

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

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AHMEDABAD-380 009

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND INTERNET LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Arvind Internet Limited**, 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 the 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.

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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 it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - (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 and with the returns received from the branches not visited by us.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 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".

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- (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 litigation which would impact its financial position;
 - ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For Sorab S. Engineer & Co.
Firm's Registration Number 110417W
Chartered Accountants

Chokshi Shreyas B.

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

13 MAY 2016
Ahmedabad

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ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

Re: Arvind Internet Limited

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties 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 and the same have been properly dealt with.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirement of clauses (iii,a), (iii,b) and (iii,c) 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 Section 73 to 76 or other relevant provisions of the Act and the rules framed thereunder. Consequently, requirement of clauses (v) of paragraph 3 of the order are not applicable.
- (vi) To the best of our knowledge and belief and according to the information and explanation given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 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 regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Value Added Tax, Customs Duty, Employee State Insurance, Service 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.

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SORAB S. ENGINEER & CO. (Regd.)

- (b) There are no disputed amounts outstanding as on March 31, 2016.
- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks.
- (ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). To the best of our knowledge and belief and according to the information and explanations given to us, the Company had not obtained any term loans during the year.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not paid any managerial remuneration. Consequently, requirement of clause (xi) of paragraph 3 of the order is not applicable.
- (xii) The Company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirement 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. Consequently, requirements of clause (xv) of paragraph 3 of the order are not applicable.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934.

For **Sorab S. Engineer & Co.**
Firm's Registration Number 110417W
Chartered Accountants



CA. Chokshi Shreyas B.
Partner

Membership No. 100892

13 MAY 2016
Ahmedabad

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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, 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.

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SORAB S. ENGINEER & CO. (Regd.)

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

Chokshi Shreyas B.

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

13 MAY 2016

Ahmedabad

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ARVIND INTERNET LIMITED

Balance Sheet

Amount in Rs.

	Note	As at	
		March 31, 2016	March 31, 2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	33,05,56,000	71,86,000
Reserves and Surplus	4	(21,63,49,411)	16,18,32,811
Share Application money pending allotment	5	-	1,60,00,000
Non-current liabilities			
Long Term Borrowings	6	-	52,86,677
Long Term Provisions	7	-	16,71,665
Deferred Tax Liability (Net)	8	-	1,25,017
Current liabilities			
Short Term Borrowings	-	-	-
Trade Payables	9	69,74,614	2,19,60,363
Other Current Liabilities	10	-	2,45,76,983
Short Term Provisions	7	-	2,24,940
Total		12,11,81,203	23,88,64,456
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	11	-	8,70,46,605
Intangible Assets	12	-	5,98,34,884
Intangible Assets under Deveopment		-	4,41,90,622
Non Current Investments	13	11,50,00,000	-
Long Term Loans and Advances	14	5,94,220	1,53,47,639
Other Non-current Assets	-	-	-
Current assets			
Inventories	15	-	2,61,88,099
Trade Receivables	-	-	-
Cash and Bank Balances	16	2,36,000	16,52,798
Short Term Loans and Advances	13	3,011	46,03,809
Other Current Assets	14	53,47,972	-
Total		12,11,81,203	23,88,64,456

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 13, 2016



Kuldeep Jaiswal
For Arvind Internet Limited

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ARVIND INTERNET LIMITED

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2016	March 31, 2015
Revenue			
Revenue from Operations	19	70,67,089	1,29,88,889
Other Income	20	59,43,822	2,946
Total Revenue		1,30,10,911	1,29,91,835
Expenses:			
Cost of materials consumed	21	50,84,340	1,20,18,070
Changes in inventories of finished goods, work-in-progress	22	2,07,398	(35,99,840)
Employee benefits expense	23	2,46,10,295	6,81,01,664
Finance costs	24	6,00,766	1,44,925
Depreciation and amortization expense	25	83,28,480	1,55,89,530
Other expenses	26	2,91,16,871	7,10,25,935
Total expenses		6,79,48,150	16,32,80,284
Loss before exceptional and extraordinary items and tax		(5,49,37,239)	(15,02,88,449)
Exceptional items	-	-	-
Loss before extraordinary items and tax		(5,49,37,239)	(15,02,88,449)
Extraordinary Items	-	-	-
Loss before tax		(5,49,37,239)	(15,02,88,449)
Tax expense:			
Current tax		-	-
Deferred tax		(1,25,017)	-
Loss for the year		(5,48,12,222)	(15,02,88,449)
Earnings per equity share	29		
(Nominal Value per Share Rs. 10/-, Previous year Rs. 10/-):			
Basic/Diluted (Rs.)		(1.66)	(21.58)

