As at March 31, 2016	**9,128,092**	**463,185**	**416,576**	**396,836**	**92,520**	**10,497,209**	**681,101**
Additions		-	-	-	-	-	
Deductions	-	-	-	-	-	-	
As at March 31, 2017	**9,128,092**	**463,185**	**416,576**	**396,836**	**92,520**	**10,497,209**	**681,101**
Depreciation and Impairment							
As at April 1, 2015	-	-	-	-	**36,813**	**36,813**	-
Depreciation for the year	-	-	-	-	-	-	-
Adjustment due to merger (Note 40)	37,049	35,911	17,835	34,690	8,004	133,489	-
Deductions	-	-	-	-	-	-	-
As at March 31, 2016	**37,049**	**35,911**	**17,835**	**34,690**	**44,817**	**170,302**	-
Depreciation for the year	150.769	301.161	89.143	193,229	35,386	769,688	-
Deductions	-	-	-	-	-	-	-
As at March 31, 2017	**187,818**	**337,072**	**106,978**	**227,919**	**80,203**	**939,990**	-
Net Block							
As at March 31, 2017	**8,940,274**	**126,113**	**309,598**	**168,917**	**12,317**	**9,557,219**	**681,101**
As at March 31, 2016	9,091,043	427,274	398,741	362,146	47,703	10,326,907	681,101
As at April 1, 2015	-	-	-	-	1,937	1,937	-

Note :

1. On transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at cost eligible under Ind AS 16 less accumulated amortisation and accumulated impairment losses, if any.

Note 6 : Investment Properties

(Amount in Rs.)

Investment property	Building	Total
Cost		
As at April 1, 2015	-	-
Additions on Merger (Note 40)	16,630,884	16,630,884
Deductions	-	-
As at March 31, 2016	**16,630,884**	**16,630,884**
Additions	-	-
Deductions	-	-
As at March 31, 2017	**16,630,884**	**16,630,884**
Depreciation and Impairment		
As at April 1, 2015	-	-
Depreciation for the year	98,277	98,277
Additions on Merger (Note 40)	-	-
As at March 31, 2016	**98,277**	**98,277**
Depreciation for the year	403,152	403,152
Deductions	-	-
As at March 31, 2017	**501,429**	**501,429**
Net Block		
As at March 31, 2017	**16,129,455**	**16,129,455**
As at March 31, 2016	**16,532,607**	**16,532,607**
As at April 01, 2015	-	-

Information regarding income and expenditure of Investment property

	Year ended March 31, 2017 In Rs.	Year ended March 31, 2016 In Rs.
Rental income derived from Investment properties	132,000	132,000
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**132,000**	**132,000**
Less : Depreciation	**403,152**	**98,277**
Profit arising from investment properties before indirect expenses	**(271,152)**	**33,723**

As at March 31, 2017, March 31, 2016, the fair values of the properties are based on internal evaluation by the management.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 36.

Fair value of the Investment properties are as under

Fair value	Factory Building	Total
Balance as at April 1, 2015	-	-
Additions on Merger (Note 40)	16,630,884	16,630,884
Fair value difference for the year	-	-
Balance as at March 31, 2016	**16,630,884**	**16,630,884**
Purchases	-	-
Fair value difference for the year	-	-
Balance as at March 31, 2017	**16,630,884**	**16,630,884**

Estimation for fair value:
The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantam, area, location, demand, age of building and trend of fair market rent in the prevailing areas.

Arvind Brands & Retail Limited
Notes to the Financial Statements

Note 7 : Intangible assets

Intangible assets	Computer Software	Total	Intangibble assets under development
Deemed Cost			
As at April 1, 2015	-	-	-
Additions	-	-	-
Adjustment due to merger (Note 40)	83,264	83,264	-
Deductions	-	-	-
As at March 31, 2016	**83,264**	**83,264**	-
Additions	-	-	-
Deductions	-	-	
As at April 1, 2017	**83,264**	**83,264**	-
Amortisation and Impairment			
As at April 1, 2015	-	-	-
Amortisation for the Year	9,195	9,195	-
Deductions	-	-	-
As at March 31, 2016	**9,195**	**9,195**	-
Amortisation for the Year	68,783	68,783	-
Deductions	-	-	-
As at April 1, 2017	**77,978**	**77,978**	-
Net Block			
As at April 1, 2017	**5,286**	**5,286**	-
As at March 31, 2016	74,069	74,069	-
As at April 1, 2015	-	-	-

Arvind Brands & Retail Limited
Notes to the Financial Statements

Note 8 : Financial assets

8 (a) Investments

	Face Value per Share (in Rs. unless otherwise stated)	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Non-current investment				
Investment in equity shares of subsidiaries				
Unquoted				
Arvind Lifestyle Brands Limited Nil (March 31, 2016: 33,635,100, April 1, 2015: 29,935,100) shares	10	-	6,001,431,290	4,151,431,290
Arvind Internet Limited 718,600 (March 31, 2016: 718,600, April 1, 2015: 718,600) shares	10	334,800,000	334,800,000	334,800,000
Arvind Ruf & Tuf Ltd 10,000 (March 31, 2016: Nil, April 1, 2015: Nil) shares	10	100,000	-	-
Arvind True Blue Limited (Purchase during the year) 10,000 (March 31, 2016: Nil, April 1, 2015: Nil) shares		100,000	-	-
Arvind Beauty Brands Retail Private Limited Nil (March 31, 2016: 3,318,333, April 1, 2015: Nil) shares	10	-	350,099,900	-
Arvind Premium Retail Limited 10,409 (March 31, 2016: Nil, April 1, 2015: Nil) shares (Incl. Equity Component of Preference Shares of Arvind Premium Retail Limited - Rs. 2,31,65,205/-)	10	23,269,295	-	-
Arvind True Blue Limited 8,000,000 (March 31, 2016: Nil, April 1, 2015: Nil)preference shares (0.001% Compulsory Convertible Non Cumulative Equity Component of Preference Shares of Arvind True Blue Limited - Rs. 80,000,000/-)	10	80,000,000	-	-
Investments in Fully Paid Preference Shares				
Arvind Premium Retail Limited 60,000 (March 31, 2016: Nil, April 1, 2015: Nil) shares (9% Redeemable Non- Cumulative)	10	36,845,139	-	-
Investments in equity shares of joint ventures				
Premium Garments Wholesale Trading Private Limited Nil (March 31, 2016: 294,305, April 1, 2015: 22,050) shares	10	-	1,053,179,060	808,149,560
Arudrama Development Pvt.Ltd 50,000 (March 31, 2016: 50,000, April 1, 2015: Nil) shares	100	20,450,000	20,450,000	-
Tommy Hilfiger Arvind Fashion Private Limited Nil (March 31, 2016: 11,461,839, April 1, 2015: 11,461,839) shares	10	-	378,240,687	378,240,687
Investment in equity shares of others				
Quoted				
Atul Limited Nil (March 31, 2016: 555,000, April 1, 2015: Nil) shares	10	-	851,536,500	-
Unquoted				
Arvind Worldwide (M) Inc 54,840 (March 31, 2016: 54,840, April 1, 2015: Nil) shares (Net of Provision for Dimunition in value of investment of Rs. 54,840/- March 31, 2016: Nil, April 1, 2015: Nil)	USD 100	-	54,840	-
Arvind Spinning Ltd (Share without par value) 824,099 (March 31, 2016: 824,099, April 1, 2015: Nil) shares (Net of Provision for Dimunition in value of investment of Rs. 824,099/- March 31, 2016: 824,099/-, April 1, 2015: Nil)	-	-	-	-
Arvind Overseas (M) Ltd 2,385,171 (March 31, 2016: 2,385,171, April 1, 2015: Nil) shares (Net of Provision for Dimunition in value of investment of Rs. 2,385,171/- March 31, 2016: 2,385,171/-, April 1, 2015: Nil)	100	-	-	-
Amazon Textiles Private Limited 68,000 (March 31, 2016: 2,385,171, April 1, 2015: Nil) shares	10	11,825,000	11,825,000	-
Arvind Worldwide Inc 2 (March 31, 2016: Nil, April 1, 2015: Nil) shares	USD 1000	131,589	-	-
In Partnership Firm				
637 Developers		1,724,355	1,948,400	2,651,033
Total Investments		509,245,378	9,003,565,677	5,675,272,570
Investment in Equity Instruments		470,675,884	9,001,617,277	5,672,621,537
Investment in LLP's/Firms		1,724,355	1,948,400	2,651,033
Investment in Preference Shares		36,845,139	-	-
Total Investments		509,245,378	9,003,565,677	5,675,279,570

