

ARVIND INTERNET LIMITED

(CIN : U72400GJ2013PLC074576)

ANNUAL REPORT 2016 – 2017

SORAB S. ENGINEER & CO. (Regd.)
CHARTERED ACCOUNTANTS

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ASHRAM ROAD,
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INDEPENDENT AUDITOR'S REPORT
To the Members of Arvind Internet Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Arvind Internet 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 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

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SORAB S. ENGINEER & CO. (Regd.)

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 loss (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 13th May, 2016 and 13th 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.

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- (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 does not have any pending litigations which would impact its financial position;
 - ii. Provision has been made in the Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amount, 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 – Refer Note 36 to the financial statements.

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


CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 10, 2017

SORAB S. ENGINEER & CO. (Regd.)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND INTERNET 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) According to the information and explanations given to us, the Company does not hold any fixed assets.
- (ii) According to the information and explanations given to us, the Company does not hold any inventories.
- (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) The Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order is not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no amounts payable as on March 31, 2017 on account of any dispute.
- (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.

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SORAB S. ENGINEER & CO. (Regd.)

- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not paid any managerial remuneration during the year under review. 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


CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 10, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND INTERNET 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 Internet 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.

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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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 10, 2017

Arvind Internet 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	-	-	870,46,605
(b) Intangible assets	6	-	-	598,34,884
(c) Intangible assets under development	6	-	-	441,90,622
(d) Financial assets				
(i) Investments	7	1150,00,000	1150,00,000	-
(ii) Loans	7	-	-	4,95,834
(iii) Other financial assets	7	-	-	102,59,740
(e) Other non-current assets	8	-	-	45,92,065
Total non-current assets		1150,00,000	1150,00,000	2064,19,750
II. Current assets				
(a) Inventories	9	-	-	261,88,099
(b) Financial assets				
(i) Cash and cash equivalents	7	1,630	2,36,000	16,52,798
(ii) Loans	7	-	-	2,35,000
(iii) Others financial assets	7	-	-	-
(c) Current tax assets (net)	10	-	53,47,972	-
(d) Other current assets	8	-	5,94,220	-
Total current assets		1,630	61,81,203	43,68,809
Total Assets		1150,01,630	1211,81,203	2388,64,456
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	3305,56,000	3305,56,000	71,86,000
Other equity	12	(2173,38,555)	(2163,49,411)	1778,32,811
Total equity		1132,17,445	1142,06,589	1850,18,811
LIABILITIES				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	13	-	-	52,86,677
(b) Long-term provisions	14	-	-	16,71,665
(c) Deferred tax liabilities (net)	24	-	-	1,25,017
Total non-current liabilities		-	-	70,83,359
II. Current liabilities				
(a) Financial liabilities				
(i) Trade payables	13	17,81,026	69,74,614	219,60,363
(ii) Other financial liabilities	13	-	-	200,55,993
(b) Other current liabilities	15	3,159	-	45,20,990
(c) Short-term provisions	14	-	-	2,24,940
Total current liabilities		17,84,185	69,74,614	467,62,286
Total equity and liabilities		1150,01,630	1211,81,203	2388,64,456
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.
Firm Registration No.110477W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 10, 2017

For and on behalf of the board of directors of
Arvind Internet Limited

Director
DIN:
Ahmedabad
May 10, 2017

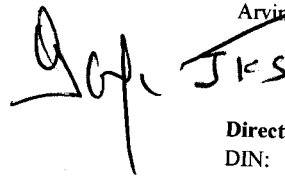
Director
DIN:
Ahmedabad
May 10, 2017

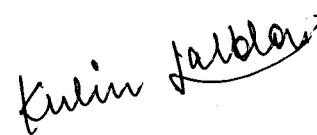
Arvind Internet Limited
Statement of profit and loss for the year ended March 31, 2017