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



Kulim Jadhav
For Arvind Internet Limited

13 MAY 2016

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Cash Flow Statement

Amount in Rs.

	Year Ended		Amount in Rs.	
	March 31, 2016		March 31, 2015	
A Cash Flow from Operating Activities				
Loss before tax		(5,49,37,239)		(15,02,88,449)
Add Non Cash Expenses				
Depreciation	83,28,480		1,55,89,530	
Interest Income	(59,43,822)		(2,946)	
Finance Cost	6,00,766		1,44,925	
		29,85,424		1,57,31,509
Working Capital Changes:				
Changes in Provisions	(18,96,605)		13,98,760	
Changes in trade payables	(1,49,85,749)		1,74,60,894	
Changes in trade receivables	-		-	
Changes in Other Current Liabilities	(2,45,76,983)		1,78,59,398	
Changes in Inventory Stock	2,61,88,099		(2,16,79,273)	
Changes in Other Current Assets	(53,47,972)		-	
Changes in short term loans and advances	46,00,798		(26,32,741)	
Changes in long term loans and advances	1,47,53,419		(1,02,59,740)	
Net Changes in Working Capital		(12,64,993)		21,47,298
Cash Generated from Operations		(5,32,16,808)		(13,24,09,642)
Direct Taxes paid		-		-
Net Cash from Operating Activities		(5,32,16,808)		(13,24,09,642)
B Cash Flow from Investing Activities				
Purchase of Fixed Assets	(1,20,82,564)		(17,16,29,994)	
Sale of Fixed Assets	9,29,51,423		-	
Sale of Intangible Assets	5,76,84,150		-	
Sale of Intangible assets under development	4,41,90,622		-	
Changes in Capital Advances	-		72,06,995	
Interest Income	59,43,822		2,946	
Investment in LLP	(11,50,00,000)		-	
		7,36,87,453		(16,44,20,053)
C Cash Flow from Financing Activities				
Changes in Long term borrowings	(52,86,677)		60,56,911	
Borrowing cost	(6,00,766)		(1,51,961)	
Premium and Share Application money	(1,60,00,000)		29,05,00,000	
Net Cash Flow from Financing Activities		(2,18,87,443)		29,64,04,950
Net Increase/(Decrease) in Cash & Cash Equivalents		(14,16,798)		(4,24,745)
Cash & Cash equivalent at the beginning of the period		16,52,798		20,77,543
Cash & Cash equivalent at the end of the period		2,36,000		16,52,798

a	Particulars	Amount in Rs.	
		As at	
		March 31, 2016	March 31, 2015
	Cash and Cash Equivalents Comprise of: (Note 15)		
	Cash on Hand	-	3,330
	Balances with Banks	2,36,000	16,49,468
	Total	2,36,000	16,52,798

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

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ARVIND INTERNET LIMITED

	Amount in Rs.	
	As at March 31, 2016	As at March 31, 2015
3 Share Capital		
Authorised 5,000,000 Equity Shares (Previous Year 2,500,000) Par Value of Rs. 10/- per share	5,00,00,000	2,50,00,000
Issued 33,05,56,000 Equity Shares (Previous Year 718,600) Par Value of Rs. 10/- per share	33,05,56,000	71,86,000
Subscribed and fully paid up 33,05,56,000 Equity Shares (Previous Year 718,600) Par Value of Rs. 10/- per share fully paid up	33,05,56,000	71,86,000
Total	33,05,56,000	71,86,000

a Reconciliation of Number of Shares

Particulars	As at		As at	
	March 31, 2016	Amount in Rs.	March 31, 2015	Amount in Rs.
Balance at the beginning of the year	7,18,600	71,86,000	50,000	5,00,000
Add:				
Shares issued during the year	3,23,37,000	32,33,70,000	6,68,600	66,86,000
Bonus Shares issued during the year				
Balance at the end of the year	3,30,55,600	33,05,56,000	7,18,600	71,86,000