Share application money			
Arvind Beauty Brands Retails Pvt. Ltd.	-	100	-
Arvind Lifestyle Apparel	514,372,400	-	-
PVH Arvind Manufacturing PLC	261,376,000	-	-
Arvind Internet Ltd	-	-	16,000,000
Calvin Klein Arvind Fashions Ltd	-	-	98,000,100
Total Share Application Money	**775,748,400**	**100**	**114,000,100**
Total Investments	**1,284,993,778**	**9,003,565,777**	**5,789,272,670**
Aggregate amount of quoted investments and market value thereof	-	851,536,500	-
Aggregate amount of unquoted investments	1,284,993,778	8,152,029,277	5,789,272,670

8 (b) Trade receivables

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Current			
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	-	1,197,182	-
Doubtful	-	-	-
Less : Allowance for doubtful debts	-	-	-
	-	**1,197,182**	-
Other receivables			
Unsecured, considered good	-	-	-
	-	-	-
Total Trade and other receivables	-	**1,197,182**	-

Write off
During the year, the Company has made no write offs of trade receivables and it does not expect to receive future cash flow or recoveries from collection of cash flow previously written off.

8 (c) Loans

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Current			
Unsecured considered good			
Loans to related parties	5,603,687,215	8,502,509	8,502,509
Loan to others	36,068,864	13,569,830	4,021,691
	5,639,756,079	**22,072,339**	**12,524,200**
Total Loans	**5,639,756,079**	**22,072,339**	**12,524,200**

8 (d) Cash and cash equivalent

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Balance with Bank			
In Current accounts and debit balance in cash credit accounts	1,213,511	4,556,692	-
Cheques on hand	200	31,936,973	68,234
Cash on hand	16,959	63,773	62
Total cash and cash equivalents	**1,230,670**	**36,557,438**	**68,296**

8 (e) Other financial assets

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Non-current			
Security deposits	94,271	94,271	-
Total financial assets	**94,271**	**94,271**	-

8 (f) Financial assets by category

Particulars	Equity Method	FVTPL	FVOCI	Amortised cost
March 31, 2017				
Investments				
- Equity shares	470,675,884	-	-	-
- Preference Shares	36,845,139	-	-	-
- Limited liability partnership/Firms	1,724,355	-	-	-
Trade receivables	-	-	-	-
Loans	-	-	-	5,639,756,079
Cash & cash equivalents	-	-	-	1,230,670
other financial assets	-	-	-	94,271
Total Financial assets	**509,245,378**	-	-	**5,641,081,021**
March 31, 2016				
Investments				
- Equity shares	8,150,080,777	-	851,536,500	-
- Limited liability partnership/Firms	1,948,400	-	-	-
Trade receivables	-	-	-	1,197,182
Loans	-	-	-	22,072,339
Cash & cash equivalents	-	-	-	36,557,438
other financial assets	-	-	-	94,271
Total Financial assets	**8,152,029,177**	-	**851,536,500**	**59,921,230**
April 1, 2015				
Investments				
- Equity shares	5,672,621,537	-	-	-
- Limited liability partnership/Firms	2,651,033	-	-	-
Trade receivables	-	-	-	-
Loans	-	-	-	12,524,200
Cash & cash equivalents	-	-	-	68,296
other financial assets	-	-	-	-
Total Financial assets	**5,675,272,570**	-	-	**12,592,496**

For Financial instruments risk management objectives and policies, refer Note 37.
Fair value disclosures for financial assets and liabilities are in Note 35 and fair value hierarchy disclosures for investment are in Note 36.

Note 9 : Other current / non-current assets

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Non-current			
Capital advances	2,500,000	2,500,000	-
	2,500,000	**2,500,000**	-
Current			
Advance to suppliers			-
To Related Parties	267,967	128,000	-
To Others	192,775	332,278	-
Prepaid expenses	-	117,351	-
	460,742	**577,629**	-
Total	**2,960,742**	**3,077,629**	-
Advance to Directors or to firm / Private company where director is interested	-	-	-

Note 10 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Stock-in-trade	-	14,898,868	-
Total	-	**14,898,868**	-

Note 11 : Current Tax Assets (Net)

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Tax Paid in Advance (Net of Provision)	-	8,435,116	-
Total	-	**8,435,116**	-