Particulars	Notes	Year ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
Income			
Revenue from operations			
Sale of Products			
Revenue from operations	16	-	70,67,089
Other income		-	70,67,089
Total income (I)	17	26,740	59,43,822
Expenses			
Cost of raw materials and accessories consumed			
Changes in inventories of finished goods, work-in-progress and stock-in-trade	18	-	50,84,340
Employee benefits expense	19	-	2,07,398
Finance costs	20	-	
Depreciation and amortisation expense	21	2,11,006	246,10,295
Other expenses	22	-	6,00,766
	23	8,04,878	83,28,480
Total expenses (II)		<u>10,15,884</u>	<u>679,48,150</u>
Profit/(Loss) before exceptional items and tax (III)=(I-II)		<u>(9,89,144)</u>	<u>(549,37,239)</u>
Exceptional items (IV)		-	-
Profit/(Loss) before tax (V) = (III-IV)		<u>(9,89,144)</u>	<u>(549,37,239)</u>
Tax expense			
Current tax			
Deferred tax	24	-	-
Total tax expense (VI)	24	<u>-</u>	<u>(1,25,017)</u>
Profit/(Loss) for the year (VII) = (V-VI)		<u>(9,89,144)</u>	<u>(548,12,222)</u>
Other comprehensive income			
Total comprehensive income for the period, net of tax (VII+VIII)		<u>(9,89,144)</u>	<u>(548,12,222)</u>
Earning per equity share [nominal value per share Rs.10/- (March 31, 2016: Rs.10/-)]			
Basic	27	(0.03)	(1.66)
Diluted	27	(0.03)	(1.66)
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.
Firm Registration No.110417W
Chartered Accountants
CA. Chokshi Shreyas B.
Partner
Membership No.100892
Ahmedabad
May 10, 2017

For and on behalf of the board of directors of
Arvind Internet Limited

Director
DIN:
Ahmedabad
May 10, 2017


Director
DIN: XR5L
Ahmedabad
May 10, 2017

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

Particulars	Year ended	
	March 31, 2017 Rupees	March 31, 2016 Rupees
A Operating activities		
Profit Before taxation		
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization		-9,89,144
Interest Income		83,28,480
Interest and Other Borrowing Cost	-26,740	-59,43,822
	2,11,006	6,00,766
Operating Profit before Working Capital Changes	1,84,266	29,85,424
Working Capital Changes:	-8,04,878	-519,51,815
Changes in Inventories		
Changes in trade payables		261,88,099
Changes in other current liabilities	-51,93,588	-149,85,749
Changes in other financial liabilities	3,159	-45,20,990
Changes in provisions	-	-200,55,993
Changes in loans and advances	-	-18,96,605
Changes in other current assets	-	155,82,639
Changes in other financial assets	3,011	43,65,798
Net Changes in Working Capital	59,42,192	-53,47,972
Cash Generated from Operations	7,54,774	-6,70,773
Direct Taxes paid (Net of Income Tax refund)	-50,104	-5,94,220
Net Cash from Operating Activities	-50,104	-532,16,808
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets		-120,82,564
Sale of tangible assets/Intangible assets		1948,26,195
Investment in LLP		-1150,00,000
Interest Income	26,740	59,43,822
Net cash flow from Investing Activities	26,740	736,87,453
C Cash Flow from Financing Activities		
Premium and Share Application money		
Changes in long term Borrowings		-160,00,000
Interest and Other Borrowing Cost Paid		-52,86,677
Net Cash flow from Financing Activities	-2,11,006	-6,00,766
Net Increase/(Decrease) in cash & cash equivalents	-2,34,370	-218,87,443
Cash & Cash equivalent at the beginning of the period	2,36,000	16,52,798
Cash & Cash equivalent at the end of the period	1,630	2,36,000

Particulars	Year ended	
	March 31, 2017 Rupees	March 31, 2016 Rupees
Cash and cash equivalents comprise of: (Note 7)		
Cash on Hand		
Balances with Banks	1,630	2,36,000
Cash and cash equivalents	1,630	2,36,000

As per our report of even date attached
For, Sorab S. Engineer & Co.
Firm Registration No. 110417W
Chartered Accountants
Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 10, 2017

For and on behalf of the board of directors of
Arvind Internet Limited
Director
DIN:
Ahmedabad
May 10, 2017

Director
DIN: XKSL
Ahmedabad
May 10, 2017

Arvind Internet Limited
Statement of changes in Equity for the year ended March 31, 2017

A. Equity share capital

Balance	In Rs.
	Note 11
As at April 1, 2015	71,86,000
Issue of Equity Share capital	3233,70,000
As at March 31, 2016	3305,56,000
Issue of Equity Share capital	-
As at March 31, 2017	3305,56,000

B. Other equity

Attributable to the equity holders of the company

Particulars	Share Application Money Pending Allotment	Reserves and Surplus		In Rs.
		Securities premium	Retained Earnings	Total equity
		Note 12	Note 12	Note 12
Balance as at April 1, 2015	160,00,000	3276,14,000	(1657,81,189)	1778,32,811
Profit/(Loss) for the year	-	-	(548,12,222)	(548,12,222)
Other comprehensive income for the year	-	-	-	-
Total Comprehensive income for the year	-	-	(548,12,222)	(548,12,222)
Adjustments on demerger	-	(3233,70,000)	-	(3233,70,000)
Any other movement (edit / modify based on requirement)	(160,00,000)	-	-	(160,00,000)
Balance as at March 31, 2016	-	42,44,000	(2205,93,411)	(2163,49,411)
	-	-	-	-
	-	42,44,000	(2205,93,411)	(2163,49,411)
Balance as at April 1, 2016	-	42,44,000	(2205,93,411)	(2163,49,411)
Profit/(Loss) for the year	-	-	(9,89,144)	(9,89,144)
Other comprehensive income for the year	-	-	-	-
Total Comprehensive income for the year	-	-	(9,89,144)	(9,89,144)
Balance as at March 31, 2017	-	42,44,000	(2215,82,555)	(2173,38,555)