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. 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.

c Shares held by Holding Company

Particulars	As at		As at	
	March 31, 2016	Amount in Rs.	March 31, 2015	Amount in Rs.
Holding Company - Arvind Brands and Retail Limited	3,30,55,600		7,18,600	

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

Particulars	As at		As at	
	March 31, 2016	Amount in Rs.	March 31, 2015	Amount in Rs.
Holding Company - Arvind Brands and Retail Limited	3,30,55,600	100%	7,18,600	100%

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ARVIND INTERNET LIMITED

	Amount in Rs.	
	As at March 31, 2016	March 31, 2015
4 Reserves and Surplus		
Securities Premium Account		
Balance as per last financial statements	32,76,14,000	-
Add: Addition during the year	-	32,76,14,000
Less: Bonus Shares issued during the year	(32,33,70,000)	
Balance at the end of the year	42,44,000	32,76,14,000
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	(16,57,81,189)	(1,54,92,740)
Add: Profit/(Loss) for the year	(5,48,12,222)	(15,02,88,449)
Balance at the end of the year	-22,05,93,411	-16,57,81,189
Total	-21,63,49,411	16,18,32,811
5 Share Application money pending Allotment		
Share Application money pending Allotment	-	1,60,00,000
Total	-	1,60,00,000



ARVIND INTERNET LIMITED

	Non Current Portion		Current Maturities	
	As at		As at	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
6 Long Term Borrowings				
Secured Term Loans : From Banks	-	52,86,677	-	15,74,294
	-	52,86,677	-	15,74,294
Amount disclosed under the head "Other Current Liabilities" (Note 10)	-	-	-	15,74,294
Total	-	52,86,677	-	-
7 Provisions				
Provision for Employee Benefits	-	16,71,665	-	2,24,940
Total	-	16,71,665	-	2,24,940

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ARVIND INTERNET LIMITED

	Amount in Rs.	
	As at March 31, 2016	March 31, 2015
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Deferred Tax Liability (Net)		
Deferred Tax Liability		
Depreciation	-	67,06,033
	-	67,06,033
Deferred Tax Asset		
Expenses allowed on Payment Basis	-	6,15,353
Others	-	8,415
Unabsorbed Business Losses and Depreciation*	-	59,57,248
	-	65,81,016
	-	
Net Deferred Tax Liability (a-b)	-	1,25,017
* To the extent of Deferred Tax Liability		
9		
Trade Payables		
	As at	Amount in Rs.
	March 31, 2016	March 31, 2015
Creditors in respect of goods and services (Note a)	69,74,614	2,19,60,363
Total	69,74,614	2,19,60,363
a	Disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Small Enterprise regarding: (a) Amount due and outstanding to suppliers as at the end of accounting year Rs. Nil; (b) Interest paid during the year Rs. Nil; (c) Interest payable at the end of the accounting year Rs. Nil; and (d) Interest accrued and unpaid at the end of the accounting year Rs. Nil	
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Other Current Liabilities		
	As at	Amount in Rs.
	March 31, 2016	March 31, 2015
Current maturities of long-term borrowings (Note 6)	-	15,74,294
Statutory Dues including Provident fund and Tax deducted at Source	-	41,22,546
Advances from Customers	-	3,98,444
Payable in respect of Employees	-	39,41,326
Payable in respect of Capital Goods	-	1,45,40,373
Total	-	2,45,76,983