Note 12 : Equity share capital

Particulars	As at March 31, 2017 No. of shares	As at March 31, 2017 In Rs.	As at March 31, 2016 No. of shares	As at March 31, 2016 In Rs.	As at April 1, 2015 No. of shares	As at April 1, 2015 In Rs.
Authorised share capital						
Equity shares of Rs.2 each	112,500,000	225,000,000	112,500,000	225,000,000	112,500,000	225,000,000
Issued and subscribed share capital						
Equity shares of Rs.2 each	84,854,986	169,709,972	83,820,890	167,641,780	58,587,600	117,175,200
Subscribed and fully paid up						
Equity shares of Rs.2 each	84,854,986	169,709,972	83,820,890	167,641,780	58,587,600	117,175,200
Total	**84,854,986**	**169,709,972**	**83,820,890**	**167,641,780**	**58,587,600**	**117,175,200**

12.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting period

Particulars	As at March 31, 2017 No. of shares	As at March 31, 2017 In Rs.	As at March 31, 2016 No. of shares	As at March 31, 2016 In Rs.	As at April 1, 2015 No. of shares	As at April 1, 2015 In Rs.
At the beginning of the period	83,820,890	167,641,780	58,587,600	117,175,200	58,587,600	117,175,200
Add :						
Shares Alloted during the year	-	-	25,233,290	50,466,580	-	-
Shares alloted under ESOS Scheme	593,596	1,187,192	-	-	-	-
Shares allotted pursuant to the scheme of Merger	440,500	881,000	-	-	-	-
Outstanding at the end of the period	84,854,986	169,709,972	83,820,890	167,641,780	58,587,600	117,175,200

12.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 2 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.

12.3 Shares held by Holding Company

Name of the Shareholder	As at March 31, 2017 No. of shares	As at March 31, 2016 No. of shares	As at April 1, 2015 No. of shares
Arvind Limited	84,261,360	80,220,890	54,987,600
Fellow Subsidiary Company - Arvind Accel Limited	-	3,600,000	3,600,000

12.4 Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2017 No. of shares	As at March 31, 2017 % of shareholding	As at March 31, 2016 No. of shares	As at March 31, 2016 % of shareholding	As at 01 APR 2015 No. of shares	As at 01 APR 2015 % of shareholding
Holding Company - Arvind Limited	84,261,360	99.30	80,220,890	95.71	54,987,600	93.86
Fellow Subsidiary Company - Arvind Accel Limited	-	-	-	-	3,600,000	6.14

12.5 Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2017)
4,40,500/- Equity Shares of Rs. 2 each were issued during the year 2016-2017 to the erstwhile shareholders of Arvind Brands Limited and Asman Investments Limited pursuant to the Scheme of Amalgamation without payment being received in cash. (Note 40)

12.6. Shares reserved for issue under options
Refer Note 32 for details of shares to be issued under options.

12.7 Objective, policy and procedure of capital management, refer Note 38.

Arvind Brands & Retail Limited
Notes to the Financial Statements

Note 13 : Other Equity

Balance	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Share Application Money		
Balance as per last financial statements	-	114,000,100
Add/ Less during the year	140,000,000	(114,000,100)
Balance at the end of the year	140,000,000	-
Share Suspense Account		
Balance as per last financial statements	1,605,090	-
Add/ Less during the year	(1,605,090)	1,605,090
Balance at the end of the year	-	1,605,090
Note 13.1 Reserves & Surplus		
Securities premium account		
Balance as per last financial statements	7,949,287,350	5,552,124,800
Add: addition during the year	32,938,992	2,397,162,550
Balance at the end of the year	7,982,226,342	7,949,287,350
Amalgamation Reserve		
Balance as per last financial statements	1,026,141,249	-
Add: addition during the year (Note 40)	-	1,026,141,249
Balance at the end of the year	1,026,141,249	1,026,141,249
Surplus in statement of profit and loss		
Balance as per last financial statements	3,154,838	15,346,944
Less: Loss for the year	(2,502,059,483)	(12,131,734)
Add / (Less): OCI for the year	-	(60,372)
Add: Transfer from OCI	(119,535,281)	-
Balance at the end of the year	(2,618,439,926)	3,154,838
Total reserves & surplus	6,389,927,665	8,978,583,437
Note 13.2 Other comprehensive income		
Equity Instruments through OCI (net of tax)		
Balance as per last financial statements	(334,026,750)	-
Add: gain during the year	214,491,469	(334,026,750)
Less: Transfer to Retained Earnings	119,535,281	-
Balance at the end of the year	0	(334,026,750)
Total Other comprehensive income	0	(334,026,750)
Total Other equity	6,389,927,665	8,644,556,687

Note 14 : Financial liabilities

14 (a) Long-term Borrowings

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Short-term Borrowings (refer note (a) below)			
Unsecured			
Intercorporate Deposits			
From Related Parties	-	171,885,113	-
From Others	200,039,451	-	-
Total short-term borrowings	200,039,451	171,885,113	-
Total borrowings	200,039,451	171,885,113	-

M. C.

a **Rate of Interest and Terms of Repayment**

Particulars	Amount in Rs.	Range of Interest (%)	Terms of Repayment from Balance sheet date
From Others			
Unsecured Loans from Others	20,00,39,451	8.00	Repayable on Demand

14 (b) Trade payable

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Current			
Acceptances	-	-	-
Other trade payable (Refer note below)	381,708	67,119,596	58,076
	381,708	67,119,596	58,076
Total	**381,708**	**67,119,596**	**58,076**

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

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

have not been given. The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

14 (c) Other financial liabilities

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Non-current			
Security Deposits			
To Related Party	10,800,000	10,800,000	-
	10,800,000	10,800,000	-
Current			
Payable to employees	-	193,518	-
Book overdraft	-	28,487,608	118,289
	-	28,681,126	118,289
Total	**10,800,000**	**39,481,126**	**118,289**

14 (d) Financial liabilities by category

Particulars	FVTPL	FVOCI	Amortised cost
March 31, 2017			
Borrowings	-	-	200,039,451
Trade payable	-	-	381,708
Security Deposits	-	-	10,800,000
Payable to employees	-	-	-
Book overdraft	-	-	-
Total Financial liabilities	-	-	**211,221,159**
March 31, 2016			
Borrowings	-	-	171,885,113
Trade payable	-	-	67,119,596
Security Deposits	-	-	10,800,000
Payable to employees	-	-	193,518
Book overdraft	-	-	28,487,608
Total Financial liabilities	-	-	**278,485,835**
April 1, 2015			
Borrowings	-	-	-
Trade payable	-	-	58,076
Security Deposits	-	-	-
Payable to employees	-	-	-
Book overdraft	-	-	118,289
Total Financial liabilities	-	-	**176,365**

For Financial instruments risk management objectives and policies, refer Note 37.
Fair value disclosures for financial assets and liabilities are in Note 35 and fair value hierarchy disclosures for investment are in Note 36.

