

ARVIND BRANDS & RETAIL LIMITED

(CIN : U52609GJ2007PLC051974)

**ANNUAL REPORT
2015 – 2016**

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

TELEPHONE : 2658 4304
FAX : (079) 2658 9710
EMAIL : sseahm@sseco.in
sseahm@hotmail.com
WEB : www.sseco.in



909, ATMA HOUSE,
OPP. OLD RESERVE BANK OF INDIA,
ASHRAM ROAD,
AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND BRANDS & RETAIL LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

H. O. : 902, Raheja Centre, Free Press Journal Marg, Nariman Point, Mumbai-400 021.

TELEPHONE : +91-22-2282 4811, 2204 0861

EMAIL : sorabsengineer@yahoo.com, ssemum@sseco.in • WEB : www.sseco.in

(Handwritten signature)

SORAB S. ENGINEER & CO. (Regd.)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, Read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (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. The Company did not have any material foreseeable losses on any long-term contracts including derivative contracts;

①

mtk.

SORAB S. ENGINEER & CO. (Regd.)

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

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Ahmedabad

12-05-2016

C

SORAB S. ENGINEER & CO. (Regd.)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: ARVIND BRANDS & RETAIL LIMITED

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

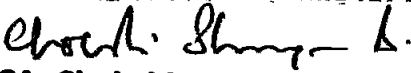
- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the financial statements, are held in the name of the Company.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. 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) The Company is not engaged in production, processing, manufacturing or mining activities. Therefore, the provisions of maintenance of cost records specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the order are not applicable.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) There are no disputed amounts outstanding as at March 31, 2016.
- (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.



SORAB S. ENGINEER & CO. (Regd.)

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

12-05-2016

(R)

SORAB S. ENGINEER & CO. (Regd.)

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

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

②
msk.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad

12-05-2016



Arvind Brands & Retail Limited

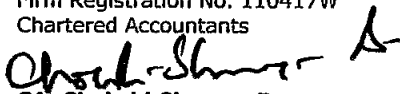
Balance Sheet

Amount in Rs.

	Note	As at	
		March 31, 2016	March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	167,641,780	117,175,200
Reserves and Surplus	4	7,952,063,311	5,558,969,235
Share Application money pending allotment	5	-	114,000,100
Non-current liabilities			
Deferred Tax Liabilities	6	-	592
Current liabilities			
Trade Payables	7	69,847	58,077
Other Current Liabilities	8	33,569,961	3,108,021
Short Term Provisions	9	-	53,369
Total		8,153,344,899	5,793,364,594
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	10	1,937	1,937
Non-current Investments	11	8,119,699,437	5,789,272,670
Long Term Loans and Advances	12	1,312,779	-
Current assets			
Short Term Loans and Advances	12	393,711	4,021,691
Cash and bank Balances	13	31,937,035	68,296
Total		8,153,344,899	5,793,364,594
Significant Accounting Policies	2		

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

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


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


Director

Managing Director

Company Secretary

Q

Arvind Brands & Retail Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2016	March 31, 2015
Other Income	14	33,414,152	2,160,187
Total Revenue		33,414,152	2,160,187
Expenses:			
Finance costs	15	33,199,263	41,614
Other expenses	16	4,283,955	2,609,821
Total expenses		37,483,218	2,651,435
Profit/(Loss) before exceptional and extraordinary items and tax		(4,069,066)	(491,248)
Exceptional items		-	-
Profit/(Loss) before extraordinary items and tax		(4,069,066)	(491,248)
Extraordinary Items		-	-
Profit/(Loss) before tax		(4,069,066)	(491,248)
Tax expense:			
Current tax		-	136,000
Deferred tax		(592)	-
Excess Provision of Tax for earlier year		-	(111)
Profit/(Loss) for the year		(4,068,474)	(627,137)
Earnings per equity share	19		
(Nominal Value per Share Rs. 2/- (Previous year Rs. 2/-):			
Basic/Diluted		(0.06)	(0.01)
Significant Accounting Policies	2		

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

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

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

[Signature]
Director

[Signature]
Managing Director

[Signature]
Company Secretary

CA

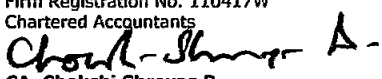
Arvind Brands & Retail Limited




Cash Flow Statement

Amount in Rs.