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ARVIND INTERNET LIMITED

11 Tangible Assets

Particular	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 01.04.2015	Additions	Disposals	As on 31.03.2016	As on 01.04.2015	For the year	Deductions	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Own Assets										
Computers	1,68,28,495	39,45,212	2,07,73,707	-	44,34,075	18,09,018	62,43,093	-	-	1,23,94,420
Furniture and Fixtures	2,10,32,842	28,48,908	2,38,81,750	-	13,77,323	9,81,483	23,58,806	-	-	1,96,55,519
Leasehold Improvements	2,68,43,043	16,90,502	2,85,33,545	-	14,05,768	8,10,213	22,15,981	-	-	2,54,37,275
Office Equipments	1,70,27,302	18,31,081	1,88,58,383	-	16,06,151	7,98,068	24,04,219	-	-	1,54,21,151
Photo Studio Equipment	3,56,680	-	3,56,680	-	64,362	16,051	80,413	-	-	2,92,318
Plant and Machinery	83,345	8,52,070	9,35,415	-	436	5,691	6,127	-	-	82,909
Electric Installations	57,21,003	-	57,21,003	-	3,94,725	2,71,003	6,65,728	-	-	53,26,278
Vehicles	93,15,141	-	93,15,141	-	8,78,406	5,71,428	14,49,834	-	-	84,36,735
Total	9,72,07,851	1,11,67,773	10,83,75,624	-	1,01,61,246	52,62,955	1,54,24,201	-	-	8,70,46,605
Previous Year	88,11,059	8,83,96,792	-	9,72,07,851	11,16,977	90,44,269	-	1,01,61,246	8,70,46,605	76,94,082

12 Intangible Assets

Particular	GROSS BLOCK			AMORTISATION			NET BLOCK			
	As on 01.04.2015	Additions	Disposals	As on 31.03.2016	As on 01.04.2015	For the year	Deductions	As on 31.03.2016	As on 31.03.2016	As on 31.03.2015
Own Assets										
Website - "Creyate.com"	6,54,71,514	-	6,54,71,514	-	62,34,611	29,28,572	91,63,183	-	-	5,92,36,903
Computer Software	9,52,995	9,14,791	18,67,786	-	3,55,014	1,36,953	4,91,967	-	-	5,97,981
Total	6,64,24,509	9,14,791	6,73,39,300	-	65,89,625	30,65,525	96,55,150	-	-	5,98,34,884
Previous Year	5,71,000	6,58,55,509	-	6,64,24,509	44,364	65,45,261	-	65,89,625	5,98,34,884	5,26,636

a Intangible under Development Includes capitalisation of depreciation Rs. Nil (Previous Year Rs. 230,590) and amortisation Rs. Nil (Previous Year Rs. 44,364).

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ARVIND INTERNET LIMITED

	Amount in Rs.	
	As at March 31, 2016	March 31, 2015
13 Non Current Investments		
Maruti & Ornet Infrabuild LLP	11,50,00,000	-
Total	11,50,00,000	-

	Amount in Rs.			
	Long Term		Short Term	
	As at March 31, 2016	March 31, 2015	As at March 31, 2016	March 31, 2015
14 Loans and Advances (Unsecured, Considered good unless otherwise stated)				
Capital Advances	-	45,92,065	-	-
Advance Tax	5,94,220	-	-	-
Loans and Advances To Related Party	-	-	-	-
To Others	-	1,02,59,740	-	-
Advances recoverable in cash or in kind or for value to be received	-	-	3,011	-
To Related Parties	-	-	-	37,84,825
To Others	-	-	-	2,35,000
Loan to Employees	-	4,95,834	-	5,83,984
Prepaid Expenses	-	-	-	-
Total	5,94,220	1,53,47,639	3,011	46,03,809

	Amount in Rs.	
	As at March 31, 2016	March 31, 2015
15 Other Current Assets		
Interest Receivable - Ultimate Holding Company	53,47,972	-
Total	53,47,972	-

	Amount in Rs.	
	As at March 31, 2016	March 31, 2015
16 Inventories		
Raw Materials		
Fabric	-	1,33,24,442
Fabric in Transit	-	6,19,116
Accessories	-	86,44,701
Work in Progress - Garments	-	4,34,377
Finished Good - Garments	-	31,65,463
Total	-	2,61,88,099

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ARVIND INTERNET LIMITED

	Amount in Rs.	
	Current	
	As at	
	March 31, 2016	March 31, 2015
17		
Cash and Bank Balances		
Cash and Cash Equivalents:		
Cash on Hand	-	3,330
Balances with Banks In Current Account	2,36,000	16,49,468
Total	2,36,000	16,52,798

	Amount in Rs.	
	As at	
	March 31, 2016	March 31, 2015
18		
Contingent Liabilities, Capital and other commitments		
Contingent Liabilities	Nil	Nil
Capital and Other Commitments		
Capital Commitments	-	45,79,786
Other Commitments	Nil	Nil

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ARVIND INTERNET LIMITED
Amount in Rs.