Note 15 : Provisions

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Long-term			
Provision for employee benefits (refer Note 29)			
Provision for leave encashment	-	159,807	-
Provision for Gratuity	-	459,828	-
	-	**619,635**	-
Short-term			
Provision for employee benefits (refer Note 29)			
Provision for leave encashment	-	75,428	-
Provision for Gratuity	-	289,105	-
	-	**364,533**	-
Total	-	**984,168**	-

Note 16 : Current Tax Liabilities (Net)

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Tax Provision (Net of Advance Tax)	38,025,380	-	53,369
Total	**38,025,380**	-	**53,369**

Note 17 : Other current / Non-current liabilities

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Current			
Statutory dues including provident fund and tax deducted at source	28,046	18,974,631	2,989,732
	28,046	**18,974,631**	**2,989,732**
Total	**28,046**	**18,974,631**	**2,989,732**

Note 18 : Revenue from operations

Particulars	2016-17 In Rs.	2015-16 In Rs.
Sale of products	32,214,615	13,887,333
Total	32,214,615	13,887,333

Note 19 : Other income

Particulars	2016-17 In Rs.	2015-16 In Rs.
Interest income	180,516,325	33,653,394
Dividend income	5,550,405	-
Rent	132,000	132,000
Miscellaneous income	1,374	-
Total	186,200,104	33,785,394

Note 20 : Purchases of stock-in-trade

Particulars	2016-17 In Rs.	2015-16 In Rs.
Garments	10,350,026	6,196,542
Total	10,350,026	6,196,542

Note 21 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	2016-17 In Rs.	2015-16 In Rs.
Stock at the end of the year		
Stock-in-trade	-	14,878,276
	-	**14,878,276**
Stock at the beginning of the year		
Stock-in-trade	14,878,276	17,580,033
	14,878,276	**17,580,033**
(Increase) / Decrease in stocks	**14,878,276**	**2,701,757**
Total	14,878,276	2,701,757

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Note 22 : Employee benefits expense

Particulars	2016-17 In Rs.	2015-16 In Rs.
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 29)	2,080,483	1,626,837
Contribution to provident and other funds	10,628	196,282
Total	2,091,111	1,823,119

Note 23 : Finance costs

Particulars	2016-17 In Rs.	2015-16 In Rs.
Interest expense - Others	45,726	37,219,837
Other finance cost	-	-
Total	45,726	37,219,837

Note 24 : Depreciation and amortization expense

Particulars	2016-17 In Rs.	2015-16 In Rs.
Depreciation on Tangible assets (Refer Note 5)	769,688	133,489
Depreciation on Investment properties (Refer Note 6)	403,152	98,277
Amortization on Intangible assets (Refer Note 7)	68,783	9,195
Total	1,241,623	240,961

Note 25 : Other expenses

Particulars	2016-17 In Rs.	2015-16 In Rs.
Power and fuel	156,128	60,456
Insurance	33,318	9,333
Printing, stationery & communication	61,826	94,004
Rent	255,552	201,168
Commission, Brokerage & discount	73,820	72,320
Rates and taxes	195,544	66,435
Repairs :		
To others	10,216	115,357
Freight, insurance & clearing charge	-	19,535
Legal & Professional charges	1,886,591	171,247
Conveyance & Travelling expense	87,862	37,145
Director's sitting fees	150,000	180,000
Miscellaneous Labour charges	452,446	280,927
Auditor's remuneration	57,500	103,625
Bank charges	264,955	3,723
Spend on CSR activities	-	4,831
Share Issue Expenses	35,177	1,800
Loss on sale of shares	2,621,076,377	-
Provision for Diminution in value of long term investments	54,840	-
Filing Fees	5,524	808,560
Stamp duty Charges	-	2,447,629
Miscellaneous expenses	778,498	1,007,132
Total	2,625,636,174	5,685,226

Payment to Auditors (Net of service tax)

Particulars	2016-17 In Rs.	2015-16 In Rs.
Payment to Auditors as		
Auditors	57,500	103,625
Total	57,500	103,625

Note 26 : Income tax

The major component of income tax expense for the years ended March 31, 2017 and March 31, 2016 are :

Particulars	2016-17 In Rs.	2015-16 In Rs.
Statement of Profit and Loss		
Current tax		
Current income tax	65,000,000	645,500
Deferred tax		
Deferred tax expense	1,231,266	5,291,519
Income tax expense reported in the statement of profit and loss	66,231,266	5,937,019

OCI section

Particulars	2016-17 In Rs.	2015-16 In Rs.
Statement to Other comprehensive income (OCI)		
Deferred tax related to items recognised in OCI during the year		
Net loss/(gain) on actuarial gains and losses	-	26,997
Deferred tax charged to OCI	-	26,997

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2017 and March 31, 2016.

A) Current tax

Particulars	2016-17 In Rs.	2015-16 In Rs.
Accounting profit before tax from continuing operations	(2,435,828,217)	(340,308,834)
Tax @ 34.608% (March 31, 2016: 30.90%)	(842,991,429)	(105,155,430)
Adjustment		
Effect of IT Depreciation	1,407,697	5,277,636
Expenditure allowable on payment basis	13,114	(13,114)
Expenditure allowable over the period (Section 35D / 35DD)	(189,545)	-
Long term capital loss carried forward	907,102,113	-
Disallowable expenditure	540,158	1,267,403
Exempt Income	(1,920,884)	-
Gain on FVOCI Equity Instruments	-	103,214,266
Tax Effect on loss on defined benefit plans	-	(26,997)
Others	2,270,043	1,346,258
At the effective income tax rate of 34.608% (March 31, 2016 : 30.90%)	66,231,266	5,910,022

B) Deferred tax

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2017 In Rs.	March 31, 2016 In Rs.	April 1, 2015 In Rs.	March 31, 2017 In Rs.	March 31, 2016 In Rs.
Accelerated depreciation for tax purposes	(6,685,925)	(5,278,228)	(592)	1,407,697	5,277,636
Expenditure allowable on payment basis	-	13,114	-	13,114	(13,114)
Expenditure allowable over the period (Section 35D / 35DD)	189,545	-	-	(189,545)	-
Deferred tax expense/(income)				1,231,266	5,264,522
Net deferred tax assets/(liabilities)	(6,496,380)	(5,265,114)	(592)		

Reflected in the balance sheet as follows			
Deferred tax assets	(6,685,925)	(5,278,228)	(592)
Deferred tax liabilities	189,545	13,114	-
Deferred tax liabilities (net)	(6,496,380)	(5,265,114)	(592)

Reconciliation of deferred tax assets / (liabilities), net	March 31, 2017 In Rs.	March 31, 2016 In Rs.
Opening balance as of April 1	(5,265,114)	(592)
Tax income/(expense) during the period recognised in profit or loss	(1,231,266)	(5,237,525)
Tax income/(expense) during the period recognised in OCI	-	(26,997)
Closing balance as at March 31	(6,496,380)	(5,265,114)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Note 27 : Contingent liabilities