	Year ended on	
	March 31, 2016	March 31, 2015
A Cash Flow From Operating Activities		
Profit Before taxation	(4,069,066)	(491,248)
Adjustments for:		
Interest Income	(33,414,152)	(557,113)
Share of Profit from Partnership Firm	-	(1,603,074)
Operating Profit before Working Capital Changes	(33,414,152)	(2,160,187)
Working Capital Changes:	(37,483,218)	(2,651,435)
Increase / (Decrease) in trade payables	11,770	(13,174)
Increase / (Decrease) in other current liabilities	30,461,940	(1,667,809)
Net Changes in Working Capital	30,473,710	(1,680,983)
Cash Generated from Operations	(7,009,508)	(4,332,418)
Direct Taxes paid (Net of Income Tax refund)	1,366,148	174,116
Net Cash from Operating Activities	(8,375,656)	(4,506,534)
B Cash Flow from Investing Activities		
Profit from Partnership Firm	-	1,603,074
Changes in Loans given	3,627,980	7,752,750
Interest Income	33,414,152	557,113
(Addition)/Withdrawal to/from Capital Account of 637 Developers	702,633	(1,603,074)
Change in Long Term Investments	(2,331,129,400)	(1,833,172,077)
Net cash flow from Investing Activities	(2,293,384,635)	(1,824,862,214)
C Cash Flow from Financing Activities		
Money received for Issue of Equity shares with Securities Premium and Share Application money	2,333,629,030	1,829,300,100
Changes in short term borrowings	-	-
Net Cash flow from Financing Activities	2,333,629,030	1,829,300,100
Net Increase/ (Decrease) in cash & cash equivalents	31,868,739	(68,648)
Cash & Cash equivalent at the beginning of the period	68,296	136,944
Cash & Cash equivalent at the end of the period	31,937,035	68,296

a	Particulars	As at	
		March 31, 2016	March 31, 2015
	Cash and cash equivalents comprise of: (Note 13)		
	Cash on Hand	62	62
	Cheques on Hand	31,936,973	68,234
	Balances with Banks	-	-
	Total	31,937,035	68,296

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

CA. Chokshi Shreyas B.
 Partner
 Ahmedabad
 May 12, 2016

 Director
 Managing Director
 Company Secretary

CR

Arvind Brands & Retail Limited

Notes to the financial statements

1. COMPANY BACKGROUND

Arvind Brands & Retail Limited is the holding company of Arvind Lifestyle Brands Limited (ALBL) and Arvind Internet Limited engaged in the business of Brands Apparels and retailing Apparels. Moreover, the Company is Joint venture partner in Premium Garments Wholesales Private Limited and Tommy Hilfiger Arvind Fashion Private Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statement

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

b. Use of Estimates

The preparation of Financial Statements in conformity with Indian GAAP requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known or materialize.

c. Inflation

Assets and liabilities are recorded at historical cost to the Company. These costs are not adjusted to reflect the changing value in the purchasing power of money.

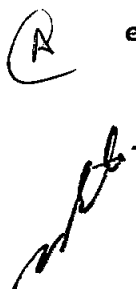
d. Revenue Recognition

Interest Income is recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Share of Profit from Partnership firm is recognised as and when it is credited to capital accounts.

e. Investments

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

A handwritten signature and initials are present in the bottom left corner of the page. The initials appear to be 'R' and 'MB'.

f. Fixed Assets & Depreciation

Fixed assets are stated at their original cost of acquisition less accumulated depreciation. Cost comprises of all costs incurred to bring the assets to their location and working condition.