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

As per our report of even date

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

Chokshi Shreyas B.
CA. Chokshi Shreyas B.
 Partner
 Membership No. 100892
 Ahmedabad
 May 10, 2017

For and on behalf of the board of directors of
 Arvind Internet Limited

Q H (JHS)
Director
 DIN:
 Ahmedabad
 May 10, 2017

Kulvir Jambhwal
Director
 DIN: *XK-12*
 Ahmedabad
 May 10, 2017

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

1. Corporate Information

Arvind Internet limited is a wholly owned subsidiary of Arvind Limited.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 10, 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 34 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);
- 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.

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. 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).

3.4. 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)

3.5. 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.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

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.

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

Computers and Networks: 2.5 Years
Electrical Installations: 5 Years
Furniture and Fixtures: 5 Years
Mannequins, part of Lease Hold: 3 Year
Vehicles: 4 Years

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 depreciation and accumulated impairment losses, if any.

3.6. Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

3.7. 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 and Website is amortized over management estimate of its useful life of 5 years.

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 38 less accumulated amortisation and accumulated impairment losses, if any

3.8. Inventories

Inventories of Raw material, Work-in-progress and Finished goods are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

All other inventories of stores and consumables are valued at cost or net realisable value, whichever is less.

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.

3.9. 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.

3.10. 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 export sales are recognized on shipment basis. 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.

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.

3.11. 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.

(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.

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(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 or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and 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/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. 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.

3.12. **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.

3.13. **Taxes**

Tax expense comprises of current income tax and deferred 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 are 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.

3.14. 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, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

b) 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.

3.15. 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.

3.16. 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. 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.

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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 32 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.

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.

The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward.

Further details on taxes are disclosed in Note 24.

Intangible assets

Refer Note 3.7 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 6.

Property, plant and equipment

Refer Note 3.5 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.

Note 5 : Property, plant and equipment

Fixed Assets	Plant & machinery					Furniture & fixture		Vehicles	Leasehold improvements	Office equipment	Computer, server & network	Total	In Rs.
	Cost												CWIP
As at April 1, 2015	83,345	21,032,842	9,315,141	26,843,043	23,104,985	16,828,495	97,207,851	-	-	-	-	-	-
Additions	852,070	2,848,908	-	1,690,502	1,831,081	3,945,212	11,167,773	-	-	-	-	-	-
Deductions (Note 2)	(935,415)	(23,881,750)	(9,315,141)	(28,533,545)	(24,936,066)	(20,773,707)	(108,375,624)	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation and Impairment													
As at April 1, 2015	436	1,377,323	878,406	1,405,768	2,065,238	4,434,075	10,161,246	-	-	-	-	-	-
Depreciation for the year	5,691	981,483	571,428	810,213	1,085,122	1,809,018	5,262,955	-	-	-	-	-	-
Deductions (Note 2)	(6,127)	(2,358,806)	(1,449,834)	(2,215,981)	(3,150,360)	(6,243,093)	(15,424,201)	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	-	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Block													
As at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2015	82,909	19,655,519	8,436,735	25,437,275	21,039,747	12,394,420	87,046,605	-	-	-	-	-	-
Notes :													

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.

2. The Company has Sold all rights, interest and title in the Business known as "Creayte & MBO Division" of Arvind Internet Limited, to Arvind Limited as going concern basis for the lump sum consideration of Rs. 11.52 Crores during the year 2015-2016.

Note 6 : Intangible assets

Intangible assets	Computer Software	Website	Total	In R: Intangible asset under development
Cost				
As at April 1, 2015	952,995	65,471,514	66,424,509	44,190,62
Additions	914,791	-	914,791	
Deductions (Note 1)	(1,867,786)	(65,471,514)	(67,339,300)	(44,190,62)
As at March 31, 2016	-	-	-	-
Additions	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2017	-	-	-	-
Amortisation and Impairment				
As at April 1, 2015	355,014	6,234,611	6,589,625	-
Amortisation for the Year	136,953	2,928,572	3,065,525	
Deductions (Note 1)	(491,967)	(9,163,183)	(9,655,150)	
As at March 31, 2016	-	-	-	-
Amortisation for the Year	-	-	-	-
Deductions	-	-	-	-
As at March 31, 2017	-	-	-	-
Net Block				
As at March 31, 2017	-	-	-	-
As at March 31, 2016	-	-	-	-
As at April 1, 2015	597,981	59,236,903	59,834,884	44,190,62

Note :

1. The Company has Sold all rights, interest and title in the Business known as "Creayte & MBO Division" of Arvind Internet Limited, to Arvind Limited as going concern basis for the lump sum consideration of Rs. 11.52 Crores during the year 2015-2016.