Particulars	Year ended March 31, 2017 In Rs.	Year ended March 31, 2016 In Rs.	Year ended April 1, 2015 In Rs.
Contingent liabilities not provided for			
Disputed demands in respect of			
Income tax	6,024,747	6,432,611	11,831,040

Notes :
(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of above pending resolution of the respective proceedings.
(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Note 28 : Foreign Exchange Exposures not hedged

Nature of exposure	Currency	Year ended March 31, 2017 In Mn	Year ended March 31, 2017 In Rs.	Year ended March 31, 2016 In Mn	Year ended March 31, 2016 In Rs.	Year ended April 1, 2015 In Mn	Year ended April 1, 2015 In Rs.
Receivable towards loans	USD	30	194,655,381	-	-	-	-

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Arvind Brands & Retail Limited
Notes to the Financial Statements

Note 29 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:
Amount of Rs. 9,632/- (March 31, 2016: Rs. 86,979/-) is recognised as expenses and included in Note No. 22 "Employee benefit expense"

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Provident Fund	9,632	86,979
	9,632	86,979

B. Defined benefit plans:
The Company has following post employment benefits which are in the nature of defined benefit plans:
(a) Gratuity (Unfunded)

The Company operates gratuity plan wherein every employee is entitled to the benefit as per scheme of the Company, for each completed year of service. The same is payable on retirement or termination whichever is earlier. The benefit vests only after five years of continuous service.

March 31, 2017 : Changes in defined benefit obligation and plan assets

(Amount in Rs.)

	April 1, 2016	Deduction on demerger	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2017
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	748,933	(748,933)	-	-	-	-	-	-	-	-	-	-	-
Fair value of plan assets	-		-	-	-	-	-	-	-	-	-	-	-
Benefit liability	748,933		-	-	-	-	-	-	-	-	-	-	-
Total benefit liability	**748,933**		-	-	-	-	-	-	-	-	-	-	-

March 31, 2016 : Changes in defined benefit obligation and plan assets

(Amount in Rs.)

	April 1, 2015	Adjustment on Merger (Note 40)	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2016
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
Gratuity													
Defined benefit obligation	-	560,524	56,478	44,562	101,040	-	-	-	(466)	87,835	87,369	-	748,933
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	-	560,524	56,478	44,562	101,040	-	-	-	(466)	87,835	87,369	-	748,933
Total benefit liability	-	560,524	56,478	44,562	101,040	-	-	-	(466)	87,835	87,369	-	748,933

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Discount rate	-	7.96%
Future salary increase	-	4.00%
Medical cost inflation	-	
Expected rate of return on plan assets	-	N.A.
Attrition rate	-	2.00%
Morality rate during employment		Indian assured lives Mortality (2006-08)
Morality rate after employment	-	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below:
Gratuity

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact) Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
Gratuity			
Discount rate	1% increase	-	(41,019)
	1% decrease	-	48,505
Salary increase	1% increase	-	49,997
	1% decrease	-	(55,177)
Attrition rate	1% increase	-	19,984
	1% decrease	-	(22,817)

The followings are the expected future benefit payments for the defined benefit plan :

Particulars	Year ended March 31, 2017 Rs.	Year ended March 31, 2016 Rs.
Gratuity		
Within the next 12 months (next annual reporting period)	-	289,105
Between 2 and 5 years	-	64,664
Beyond 5 years	-	229,988
	-	583,757
Total expected payments	-	583,757

Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	Year ended March 31, 2017 Years	Year ended March 31, 2016 Years
Gratuity	-	20

C. Other Long term employee benefit plans
Leave encashment
Amount of Rs. Nil (March 31, 2016: Rs. 42,441/-) is recognised as expenses and included in Note No. 22 "Employee benefit expense"

Arvind Brands & Retail Limited
Notes to the Financial Statements

Note 30 : Disclosure pursuant to Related Party

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Company are as follows

a Name of Related Parties and Nature of Relationship :

	Holding Company	
1	Arvind Limited	
	Subsidiary Companies	
1	Arvind Internet Limited	
2	Arvind Overseas (M) Limited	
3	Arvind Premium Retail Limited	w.e.f. March 30, 2017
4	Arvind Ruf & Tuf Limited	w.e.f. July 22, 2016
5	Arvind Trueblue Limited	w.e.f. March 30, 2017
	Joint Venture Companies	
1	Premium Garments Wholesale Trading Private Limited	
2	Tommy Hilfiger Arvind Fashions Private Limited	
	Joint Venture Company under common control of Holding Company	
1	PVH Arvind Manufacturing Plc.	
	Fellow Subsidiary Company	
1	Arvind Lifestyle Brands Limited	
2	Arvind Worldwide (M) Inc., Mauritius	
3	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	
4	Arvind Beauty Brands Retail Private Limited	
5	Arvind Envisol Private Limited	
6	Arvind Spinning Limited	
7	Arvind Fashions Limited	
8	Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	Fellow Subsidiary Company upto 31.03.2015 and Company under Common Control of Holding Company w.e.f. 01.04.2015
	Associate Firm	
1	637 Developers	

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

b Disclosure in respect of Related Party Transactions :

(Amount in Rs.)

Nature of Transactions	Year ended	
	March 31, 2017	March 31, 2016
Purchase of Goods		
Arvind Limited	670,986	340,032
Arvind Lifestyle Brands Ltd	1,906,352	1,001,512
Sale of Goods		
Arvind Limited	-	2,346,935
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	-	15,000
Rent Income		
Arvind Limited	132,000	132,000
Cash Discount		
Arvind Limited	-	4,320
Arvind Lifestyle Brands Ltd	-	20,480
Capital Advances Given		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	-	120,000
Purchase of shares of Subsidiary/Joint Venture Company		
Arvind Lifestyle Brands limited	779,999,850	-
Arvind Beauty Brands Retail Private Limited	439,999,800	-
Sale of shares of Subsidiary/Joint Venture Company		
Arvind Fashions Limited	6,479,893,810	
Investment in Equity Shares		
Arvind Lifestyle Brands limited	-	1,850,000,000
Arvind Beauty Brands Retail Private Limited	-	350,099,900
Premium Garments Wholsales Private Limited	-	245,029,500
Arvind Premium Retail Limited	23,269,295	-
Arvind Trueblue Limited (Equity Component in investment in preference shares of Rs. 80,000,000)	80,100,000	-
Arvind Ruf & Tuf Limited	100,000	-
Arvind Worldwide Inc. - USA	131,589	-
Investment in Preference Shares		
Arvind Premium Retail Limited	36,845,139	-
Share Application Money Given (Net)		
Arvind Beauty Brands Retail Private Limited	-	100
Arvind Lifestyle Apparel Manufacturing Plc. Ethopia	514,372,400	-
PVH Arvind Manufacturing Plc.	261,376,000	-
Issue of Equity Shares (Including premium)		
Arvind Limited	-	2,333,629,030
Share Application Money Received		
Arvind Limited	140,000,000	-
Interest Income		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	-	33,267,680
Arvind Lifestyle Brands limited	20,010,609	-
Arvind Limited	121,364,751	-
Arvind Limited - Term Loan	2,038,346	-
Arvind Envisol Limited	13,409,551	-
Arvind Fashions Limited	20,791,630	-
Arvind Internet Limited	16,597	-
Arvind Trueblue Limited	1,074,040	-
Arvind Worldwide Inc. - USA	105,381	-
Arvind Premium Retail Limited	10,344	-