Depreciation on Fixed Assets is provided on "Straight Line Method" at the rates and in the manner specified in Schedule - II of the Companies Act, 2013.

g. Taxation

Tax expense consists of both current as well as deferred tax.

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

Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The effect on deferred tax assets and liabilities of a change in the tax rates is recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognised only to the extent that there is virtual certainty of realization. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realization.

h. Earning Per Share

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

i. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the Notes. Contingent Assets are neither recognised nor disclosed in the financial statements.



Arvind Brands & Retail Limited
3 Share Capital

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

Authorised 112,500,000 Equity Shares (Previous Year 62,500,000) Par Value of Rs. 2/- per share	225,000,000	125,000,000
	225,000,000	125,000,000
Issued 83,820,890 Equity Shares (Previous Year 58,587,600) Par Value of Rs. 2/- per share	167,641,780	117,175,200
	167,641,780	117,175,200
Subscribed and fully paid up 83,820,890 Equity Shares (Previous Year 58,587,600) Par Value of Rs. 2/- per share fully paid up	167,641,780	117,175,200
Total	167,641,780	117,175,200

a Reconciliation of Number of Shares

Particulars	As At			
	March 31, 2016		March 31, 2015	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	58,587,600	117,175,200	53,550,000	107,100,000
Add : Shares issued during the year	25,233,290	50,466,580	5,037,600	10,075,200
Balance at the end of the year	83,820,890	167,641,780	58,587,600	117,175,200

b Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of shares referred to as equity shares having a par value of Rs. 2 each. Each shareholder is entitled to one vote per share held. The dividend, if 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.

c Shares held by Holding Company and their Subsidiaries

Particulars	As at	
	March 31, 2016	March 31, 2015
Holding Company - Arvind Limited	80,220,890	54,987,600

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

Particulars	As at	
	March 31, 2016	March 31, 2015
Holding Company - Arvind Limited	80,220,890	54,987,600
	95.71%	93.86%
Fellow Subsidiary Company - Arvind Accel Limited	3,600,000	3,600,000
	4.29%	6.14%

e Shares reserved for issue under options

Refer Note 20 for details of shares to be issued under Employee stock option scheme.

[Handwritten signature]
R

Arvind Brands & Retail Limited

4 Reserves and Surplus	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Securities Premium Account		
Balance as per last financial statements	5,552,124,800	3,043,400,000
Add: Received during the year	2,397,162,550	2,508,724,800
Balance at the end of the year	7,949,287,350	5,552,124,800
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	6,844,435	7,471,572
Add : Profit/(Loss) for the year	(4,068,474)	(627,137)
Balance at the end of the year	2,775,961	6,844,435
Total	7,952,063,311	5,558,969,235

5 Share Application money pending Allotment	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Share Application money pending allotment	-	114,000,100
Total	-	114,000,100

6 Deferred Tax Liabilities (Net)	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Deferred Tax Liability		
Fixed Assets	573	592
Total	573	592
Deferred Tax Asset		
Unabsorbed loss/ Depreciation	573	-
Total	573	-
Deferred Tax Liabilities (Net)	-	592

7 Trade Payables	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Total outstanding dues of micro enterprises and small enterprises (Note a)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	69,847	58,077
Total	69,847	58,077

a Trade Payables include Rs. Nil (Previous Year Rs. Nil) payable to "Suppliers" registered under Micro, Small and Medium Enterprise Development (MSMED) Act, 2006. No interest has been paid/payable by the Company during the year to the "Suppliers" covered under Micro, Small and Medium Enterprise Development (MSMED) Act, 2006.