19	Revenue from Operations	Year ended	
		March 31, 2016	March 31, 2015
	Sale of Products		
	Customised Garments	70,67,089	1,29,88,889
	Total	70,67,089	1,29,88,889

Amount in Rs.

20	Other Income	Year ended	
		March 31, 2016	March 31, 2015
	Interest Income		
	From Related Party	59,42,192	-
	From Others	1,630	2,946
	Total	59,43,822	2,946

Amount in Rs.

21	Cost of materials consumed	Year ended	
		March 31, 2016	March 31, 2015
	Raw Materials including Accessories		
	Stock at the commencement	2,19,69,143	45,08,826
	Purchases	72,71,304	2,94,78,387
		2,92,40,447	3,39,87,213
	Less: Stock transferred pursuant to slump sale to Arvind Limited	(2,41,56,107)	-
	Less: Stock at Close	-	(2,19,69,143)
	Total	50,84,340	1,20,18,070

a Details of Consumption
Amount in Rs.

(i) Consumption of Raw Materials	Year ended	
	March 31, 2016	March 31, 2015
Fabrics	34,01,907	99,19,819
Accessories	16,82,433	20,98,251
Total	50,84,340	1,20,18,070

Amount in Rs.

(ii) Value of imported and indigenous materials consumed	Year ended	
	March 31, 2016	March 31, 2015
Imported	2,63,843	11,90,093
	5.19%	9.90%
Indigenous	48,20,497	1,08,27,977
	94.81%	90.10%
Total	50,84,340	1,20,18,070
	100%	100%

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ARVIND INTERNET LIMITED

Amount in Rs.

22 Changes in Inventories of Finished Goods & Work-in-progress	Year ended	
	March 31, 2016	March 31, 2015
(Increase)/Decrease in stocks		
Stock transferred to Arvind Limited pursuant to Slump sale:		
Finished Goods - Garments	33,92,442	31,65,463
Work-in-Progress - Garments	-	4,34,377
	33,92,442	35,99,840
Stock at the beginning of the year		
Finished Goods - Garments	31,65,463	-
Work-in-Progress - Garments	4,34,377	-
	35,99,840	-
(Increase)/Decrease in stocks	2,07,398	(35,99,840)

Amount in Rs.

23 Employee Benefits Expense	Year ended	
	March 31, 2016	March 31, 2015
Salaries and Wages	2,16,35,536	5,93,13,548
Contribution to Provident Fund and Other Funds	16,59,301	35,04,897
Staff welfare expenses	13,15,458	52,83,219
Total	2,46,10,295	6,81,01,664

Disclosure as required by Accounting Standard on Employee Benefits (AS 15 Revised 2005)

(i) Defined Contribution Plans

Amount in Rs.

The Company has recognised the following amounts in the Financial Statements for Defined Contribution Plans:	Year ended	
	March 31, 2016	March 31, 2015
Provident Fund	5,42,563	6,66,292

(ii) State Plans

Amount in Rs.

The Company has recognised the following amounts in the Financial Statements for Contribution to State Plans:	Year ended	Year ended
	March 31, 2016	March 31, 2015
Employee's Pension Scheme	12,31,486	11,90,025

(iii) Defined Benefit Plans

(a) Leave Encashment/Compensated Absences

Salaries and Wages includes Rs. 813,625 (Previous Year Rs. 628,120) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

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(b) Contribution to Gratuity Funds