Arvind Internet Limited
Notes to the Financial Statements

Note 7 : Financial assets

7 (a) Investments

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Investment in LLP's			
Maruti & Ornet Infrabuild LLP	115,000,000	115,000,000	-
Total Investments in LLP	115,000,000	115,000,000	-
Total Investments	115,000,000	115,000,000	-
Aggregate amount of quoted investment and market value thereof	-	-	-
Aggregate amount of unquoted investment	115,000,000	115,000,000	-

7 (b) Loans

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Unsecured considered good			
Non-current			
Loans to employees	-	-	495,834
Current			
Loans to employees	-	-	495,834
Total Loans	-	-	235,000
			730,834

7 (c) Cash and cash equivalent

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Balance with Bank			
Current accounts and debit balance in cash credit accounts	1,630	236,000	1,649,468
Cash on hand	-	-	3,330
Total cash and cash equivalents	1,630	236,000	1,652,798

7 (d) Other financial assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Unsecured, considered good			
Non-current			
Security deposits			
From Others	-	-	10,259,740
Current			
Accrued Interest	-	5,347,972	-
Total financial liabilities	-	5,347,972	10,259,740

7 (e) Financial assets by category

Particulars	In Rs.			
	Cost	FVTPL	FVOCI	Amortised cost
March 31, 2017				
Investments				
- Limited liability partnership	115,000,000	-	-	-
Cash & cash equivalents	-	-	-	1,630
Total Financial assets	115,000,000	-	-	1,630
March 31, 2016				
Investments				
- Limited liability partnership	115,000,000	-	-	-
Cash & cash equivalents	-	-	-	236,000
Other financial assets	-	-	-	5,347,972
Total Financial assets	115,000,000	-	-	5,583,972
April 1, 2015				
Loans	-	-	-	730,834
Cash & cash equivalents	-	-	-	1,652,798
Other financial assets	-	-	-	10,259,740
Total Financial assets	-	-	-	12,643,372

For Financial instruments risk management objectives and policies, refer Note 32.

Fair value disclosures for financial assets and liabilities are in Note 30 and fair value hierarchy disclosures are in Note 31.

Note 8 : Other current / non-current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2017
	In Rs.	In Rs.	In Rs.
Unsecured, considered good			
Non-current			
Capital advances	-	-	4,592,065
Current			
Advance to suppliers			
To Related Parties	-	3,011	-
To Others	-	-	3,784,825
Prepaid expenses	-	-	583,984
		3,011	4,368,809
Total	-	3,011	8,960,874
Advance to Directors or to firm / Private company where director is interested	-	-	-

Note 9 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2017
	In Rs.	In Rs.	In Rs.
Raw materials			
Raw materials and components	-	-	21,969,143
Raw materials in transit	-	-	619,116
Work-in-progress	-	-	434,377
Finished goods	-	-	3,165,463
Total	-	-	26,188,099

Note 10 : Current Tax Assets (Net)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2017
	In Rs.	In Rs.	In Rs.
Tax Paid in Advance (Net of Provision)	-	594,220	-
Total	-	594,220	-

Note 11 : Equity share capital

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	In Rs.	No. of shares	In Rs.	No. of shares	In Rs.
Authorised share capital						
Equity shares of Rs.10 each	5,000,000	50,000,000	5,000,000	50,000,000	2,500,000	25,000,000
Issued and subscribed share capital						
Equity shares of Rs.10 each	33,055,600	330,556,000	33,055,600	330,556,000	718,600	7,186,000
Subscribed and fully paid up						
Equity shares of Rs.10 each	33,055,600	330,556,000	33,055,600	330,556,000	718,600	7,186,000
Forfeited shares	-	-	-	-	-	-
Total	33,055,600	330,556,000	33,055,600	330,556,000	718,600	7,186,000

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

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	In Rs.	No. of shares	In Rs.	No. of shares	In Rs.
At the beginning of the period	33,055,600	330,556,000	718,600	7,186,000	50,000	500,000
Add :						
Share issued during the year	-	-	32,337,000	323,370,000	668,600	6,686,000
Outstanding at the end of the period	33,055,600	330,556,000	33,055,600	330,556,000	718,600	7,186,000