8 Other Current Liabilities	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Statutory dues	3,329,389	116,668
Bank Overdraft	28,487,608	118,289
Others	1,752,964	2,873,064
Total	33,569,961	3,108,021

9 Short Term Provisions	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Provision for Income Tax (Net of Advance Tax Previous Year Rs. 355,746/-)	-	53,369
Total	-	53,369

Handwritten signature and initials

Arvind Brands & Retail Limited

10 Tangible Assets

Particulars	Amount in Rs.											
	Gross Block					Depreciation					Net Block	
	As at 01.04.2015	Additions	Disposals	As at 31.03.2016	As at 01.04.2015	Additions	Deductions	As at 31.03.2016	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	
Laptop	38,750	-	-	38,750	36,813	-	-	36,813	36,813	1,937	1,937	
Total	38,750	-	-	38,750	36,813	-	-	36,813	36,813	1,937	1,937	
Previous Year	38,750	-	-	38,750	36,813	-	-	36,813	36,813	1,937	1,937	

Handwritten signature and initials

Arvind Brands & Retail Limited

11 Non Current Investments

Particulars	Face Value Per Share	No of Shares	Amount in Rs.	
			As at	
			March 31, 2016	March 31, 2015
Trade Investments (At Cost)				
Investments in Equity Shares (Unquoted- Fully paid up)				
<i>In Subsidiaries</i>				
Arvind Lifestyle Brands Limited (3,700,000 shares acquired during the year)	Rs. 10/-	33,635,100	6,001,431,290	4,151,431,290
Arvind Internet Limited	Rs. 10/-	718,600	334,800,000	334,800,000
Arvind Beauty Brands Retail Private Limited (Shares acquired during the year)	Rs. 10/-	3,318,333	350,099,900	-
<i>In Joint Venture</i>				
Premium Garments Wholesale Trading Private Limited (272,255 shares acquired during the year)	Rs. 10/-	294,305	1,053,179,060	808,149,560
Tommy Hilfiger Arvind Fashion Private Limited	Rs. 10/-	11,461,839	378,240,687	378,240,687
<i>In Partnership Firm</i>				
637 Developers			1,948,400	2,651,033
Share Application Money			100	114,000,100
Total			8,119,699,437	5,789,272,670

a	Aggregate amount of quoted investments	-	-
	Market value of quoted investments	-	-
	Aggregate amount of unquoted investments	8,119,699,337	5,675,272,570

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	8,119,699,337	5,675,272,570
Current Investments	-	-
Total	8,119,699,337	5,675,272,570

c Details of the partnership firm 637 Developers are as follows:

Names of Partners	% Profit Sharing Ratio		Capital Amount	
	2015-16	2014-15	March 31, 2016	March 31, 2015
Arvind Brands and Retail Limited	35.00	35.00	1,948,400	2,651,033
Chetas A. Shah	2.00	2.00	(591,518)	(551,368)
Dahyabhai Maneklal Private Limited	15.00	15.00	3,863,599	4,164,727
Darshan Jhaveri	7.00	7.00	429,681	570,207
Jigen H. Shah	12.00	12.00	700,879	941,782
Pankaj C. Shah	3.00	3.00	(787,281)	(727,055)
Shaan Zaveri	17.75	17.75	(1,987,240)	(1,630,905)
Mischa Gorchoy	8.25	8.25	497,482	663,102
Total:	100.00	100.00	4,074,002	6,081,523

Note: The financial statements of partnership firm "637 Developers" are under compilation and therefore the balances of capital accounts of partners disclosed above are subject to change.