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

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Change in the Benefit Obligations :		
Liability at the beginning of the year	9,17,241	1,46,601
Interest Cost	-	11,450
Current Service Cost	-	8,24,035
Benefits Paid	-	-
Actuarial Loss/(Gain)	-	(64,845)
Liability transferred pursuant to slump sale to Arvind Limited	(9,17,241)	-
Liability at the end of the year	-	9,17,241
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	-	9,17,241
Fair Value of Plan Assets at the end of the year	-	-
Amount recognized in the Balance Sheet under "Provision for Employee Benefits "	-	9,17,241
Expense Recognized in Statement of Profit and Loss :		
Interest Cost	-	11,450
Current Service Cost	-	8,24,035
Expected Return on Plan Assets	-	-
Net Actuarial loss/(gain) to be recognized	-	(64,845)
Expense recognized in Statement of Profit and Loss under "Employee Benefit Expense"	-	7,70,640
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	9,17,241	1,46,601
Expense Recognized	-	7,70,640
Contribution by the Company	-	-
Liability transferred pursuant to slump sale to Arvind Limited	(9,17,241)	-
Amount recognized in the Balance Sheet under "Provision for Employee Benefits "	-	9,17,241

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

Principal Assumptions:	Year ended	
	March 31, 2016	March 31, 2015
	Discount Rate (%)	NA.
Salary Increase	NA.	6.00%
Attrition Rate	NA.	5.00%

24 Finance Cost	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
On Term Loans	1,78,575	1,44,925
Others	4,22,191	-
Total	6,00,766	1,44,925

25 Depreciation / Amortization Expense	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Depreciation on Tangible assets (Refer Note 11)	52,62,955	90,44,269
Amortisation on Intangible assets (Refer Note 12)	30,65,525	65,45,261
Total	83,28,480	1,55,89,530

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ARVIND INTERNET LIMITED



		Amount in Rs.	
26	Other Expense	Year ended	
		March 31, 2016	March 31, 2015
	Processing Charges	45,20,633	1,54,11,908
	Power and fuel	3,13,337	3,89,476
	Sampling and Testing Expenses	68,312	18,26,397
	Filling Fees Expenses	63,66,574	4,46,144
	Advertisement and Publicity	36,09,982	1,33,81,845
	Rent for Office, Stores and Others	59,03,526	1,09,14,093
	Legal and Professional Fees	3,50,200	44,87,208
	Internet and Communication Expenses	28,20,136	56,48,645
	Printing, Stationary & Communication	1,43,901	8,50,229
	Conveyance and Car Hire	8,37,429	26,23,905
	Travelling Expenses	11,54,191	58,14,090
	Repairs to Buildings	13,14,023	27,90,241
	Repairs to Others	-	8,000
	Commission and Brokerage	-	4,89,143
	Rates and taxes	-	74,799
	Freight, Insurance and Clearing Charges	18,551	16,592
	Housekeeping Charges	2,68,000	6,30,298
	Security Charges	1,55,492	4,14,566
	Postage charges	2,40,896	4,99,190
	Payments to the auditor for Audit Fees	1,87,500	1,50,000
	Bank charges	82,342	91,450
	Subscription and Software charges	85,583	6,81,258
	Service tax expenses	1,34,641	8,24,430
	Foreign Exchange Loss	12,644	1,05,398
	Recruitment Expense	77,200	15,43,084
	Miscellaneous Expenses	4,51,778	9,13,546
	Total	2,91,16,871	7,10,25,935

		Amount in Rs.	
27	CIF Value of Imports	Year ended	
		March 31, 2016	March 31, 2015
	Fabrics	3,39,503	6,94,485
	Accessories	1,45,382	28,31,676

		Amount in Rs.	
28	Expenditure in Foreign Currency	Year ended	
		March 31, 2016	March 31, 2015
	Travelling	1,20,931	11,46,064
	Internet Charges	-	8,04,452
	Professional Charges	-	11,53,394

		Year ended	
29	Earning Per Share (EPS) :	March 31, 2016	March 31, 2015
		Loss for the year available to equity shareholders	Rs. -5,48,12,222
Weighted average no. of Equity Shares for Basic and Diluted EPS	Nos. 3,30,55,600	69,65,307	
Nominal value of Equity Shares	Rs. 10	10	
Basic/Diluted Earning Per Share	Rs. (1.66)	(21.58)	

The number of equity shares considered in the above computation includes 32,337,000 equity shares allotted as fully paid-up Bonus Shares during the year. The figures for the previous year have been adjusted for the Bonus Shares in accordance with the Accounting Standard- 20 on "Earning Per Share".