11.2. 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.10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at 01 APR 2015	
	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Brands and Retail Limited	33,055,600	100.00	33,055,600	100.00	718,600	100.00

11.4. Shares reserved for issue under options

Refer Note 28 for details of shares to be issued under options

11.5 Objective, policy and procedure of capital management, refer Note 33

Note 12 : Other Equity

Balance	As at March 31, 2017	As at March 31, 2016
	In Rs.	In Rs.
Note 12.1 Reserves & Surplus		
Securities premium account		
Balance as per last financial statements	4,244,000	327,614,000
Add: addition during the year	-	-
Add: utilized during the year	-	(323,370,000)
Balance at the end of the year	<u>4,244,000</u>	<u>4,244,000</u>
Surplus in statement of profit and loss		
Balance as per last financial statements	(220,593,411)	(165,781,189)
Add: profit for the year	(989,144)	(54,812,222)
Balance at the end of the year	<u>(221,582,555)</u>	<u>(220,593,411)</u>
Total reserves & surplus	<u>(217,338,555)</u>	<u>(216,349,411)</u>
Total Other equity	<u>(217,338,555)</u>	<u>(216,349,411)</u>

Note 13 : Financial liabilities

13 (a) Long-term Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Long-term Borrowings (refer note (a) below)			
Non-current portion			
Secured			
Term loan from Financial Institutions and others	-	-	6,860,971
Current maturities	-	-	6,860,971
Secured			
Term loan from Financial Institutions and others	-	-	1,574,294
Total long-term borrowings	<u>-</u>	<u>-</u>	<u>1,574,294</u>
Total borrowings	<u>-</u>	<u>-</u>	<u>5,286,677</u>

Nature of security:

- a Loans of Rs Nil (March 31, 2016 Nil , April 01, 2015 Rs 68,60,971) are secured by hypothecation of related vehicles.

13 (b) Trade payable

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Current			
Acceptances	-	-	-
Other trade payable (Refer note below)	1,781,026	6,974,614	21,960,363
	<u>1,781,026</u>	<u>6,974,614</u>	<u>21,960,363</u>
Total	<u>1,781,026</u>	<u>6,974,614</u>	<u>21,960,363</u>

- a Acceptance and Other trade payables are not-interest bearing and are normally settled on 30-90 days terms

- b 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.

13 (c) Other financial liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Current			
Current maturity of long term borrowings	-	-	1,574,294
Payable to employees	-	-	3,941,326
Payable in respect of Capital Goods	-	-	14,540,373
Total	-	-	20,055,993

13 (d) Financial liabilities by category

Particulars	In Rs.		
	FVTPL	FVOCI	Amortised cost
March 31, 2016			
Trade payable	-	-	6,974,614
Other financial liabilities	-	-	20,055,993
Total Financial liabilities	-	-	27,030,607
April 1, 2015			
Borrowings	-	-	3,712,383
Trade payable	-	-	21,960,363
Other financial liabilities	-	-	20,055,993
Total Financial liabilities	-	-	45,728,739

For Financial instruments risk management objectives and policies, refer Note 32.

Fair value disclosures for financial assets and liabilities are in Note 30 and fair value hierarchy disclosures are in Note 31.

Note 14 : Provisions

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Long-term			
Provision for employee benefits (refer Note 25)			
Provision for leave encashment	-	-	1,671,665
Short-term			
Provision for employee benefits (refer Note 25)			
Provision for leave encashment	-	-	224,940
Total	-	-	1,896,605

Note 15 : Other current/ Non current liability

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	In Rs.	In Rs.	In Rs.
Current			
Advance from customers	-	-	398,444
Statutory dues including provident fund and tax deducted at source	3,159	-	4,122,546
Total	3,159	-	4,520,990

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Note 16 : Revenue from operations

Particulars	2016-17 In Rs.	2015-16 In Rs.
Sale of products	-	7,067,089
Total	-	7,067,089

Note 17 : Other income

Particulars	2016-17 In Rs.	2015-16 In Rs.
Interest income	26,740	5,943,822
Total	26,740	5,943,822

Note 18 : Cost of raw materials and components consumed

Particulars	2016-17 In Rs.	2015-16 In Rs.
Stock at the beginning of the year	-	21,969,143
Add : Purchases	-	7,271,304
Less: Stock transferred pursuant to slump sale to Arvind Limited	-	29,240,447
Raw materials and components consumed	-	(24,156,107)
Total	-	5,084,340