Handwritten signature and initials

Arvind Brands & Retail Limited

12 Loans and Advances	Amount in Rs.			
	Long Term		Short Term	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Loans and Advances:				
To Others	-	-	393,711	4,021,691
Advance Tax (Net of Provision for Income Tax of Rs. 409,115)	1,312,779	-	-	-
Total	1,312,779	-	393,711	4,021,691

13 Cash and Bank Balances	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
Cash and Cash Equivalents:		
Cash on Hand	62	62
Cheques on Hand	31,936,973	68,234
Total	31,937,035	68,296




Arvind Brands & Retail Limited

14 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest Income	33,414,152	557,113
Share of Profit from Partnership Firm- 637 Developers	-	1,603,074
Total	33,414,152	2,160,187

15 Finance Cost

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Interest		
Others	33,199,263	41,614
Total	33,199,263	41,614

16 Other Expenses

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Professional Fees	41,248	15,750
Share of Loss from Partnership Firm- 637 Developers	702,632	-
Directors' Fees	180,000	-
Service Tax Expense Borne by Company	25,700	-
Printing and Stationary	-	1,771
Filing Fees and Stamp Duty	808,560	14,724
Share issue Expenses	2,447,629	2,518,800
Payments to the auditor as		
(a) Auditor	28,625	16,854
(b) For Other Certification work	14,821	5,618
Bank Charges	452	2,596
Demat Charges	26,032	-
Corporate Social Responsibility (CSR) Expense (Note 20)	4,831	-
NSDL Fees	3,425	33,708
Total	4,283,955	2,609,821

MSK
(R)

Arvind Brands & Retail Limited

17 Related Party Disclosures :

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

a List of Related Parties & Relationship :

Arvind Limited	Holding Company
Arvind Lifestyle Brands limited	Subsidiary Company
Arvind Internet Limited	Subsidiary Company
Arvind Beauty Brands Retail Private Limited	Subsidiary Company
Premium Garments Wholesale Trading Private Limited	Joint Venture Company
Tommy Hilfiger Arvind Fashion Private Limited	Joint Venture Company
637 Developers	Associate Firm
Arvind Infrastructure Limited	Fellow Subsidiary Company upto 31.03.2015 and Company under Common Control of Holding Company w.e.f. 01.04.2015

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

b Related Party Transactions :

Nature of Transactions	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Purchase of shares of Subsidiary/Joint Venture Company		
Arvind Internet Limited	-	334,800,000
Tommy Hilfiger Arvind Fashion Private Limited	-	378,240,687
Investment in Equity Shares		
Arvind Lifestyle Brands limited	1,850,000,000	1,006,131,290
Arvind Beauty Brands Retail Private Limited	350,099,900	-
Premium Garments Wholsales Private Limited	245,029,500	-
Share Application Money Given		
Arvind Beauty Brands Retail Private Limited	100	-
Premium Garments Wholesale Trading Private Limited	-	98,000,100
Arvind Internet Limited	-	16,000,000
Issue of Equity Shares (Including premium)		
Arvind Limited	2,333,629,030	2,518,800,000
Share Application Money Received		
Arvind Limited	-	114,000,100
Interest Income		
Arvind Infrastructure Limited	33,267,680	-
Interest Expense		
Arvind Limited	33,196,888	-
Addition/(Deduction) to Capital		
637 Developers	(702,632)	1,603,074
Share in Profit/(Loss)		
637 Developers	(702,632)	1,603,074
Loan Recovered		
Arvind Infrastructure Limited	335,833,264	-
Loan Repaid		
Arvind Limited	335,833,264	-
Outstanding :		
Payable in respect of Current account		
Arvind Lifestyle Brands limited	1,752,964	1,752,964

Handwritten signature



Arvind Brands & Retail Limited

c Transactions and Balances :

Particulars	Amount in Rs.							
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Joint Venture Company/ Associates	
	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	Year ended	
March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	
Transactions:								
Purchase of shares of Subsidiary Company	-	-	-	334,800,000	-	-	378,240,687	-
Investment in Equity Shares	-	-	2,200,099,900	1,006,131,290	-	-	245,029,500	-
Share Application Money Given	-	-	100	16,000,000	-	-	-	98,000,100
Issue of Equity Shares (Including premium)	2,333,629,030	2,518,800,000	-	-	-	-	-	-
Share Application Money Received	-	114,000,100	-	-	-	-	-	-
Interest Income	-	-	-	-	33,267,680	-	-	-
Interest Expense	33,196,888	-	-	-	-	-	-	-
Addition/(Deduction) to Capital	-	-	-	-	-	-	(702,632)	1,603,074
Share in Profit/(Loss)	-	-	-	-	-	-	(702,632)	-
Loan Recovered	-	-	-	-	335,833,264	-	-	-
Loan Repaid	335,833,264	-	-	-	-	-	-	-
Outstanding:								
Payable in respect of Current account	-	-	1,752,964	1,752,964	-	-	-	-