Arvind Brands & Retail Limited

Disclosure in respect of Related Party Transactions :

(Amount in Rs.)

Nature of Transactions	Year ended	
	March 31, 2017	March 31, 2016
Interest Expense		
Arvind Limited	-	37,217,462
Addition/(Deduction) to Capital		
637 Developers	(224,045)	(702,632)
Share in Profit/(Loss)		
637 Developers	(224,045)	(702,632)
Loan Recovered		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	-	335,833,264
Arvind Lifestyle Brands limited	24,589,000,000	-
Arvind Envisol Limited	476,460,000	-
Arvind Fashions Limited	6,189,643,640	-
Loan Taken		
Arvind Limited	-	-
Loan Repaid		
Arvind Limited	-	335,833,264
Arvind Limited - ICD	9,956,060,600	-
Loan Given		
Arvind Lifestyle Brands limited	24,589,000,000	-
Arvind Limited - Term Loan	4,800,000,000	-
Arvind Limited - ICD	9,998,176,590	-
Arvind Envisol Limited	818,900,000	-
Arvind Fashions Limited	6,243,800,000	-
Arvind Internet Limited	325,000	-
Arvind Trueblue Limited	56,005,000	-
Arvind Worldwide Inc. - USA	195,207,000	-
Outstanding :		
Receivable in respect of Loans		
Arvind Lifestyle Brands limited	18,137,548	-
Arvind Limited - ICD	151,344,266	-
Arvind Limited - Term Loan	4,801,834,518	-
Arvind Worldwide Inc. - USA	195,312,381	-
Share Application money received, pending allotment		
Arvind Limited	140,000,000	-
Share Application money given, pending allotment		
Arvind Lifestyle Apparel Manufacturing Plc.	514,372,400	-
PVH Arvind Manufacturing Plc.	261,376,000	-
Payable in respect of Security Deposits		
Arvind Limited	10,800,000	-
Receivable in respect of Trade Receivable		
Arvind Limited	-	842,488
Payable in respect of Trade Payable		
Arvind Limited	274,064	-
Arvind Lifestyle Brands limited	-	1,752,964

c **Transactions and Balances :**

(Amount in Rs.)

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiary Companies		Joint Venture/ Limited Liability Partnership/Associate Firm	
	Year ended		Year ended		Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Transactions								
Purchase of Goods and Materials	670,986	340,032	-	-	1,906,352	1,001,512	-	-
Sale of Goods	-	2,346,935	-	-	-	15,000	-	-
Rent Income	132,000	132,000	-	-			-	-
Cash Discount	-	4,320	-	-	-	20,480	-	-
Capital Advances Given	-	-	-	-	-	120,000	-	-
Purchase of shares of Subsidiary/Joint Venture Company	-	-	-	-	1,219,999,650	-	-	-
Sale of shares of Subsidiary/Joint Venture Company	-	-	-	-	6,479,893,810	-	-	-
Investment in Equity Shares	-	-	103,469,295	-	131,589	2,200,099,900	-	245,029,500
Investment in Preference Shares	-	-	36,845,139	-	-	-	-	-
Share Application Money Given (Net)	-	-	-	-	775,748,400	100	-	-
Issue of Equity Shares (Including premium)	-	2,333,629,030	-	-	-	-	-	-
Share Application Money Received	140,000,000	-	-	-	-	-	-	-
Interest Income	123,403,097	-	1,100,981	-	54,317,171	33,267,680	-	-
Interest Expense	-	37,217,462	-	-	-	-	-	-
Addition/(Deduction) to Capital	-	-	-	-	-	-	(224,045)	(702,632)
Share in Profit/(Loss)	-	-	-	-	-	-	(224,045)	(702,632)
Loan Recovered	-	-	-	-	31,255,103,640	335,833,264	-	-
Loan Repaid	9,956,060,600	335,833,264	-	-	-	-	-	-
Loan Given	14,798,176,590	-	56,330,000	-	31,846,907,000	-	-	-

Particulars	Holding Company			Subsidiary Companies			Fellow Subsidiary Companies			Joint Venture/ Limited Liability Partnership/Associate		
	Year ended			Year ended			Year ended			Year ended		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
Balances as at year end												
Receivable in respect of Loans	4,953,178,784	-	-	-	-	-	213,449,929	-	-	-	-	-
Share Application money received, pending allotment	140,000,000	-	-	-	-	-	-	-	-	-	-	-
Share Application money given, pending allotment	-	-	-	-	-	-	775,748,400	-	-	-	-	-
Payable in respect of Security Deposits	10,800,000	-	-	-	-	-	-	-	-	-	-	-
Receivable in respect of Trade Receivable	-	842,488	-	-	-	-	-	-	-	-	-	-
Payable in respect of Trade Payable	274,064	-	-	-	-	-	-	1,752,964	-	-	-	-

d **Terms and conditions of transactions with related parties**

1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken at the year-end are unsecured and settlement occurs in cash.