Note 19 : 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		
Finished goods	-	-
Work-in-Progress	-	-
Stock at the beginning of the year		
Finished goods	-	3,165,463
Work-in-Progress	-	434,377
		3,599,840
(Increase) / Decrease in stocks	-	3,599,840
Less: Stock transferred pursuant to slump sale to Arvind Limited	-	(3,392,442)
Total	-	207,398

Note 20 : Employee benefits expense

Particulars	2016-17 In Rs.	2015-16 In Rs.
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 25)	-	21,635,536
Contribution to provident and other funds	-	1,659,301
Welfare and training expenses	-	1,315,458
Total	-	24,610,295

Arvind Internet Limited
Notes to the Financial Statements

Note 21 : Finance costs

Particulars	2016-17 In Rs.	2015-16 In Rs.
Interest expense - Loans	-	178,575
Interest expense - others	211,006	-
Other finance cost	-	422,191
Total	211,006	600,766

Note 22 : Depreciation and amortization expense

Particulars	2016-17 In Rs.	2015-16 In Rs.
Depreciation on Tangible assets (Refer Note 5)	-	5,262,955
Amortization on Intangible assets (Refer Note 6)	-	3,065,525
Total	-	8,328,480

Note 23 : Other expenses

Particulars	2016-17 In Rs.	2015-16 In Rs.
Power and fuel	-	313,337
Stores consumed	-	-
Internet and Communication Expenses	-	2,820,136
Processing charges	-	4,520,633
Printing, stationery & communication	-	143,901
Rent	-	5,903,526
Sampling and Testing Expenses	-	68,312
Filing Fees Expenses	367,627	6,366,574
Repairs :		
To Building		1,314,023
Freight, insurance & clearing charge	-	18,551
Legal & Professional charges	333,790	350,200
Conveyance & Travelling expense	-	1,991,620
Advertisement and publicity	-	3,609,982
Subscription and Software charges	-	85,583
Service tax expenses	-	134,641
Housekeeping Charges	-	268,000
Security Charges	-	155,492
Postage charges	-	240,896
Auditor's remuneration	-	187,500
Bank charges	100,000	82,342
Exchange difference (net)	-	12,644
Recruitment Expense	-	77,200
Miscellaneous expenses	3,461	451,778
Total	804,878	29,116,871

Payment to Auditors (Net of service tax)

Particulars	2016-17 In Rs.	2015-16 In Rs.
Payment to Auditors as Auditors	100,000	187,500
Total	100,000	187,500

Note 24 : 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	-	-
Deferred tax		
Deferred tax expense	-	(125,017)
Income tax expense reported in the statement of profit and loss	-	(125,017)

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	-	-
Deferred tax charged to OCI	-	-

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	(989,144)	(54,937,239)
Tax @ 30.9% (March 31, 2016: 30.9%)	(305,645)	(16,975,607)
Adjustment		
Other non-deductible expenses	-	(6,082,265)
Other adjustments	-	22,932,855
At the effective income tax rate of Nil (March 31, 2016 : Nil)	-	(125,017)

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.
Others					
Deferred tax expense/(income)		-	125,017	-	(125,017)
Net deferred tax assets/(liabilities)	-	-	125,017	-	(125,017)
Reflected in the balance sheet as follows					
Deferred tax assets	-	-	-		
Deferred tax liabilities	-	-	125,017		
Deferred tax liabilities (net)	-	-	125,017		
Reconciliation of deferred tax assets / (liabilities), net					
Opening balance as of April 1				March 31, 2017 In Rs.	March 31, 2016 In Rs.
Tax income/(expense) during the year recognised in profit or loss					125,017
Closing balance as at March 31					(125,017)
					-

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 25 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of Rs. Nil (March 31, 2016: Rs. 17,74,049, April 01, 2015: Rs 18,56,317) is recognised as expenses and included in Note No. 27 "Employee benefit expense"

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.	As at April 1, 2015 In Rs.
Provident Fund	-	542,563	666,292
Employee's Pension Scheme	-	1,231,486	1,190,025
		1,774,049	1,856,317

B. Other Long term employee benefit plans

Leave encashment

Salaries, Wages and Bonus include Rs. Nil (Previous Year Rs. 8,13,625) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.