[Handwritten signature]
[Handwritten mark]

18 Scheme of Arrangement

During the year under review, the Board of Directors of the company in their meeting held on 04th February, 2016 approved the scheme of arrangement in the nature of Amalgamation which provides for amalgamation of Asman Investments Limited and Arvind Brands Limited with the company, the appointed date for the scheme being 1st January, 2016.

The Company has filed an application for the said amalgamation on 15th March, 2016 and Petition on 11th April 2016 with the High Court of Gujarat.

19 Earning Per Share (EPS) :

		Year ended	
		March 31, 2016	March 31, 2015
Profit for the year available to equity shareholders	Rs.	(4,068,474)	(627,137)
Weighted average no. of Equity Shares	Nos.	73,392,953	52,913,715
Nominal value of Equity Shares	Rs.	2.00	2.00
Basic/Diluted Earning Per Share	Rs.	(0.06)	(0.01)

a Weighted average number of Equity Shares

	Year ended	
	March 31, 2016	March 31, 2015
Opening No. of Shares for Basic EPS	58,587,600	53,550,000
Weighted average number of shares issued during the year	14,805,353	(636,285)
Weighted average number of shares considered for calculating EPS	73,392,953	52,913,715

20 Employee Share Based Payment :

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

Scheme	ESOP 2011 Tranche - I	ESOP 2011 Tranche - II
Date of Grant	March 22, 2011	April 1, 2012
Number of options granted	1,937,756	268,834
Exercise Price per option	Rs. 54.00	Rs. 91.00
Date of vesting	All options have been vested on June 30, 2013.	All options have been vested on June 30, 2013.
Exercise Period	Within 3 years from the date of respective vesting or listing whichever is earlier.	Within 3 years from the date of respective vesting or listing whichever is earlier.
Method of settlement	Through allotment of one Equity Share for each option granted.	Through allotment of one Equity Share for each option granted.

ii Intrinsic Value Method has been used to account for the employee share based payment plans. The intrinsic value of each stock option granted under the ESOP 2011 plan is Rs. Nil since the market price of the underlying share at the grant date was same as the exercise price and consequently the accounting value of the option (compensation cost) is Rs. Nil.

iii Further details of the stock option plans ESOP 2011 is as follows :

Options	ESOP 2011 Tranche-II		ESOP 2011 Tranche-III	
	2015-2016	2014-2015	2015-2016	2014-2015
	Outstanding at the beginning of year	1,937,756	1,937,756	268,834
Vested but not exercised at the beginning of year	-	-	-	-
Granted During the year	-	-	-	-
Lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Vested but not exercised at the end of year	-	-	-	-
Not vested at the end of year	1,937,756	1,937,756	268,834	268,834
Weighted Average Exercise Price per Option	Rs. 58.51	Rs. 58.51	Rs. 58.51	Rs. 58.51

v Since all the options have been vested, there is no impact on the profits or the EPS of the Company.

21 Corporate Social Responsibility (CSR) Activities:

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

b. Amount spent during the year on:

		Amount in Rs.					
		Year ended March 31, 2016			Year ended March 31, 2015		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-	
(ii) Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	4,831	-	4,831	-	-	-	
(iii) Expenditure on Administrative Overheads for CSR	-	-	-	-	-	-	

22 In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

23 Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of the current year.

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

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

Jape
Director

[Signature]
Managing Director

[Signature]
Company Secretary

R