2) Loans in INR given to the related party carries interest rate of 8.00% (March 31, 2016 : 10% - 11% & April 1, 2015 : 10.50% - 11%). Loans in USD given to the related party carries interest rate of 3.90% (March 31, 2016 : NA & April 1, 20115 : NA)
There is 1 interest free loan given to Fellow subsidiary.

e **Commitments with related parties**
The Company has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: Rs.Nil and April 1, 2015: Rs.Nil)

Note 31 : Earning per share

Particulars	2016-17 In Rs.	2015-16 In Rs.
Earing per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	(2,502,059,483)	(12,131,734)
Total no. of equity shares at the end of the year	84,854,986	83,820,890
Weighted average number of equity shares		
For basic EPS	84,259,322	73,392,953
For diluted EPS	84,259,322	73,392,953
Nominal value of equity shares	2	2
Basic earning per share	(29.69)	(0.17)
Diluted earning per share	(29.69)	(0.17)
Weighted average number of equity shares		
Weighted average number of equity shares for basic EPS	84,259,322	73,392,953
Effect of dilution: Share options	-	-
Weighted average number of equity shares adjusted for the effect of dilution	84,259,322	73,392,953

Note 32 : Share based payments

The Company has formulated Employee Stock Option Scheme (ESOP 2011), the features of which are as follows

Scheme	ESOP 2011 Tranche - I	ESOP 2011 Tranche - II
Date of Grant	March 22, 2011	April 1, 2012
Number of options granted	1,959,349	279,834
Exercise Price per option	Rs. 54.00	Rs. 91.00
Date of vesting	All options have been vested on June 30, 2013.	All options have been vested on June 30, 2013.
Exercise Period	Within 3 years from the date of respective vesting	Within 3 years from the date of respective vesting or listing whichever is earlier.
Method of settlement	Through allotment of one Equity Share for each option granted.	Through allotment of one Equity Share for each option granted.

Fair value method has been used to account for the employee share based plans. The fair value of options granted on March 22, 2011 and April 1, 2012 is Rs 4.77 and Rs. 0 per option respectively, as per the Binomial Option Pricing Model

The following table sets forth a summary of the activity of options: (Amount in Rs.)

Particulars	2016-17 Tranche-I	2016-17 Tranche-II	2015-16 Tranche-I	2015-16 Tranche-II
Options				
Outstanding at the beginning of the year	1,959,349	279,834	1,959,349	279,834
Vested but not exercised at the beginning of the year	1,959,349	279,834	1,959,349	279,834
Granted during the year	-	-	-	-
Exercised during the year	537,596	56,000	-	-
Expired during the year	3,421	53,988	-	-
Modification in the Scheme - ESOP transferred	1,418,332	169,846	-	-
Exercisable at the end of the year	-	-	1,959,349	279,834
Weighted average exercise price per option (Rs.)	-	-	Rs. 58.62	Rs. 58.62

The Company has not granted any options during the year ended on March 31, 2017 (March 31, 2016 : Nil). The fair value of the share based payment options granted is determined using the binomial model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option

Note 33 : Disclosure on Specified Bank Notes (SBNs)

Particulars	SBNs*	**Other denomination notes**	**Total**
Closing cash balance as on November 8, 2016	-	**29,174**	**29,174**
(+) Permitted Receipts	-	45,000	**45,000**
(-) Permitted Payments	-	40,280	**40,280**
(-) Amount deposited in Banks	-	-	-
Closing cash balance as on December 30, 2016	-	**33,894**	**33,894**

**For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.*

Note 34 : Corporate Social Responsibility (CSR) Activities:

a. The Company is required to spend Rs. Nil (Previous Year Rs. 4,831/-) on CSR activities.

b. Amount spent during the year on:

		Year ended					
		March 31, 2017			March 31, 2016		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	Contribution to various Trusts / NGOs / Societies /	-		-	4,831		4,831
	Agencies and utilization thereon	-					
(iii)	Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-

Note 35 : Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount			Fair value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.	In Rs.
Financial assets						
Investments measured at amortized cost	48,801,728	2,294,836,087	1,186,390,247	48,801,728	2,294,836,087	1,186,390,247
Investments measured at fair value through OCI	-	851,536,500	-	-	851,536,500	-
Total	48,801,728	3,146,372,587	1,186,390,247	48,801,728	3,146,372,587	1,186,390,247
Financial liabilities						
Borrowings	200,039,451	171,885,113	-	200,039,451	171,885,113	-
Total	200,039,451	171,885,113	-	200,039,451	171,885,113	-

The management assessed that the fair values of cash and cash equivalents, other bank balances, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

Note 36 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2017, March 31, 2016 and April 1, 2015

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In Rs.	In Rs.	In Rs.	In Rs.
As at March 31, 2017					
Assets measured at fair value					
Fair value through amortised cost investments					
Investment in Equity Shares, unquoted	March 31, 2017	470,675,884	-	-	470,675,884
Investment in Preference Shares	March 31, 2017	36,845,139			36,845,139
Investment in Firms	March 31, 2017	1,724,355			1,724,355
Assets for which fair values are disclosed					
Investment property	March 31, 2017	16,129,455	-	-	16,129,455

	Date of valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In Rs.	In Rs.	In Rs.	In Rs.
As at March 31, 2016					
Assets measured at fair value					
Fair value through amortised cost investments					
Investment in Equity Shares, unquoted	**March 31, 2016**	8,150,080,777	-	-	8,150,080,777
Investment in Firms	**March 31, 2016**	1,948,400	-	-	1,948,400
Fair value through Other Comprehensive Income					
Investment in Equity shares, quoted	**March 31, 2016**	851,536,500	851,536,500	-	-
Assets for which fair values are disclosed					
Investment property	**March 31, 2016**	16,532,607	-	-	16,532,607
As at April 1, 2015					
Assets measured at fair value					
Fair value through Other Comprehensive Income					
Investment in Equity Shares, unquoted	**April 1, 2015**	5,672,621,537	-	-	5,672,621,537
Investment in Firms	**April 1, 2015**	2,651,033	-	-	2,651,033

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015

	Date of valuation	Total	Fair value measurement using: Quoted prices in (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		In Rs.	In Rs.	In Rs.	In Rs.
As at March 31, 2017					
Liabilities disclosed at fair value					
Borrowings	**March 31, 2017**	200,039,451	-	200,039,451	-
As at March 31, 2016					
Liabilities disclosed at fair value					
Borrowings	**March 31, 2016**	171,885,113	-	171,885,113	-

Note 37 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.

- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%

- 10% increase / decrease in equity prices of all investments traded in an active market, which are classified as financial asset measured at FVOCI.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse / inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses.
- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017, March 31, 2016 and April 1, 2015

Interest rate risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company has not hedged its interest rate risk.

As at March 31, 2017, 100% of the Company's borrowings are at fixed rate of interest (March 31, 2016: 100%, April 1, 2015: 0%)

Interest rate sensitivity

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis

- The effect of interest rate changes on future cash flows is excluded from this analysis

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. The Company may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note no. 28.

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	3,893,108	3,893,108
	-2%	(3,893,108)	(3,893,108)
March 31, 2016	+2%	-	-
	-2%	-	-
April 1, 2015	+2%	-	-
	-2%	-	-

Equity price risk

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

As at March 31, 2016, the exposure to listed equity securities at fair value was Rs. 851,536,500/- A decrease of 10% on the BSE market index could have an impact of approximately Rs. 85,153,650/- on the OCI or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 14 days to 30 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the Company adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2017, March 31, 2016 & April 1, 2015 is the carrying amount as disclosed in Note 35.