Arvind Internet Limited

Notes to the Financial Statements

Note 26 : 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 :

1	Arvind Limited		Ultimate Holding Company
2	Arvind Brands and Retail Limited		Holding Company
3	Arvind Goodhill Suit Manufacturing Private Limited		Joint Venture Subsidiary Company of Ultimate holding Company
4	Maruti Ornet and Infrabuild LLP		Limited Liability Partnership
5	Arvind Lifestyle Brands Limited		Fellow Subsidiary

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

Arvind Limited**b Disclosure in respect of Related Party Transactions :**

Nature of Transactions	In Rs.	
	Year ended March 31, 2017	March 31, 2016
Processing Expenses		
Arvind Goodhill Suit Manufacturing Private Limited	-	2,308,000
Arvind Limited	-	1,903,880
Interest Income		
Arvind Limited	-	5,942,192
Interest Expense		
Arvind Limited	-	419,829
Rent Expenses		
Arvind Lifestyle Brands Limited	-	1,491,083
Arvind Limited	-	692,352
Issue of Equity Shares		
Arvind Brands and Retail Limited	-	323,370,000
Receivable in respect of Current Assets		
Arvind Limited	-	5,350,983
Investments		
Maruti & Ornet Infrabuild LLP	-	115,000,000
Payable in respect of Current Liabilities		
Arvind Limited	-	6,752,414

c Transactions and Balances :

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies/Limited Liability Partnership	
	Year ended		Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Transactions						
Processing Expenses	-	1,903,880	-	-	-	2,308,000
Interest Expense	-	419,829	-	-	-	-
Rent Expense	-	692,352	-	-	-	-
Interest Income	-	5,942,192	-	-	-	1,491,083
Issue of Equity Shares	-	-	-	323,370,000	-	-
Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies/Limited Liability Partnership	
	Year ended		Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balances as at year end						
Investments	-	-	-	-	-	-
Receivable in respect of Current Assets	-	5,350,983	-	-	-	115,000,000
Share Application money received pending allotment	-	-	-	-	-	-
Payable in respect of Current Liabilities	-	6,752,414	-	-	-	-
		7,057,523		16,000,000		4,603,301

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 and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

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 27 : Earning per share

Particulars	2016-17	2015-16
	In Rs.	In Rs.
Earning per share (Basic and Diluted)		
Profit attributable to ordinary equity holders	(989,144)	(54,812,222)
Total no. of equity shares at the end of the year	33,055,600	33,055,600
Weighted average number of equity shares		
For basic EPS	33,055,600	33,055,600
For diluted EPS	33,055,600	33,055,600
Nominal value of equity shares		33,055,600
Basic earning per share	(0.03)	-
Diluted earning per share	(0.03)	(1.66)

Note 28 : Share based payments

The Company has instituted Employee Stock Option Scheme 2008 (ESOP 2008), pursuant to the approval of the shareholders of the company at their extra ordinary general meeting held on October 23, 2007. Under ESOP 2008, the Company has granted options convertible into equal number of equity shares of the face value of Rs 10 each.

Scheme Type	ESOS 2008	
Date of grant	October 15, 2015	April 01, 2016 and November 15, 2016
Number of options granted	2,769,500	3,024,300
Exercise price per option	Rs. 10	Rs. 10
Fair Value of option on Grant date	-	-
Vesting period	Over a period of 1 to 5 years	
Vesting requirements	On continued employment with the company and fulfilment of performance	
Exercise period	3 to 5 years from the date of vesting	
Method of settlement	Through allotment of one equity share for each option granted.	

The following table sets forth a summary of the activity of options:

Particulars	2016-17	2015-16
Options		
Outstanding at the beginning of the period		
Vested but not exercised at the beginning of the period	2,769,500	-
Granted during the period	-	-
Forfeited during the period	3,024,300	2,769,500
Exercised during the period	-	-
Expired during the period	-	-
Outstanding at the end of the period	-	-
Exercisable at the end of the period	5,793,800	2,769,500
Weighted average exercise price per option (Rs.)	2,370,432	-
	Rs. 10	Rs. 10

Share options outstanding at the end of the year have the following expiry date, exercise price and weighted average contractual life of the options outstanding at the end of the year :

Grant date	Expiry date	Exercise price	March 31, 2017	March 31, 2016	April 01, 2015
			Share options	Share options	Share options
October 15, 2015	April 30, 2019	10	2,769,500	2,769,500	-
April 01, 2016 and November 15, 2016	March 31, 2020	10	3,024,300	-	-
Weighted average remaining contractual life (Years)			5.86	6.00	-

Expense arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows :

Particulars	2016-17	2015-16
	In Rs.	In Rs.
Employee option plan	-	-
Others	-	-
Total employee share based payment expense	-	-

The Company has granted 30,24,300 options during the year ended on March 31, 2017 (March 31, 2016 : 27,69,500). 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.