(c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Less than 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended March 31, 2017					
Interest bearing borrowings	200,039,451	-	-	-	-
Trade payables	-	-	340,486	-	41,222
Other financial liabilities	-	-	-	-	10,800,000
	200,039,451	-	340,486	-	10,841,222
Year ended March 31, 2016					
Interest bearing borrowings	171,885,113	-	-	-	-
Trade payables	429,461	-	66,648,913	-	41,222
Other financial liabilities	28,681,126	-	-	-	10,800,000
	200,995,700	-	66,648,913	-	10,841,222
Year ended April 1, 2015					
Trade payables	-	-	16,854	-	41,222
Other financial liabilities	118,289	-	-	-	-
	118,289	-	16,854	-	41,222

Note 38 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance).

Particulars	Year ended March 31, 2017 Rs. In crs	Year ended March 31, 2016 Rs. In crs	Year ended April 1, 2015 Rs. In crs
Interest-bearing loans and borrowings (Note 14)	200,039,451	171,885,113	-
Less: cash and cash equivalent (including other bank balance) (Note 8)	(1,230,670)	(36,557,438)	(68,296)
Net debt	**198,808,781**	**135,327,675**	**(68,296)**
Equity share capital (Note 12)	169,709,972	167,641,780	117,175,200
Other equity (Note 13)	6,389,927,665	8,644,556,687	5,567,471,744
Total capital	6,559,637,637	8,812,198,467	5,684,646,944
Capital and net debt	6,758,446,418	8,947,526,142	5,684,578,648
Gearing ratio	2.94%	1.51%	0.00%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

Arvind Brands & Retail Limited
Notes to the Financial Statements

Note 39 : Segment Reporting

a. The Company is primarily engaged in the business of Brands Apparels and retailing apparels, which in the context of Indian Accounting Standard 108 on Segment Reporting, constitutes a single reportable primary (business) segment.

b. Secondary Segment (Geographical)

	Year ended March 31, 2017 In Rs.	Year ended March 31, 2016 In Rs.
Segment Revenue*		
a) In India	32,214,615	13,887,333
b) Outside India	-	-
Total Sales	32,214,615	13,887,333
Carrying Cost of Assets by location of Assets**		
a) In India	6,760,753,221	9,117,513,304
b) Outside India	194,655,381	-
Total	6,955,408,602	9,117,513,304
Carrying Cost of Segment Non Current Assets@		
a) In India	28,873,061	30,114,684
b) Outside India	-	-
Total	28,873,061	30,114,684

* Based on location of Customers
** Based on location of Assets
@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset.

Note:-
Considering the nature of business of Company in which it operates, the Company deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the Company

Note 40 : Business Combinations

A Composite Scheme of Arrangement ("the Scheme") in the nature of merger of Arvind Brands Limited (ABL) and Asman Investments Limited (AIL) with the Company, all being subsidiary entities of the Arvind Group, under sections 391 to 394 of the Companies Act, 1956 which has been sanctioned by the High Court of Gujarat at Ahmedabad on 11th July 2016. The Scheme has become effective from the appointed date 1st January 2016.

ABL, wholly owned subsidiary of AIL, was engaged in business of textiles.
AIL, subsidiary of Arvind Limited, was engagement is business of textiles.

The above merger has been accounted for in accordance with accounting treatment stated in the scheme as summarised below:
(a) Upon scheme being effective, the assets and liabilities of ABL & AIL shall be recorded in the books of the Company at fair market values on appointed or such other price as may be prevailing in the market on effective date as per the Purchase Method under the Accounting Standard, AS-14, issued under the Companies (Accounting Standard) Rules, 2016.

(b) As consideration, the Company has subsequently issued and allotted Equity Shares of Rs. 2/- each fully paid up in the ratio of:
- 1 (One) Equity Share of Rs. 10/- each for every 1 (One) Equity Shares of Rs. 10/- each of ABL, to the shareholders of ABL;
- 1 (One) Equity Share of Rs. 10/- each for every 1 (One) Equity Shares of Rs. 10/- each of AIL, to the shareholders of ABL;

(c) Excess of the value of the net assets of ABL and AIL appearing in the respective books of accounts aggregate amounting to Rs. 1,026,141,249/- shall be credited in the books of the Company to a separate account to be named and styled as "Amalgamation Reserve Account".

Arvind Brands & Retail Limited
Notes to the Financial Statements

Note 41 :

a. In accordance with para 4(a) of Ind AS 110 and the Companies (Accounts) Amendment Rules, 2016, the Company elects not to prepare consolidated financial statements and has presented only separate financial statements

Disclosure regarding Consolidated Financial Statements that comply with Ind ASs

Name Arvind Limited, Ultimate Parent Company
Address* Arvind Limited premises, Naroda Road, Ahmedabad - 380 025

*The Consolidated financial statements are obtainable at the above mentioned address for public use.

b. **List of significant investments in subsidiaries and joint ventures:**

Sr. No.	Name of Entities	Country of Incorporation	Activities	Proportion of Ownership of Interest		
				As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	- Indian Subsidiaries					
1	Arvind Lifestyle Brands Limited	India	Branded Garments	0%	100%	100%
2	Arvind Internet Limited	India	E-Commerce	100%	100%	100%
3	Arvind Ruf & Tuf Ltd	India	Garments	100%	0%	0%
4	Arvind Beauty Brands Retail Private Limited	India	Beauty Products	0%	100%	0%
5	Arvind Premium Retail Limited	India	Garments	51%	0%	0%
6	Arvind True Blue Limited	India	Garments	87.50%	0%	0%
	- Foreign Subsidiaries					
1	Arvind Worldwide Inc., USA	USA	Textiles	100%	100%	0%
2	Arvind Worldwide (M) Inc.	Mauritius	Textiles	100%	100%	0%
3	Arvind Overseas (Mauritius) Limited	Mauritius	Textiles	100%	100%	0%
4	Arvind Spinning Limited	Mauritius	Textiles	100%	100%	0%
	-Joint Ventures					
1	Premium Garments Wholesale Trading Private Limited	India	Branded Garments	0%	49%	49%
2	Arudrama Development Pvt Ltd	India	Construction	50%	50%	0%
3	Tommy Hilfiger Arvind Fashion Private Limited	India	Branded Garments	0%	50%	50%

c. **Investments in Subsidiaries and Joint Ventures**
All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

However, on transition to Ind AS, the Company has elected the option provided under Ind AS 101 to measure all its investments in Subsidiaries and Joint venture at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.