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Notes to the Financial Statements

Note 29 : Lease Rent

Operating Lease

- (A) Rent expense includes lease rental payments towards office premises and stores. Such lease agreements is entered for a period of 60 months with the option of renewal against increased rent.
The particulars of non-cancellable operating leases are as follows:

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Future Minimum lease payments obligation on non-cancellable operating leases:		
Not later than one year	-	-
Later than one year and not later than five years	-	-
Later than five years	-	-
Lease Payment recognised in Statement of Profit and Loss	-	5,903,520

m.p.g

Note 30 : 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 In Rs.	As at March 31, 2016 In Rs.	As at March 31, 2017 In Rs.	As at April 1, 2015 2016 In Rs.
Financial liabilities				
Borrowings	-	-	5,286,677	-
Total	-	-	5,286,677	5,286,677

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 31 : Fair value hierarchy

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

Date of valuation	Total	Fair value measurement using		
		Quoted prices in (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at April 1, 2015				
Liabilities disclosed at fair value				
Borrowings	5,286,677	-	5,286,677	-

Note 32 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, 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. In order to minimise any adverse effects on the financial performance of the company derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposure and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading / speculative instruments.

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) 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 7 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.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investment 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 group 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 30.

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Notes to the Financial Statements

(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	In Rs.				
	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
Year ended March 31, 2017					
Interest bearing borrowings*					
Trade payables	339,938	165,500	1,275,588		
Other financial liabilities					
	339,938	165,500	1,275,588		
Year ended March 31, 2016					
Interest bearing borrowings*					
Trade payables	-	-	-	-	-
Other financial liabilities	-	222,200	6,752,414	-	-
		222,200	6,752,414		
Year ended April 1, 2015					
Interest bearing borrowings*					
Trade payables	-	1,715,243	5,145,728	-	-
Other financial liabilities	18,481,699	9,666,370	12,293,993	-	-
	18,481,699	11,381,613	17,439,721		

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

Note 33 : 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	Year ended March 31, 2016	Year ended April 1, 2015
	Rs. In	Rs. In	Rs. In
Interest-bearing loans and borrowings (Note 13 a)	-	-	6,860,971
Less: cash and cash equivalent (including other bank balance) (Note 7 d and 7 e)	-	-	(1,652,798)
Net debt			5,208,173
Equity share capital (Note 11)	-	-	7,186,000
Other equity (Note 12)	-	-	177,832,811
Total capital	-	-	185,018,811
Capital and net debt			190,226,984
Gearing ratio			2.74%

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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.

Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the required financial covenants through out the reporting periods.

Arvind Internet Limited

Notes to the Financial Statements

Note 34 : First- time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first annual Ind AS financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements including the balance sheet as at April 1, 2015 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2016.

Ind AS mandatory exceptions**1 Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP

1. Impairment of financial assets based on Expected Credit Loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.



2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

Reconciliation between previous GAAP and Ind AS

1. Reconciliation of equity as at March 31, 2016 & April 1, 2015

		In Rs.	
	Notes	As at March 31, 2016	As at April 1, 2015
Equity under previous GAAP			
Other adjustments		114,206,589	185,018,811
Tax impact on Ind AS adjustments		-	-
Equity as per Ind AS		114,206,589	185,018,811

2. Reconciliation of total comprehensive income reconciliation for the year ended March 31, 2016

		In Rs.	
	Notes	2015-16	
Profit after tax as per previous GAAP			
Other adjustments			(54,812,222)
Tax impacts on Ind AS adjustments			-
Profit after tax as per Ind AS			(54,812,222)
Other comprehensive income (net of tax)			
Re-measurement gains / (losses) on defined benefit plans (net of tax)			-
Total Comprehensive Income under Ind AS, net of tax			(54,812,222)

Notes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016

i. Other adjustments

Other adjustments includes adjustments due to the GAAP differences related to recognition and measurement of employee benefits, financial charges etc.

ii. Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

iii. Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

iv. Statement of cash flows

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss and difference in the definition of cash and cash equivalents under these two GAAPs like bank overdraft.

Note 34 : Standards issued but not yet effective

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company.

Arvind Internet Limited
Notes to the Financial Statements

Note 35 : Operating segment

The Company's business activity falls within a single primary business segment of manufacture. Accordingly the Company is a single segment company in accordance with Ind AS 108 "Operating Segments".

Further, no single customer contributes to more than 10% of the company's revenue.

Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Particulars	March 31,2017
Segment Revenue*	
a) In India	-
b) Rest of the world	-
Total Sales	-
Carrying Cost of Segment Assets**	
a) In India	1150,01,630
b) Rest of the world	-
Total	1150,01,630
Carrying Cost of Segment Non Current Assets**@	
a) In India	-
b) Rest of the world	-
Total	-

* Based on location of Customers

** Based on location of Assets

@ Excluding Financial Assets and deferred tax asset.