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ARVIND INTERNET LIMITED

30 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	Ultimate Holding Company
Arvind Brands and Retail Limited	Holding Company
Arvind Goodhill Suit Manufacturing Private Limited	Joint Venture Subsidiary of Ultimate Holding Company
Arvind Lifestyle Brands Limited	Fellow Subsidiary
Maruti & Ornet Infrabuild LLP	Limited Liability Partnership
Shri Kulin S. Lalbhal	Director
Shri Pank S. Lalbhal	Director
Shri Javesh K. Shah	Director

Note: The related party relationship is identified by the Company and relied upon by Auditor

b Transactions and Balance:

Nature of Transactions	Year ended	
	March 31, 2016	March 31, 2015
Transactions		
Sales of Goods	-	1,86,779
Purchase	-	1,24,09,635
Processing Charges	42,11,880	1,34,11,511
Interest Income	59,42,192	-
Rent Expenses	4,19,829	-
Purchase of Fixed Assets	21,83,435	59,79,098
Issue of Equity Shares	-	6,17,788
Share Application money received/ received pending allotment	32,33,70,000	3,34,30,000
Balances at the Year end	-	1,60,00,000
Investments	11,50,00,000	-
Receivable in respect of Loans and Advances	53,50,963	-
Payable in respect of Current Liabilities	67,52,414	1,16,60,824

c Transactions and Balance :

Nature of Transactions	Year ended	
	March 31, 2016	March 31, 2015
Transactions		
Sale	-	1,86,779
Purchase	-	-
Arvind Goodhill Suit Manufacturing Private Limited	-	1,24,09,635
Arvind Limited	-	-
Processing Expenses	23,08,000	45,02,367
Arvind Goodhill Suit Manufacturing Private Limited	19,03,880	89,09,144
Interest Income	59,42,192	-
Arvind Limited	-	-
Interest Expense	4,19,829	-
Arvind Limited	-	-
Rent Expenses	14,91,083	42,77,159
Arvind Lifestyle Brands Limited	6,92,552	17,01,959
Purchase of Fixed Assets	-	6,17,788
Arvind Limited	-	-
Issue of Equity Shares	32,33,70,000	3,34,30,000
Arvind Brands and Retail Limited	-	-
Share Application money received/ received pending allotment	-	1,60,00,000
Arvind Brands and Retail Limited	-	-
Receivable in respect of Current Assets	53,50,983	-
Arvind Limited	-	-
Investments	11,50,00,000	-
Maruti & Ornet Infrabuild LLP	-	-
Payable in respect of Current Liabilities	67,52,414	70,57,523
Arvind Limited	-	35,62,935
Arvind Goodhill Suit Manufacturing Private Limited	-	10,40,365
Arvind Lifestyle Brands Limited	-	-

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c Transactions and Balance :

Particulars	Ultimate Holding Company		Holding Company		Fellow Subsidiary Companies/Limited Liability Partnership	
	Year ended		Year ended		Year ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Transactions:						
Sale	-	-	-	-	-	-
Processing Expenses	19,03,880	89,09,144	-	-	23,08,000	45,02,367
Interest Expense	4,19,829	-	-	-	-	-
Rent Expense	6,92,352	17,01,939	-	-	14,91,083	42,77,159
Interest Income	59,42,192	-	-	-	-	-
Purchase	-	1,24,09,635	-	-	-	-
Purchase of Fixed Assets	-	6,17,788	-	-	-	-
Issue of Equity Shares	-	-	32,33,70,000	3,34,30,000	-	-
Share Application money received	-	-	-	-	-	-
Outstanding:						
Investments	-	-	-	-	11,50,00,000	-
Receivable in respect of Current Assets	53,50,983	-	-	-	-	-
Share Application money received pending allotment	-	-	-	1,60,00,000	-	-
Payable in respect of Current Liabilities	67,52,414	70,57,523	-	-	-	46,03,301

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ARVIND INTERNET LIMITED

31 Segment Reporting

a The company is primarily engaged in the business of Customised Garments, which in the context of Accounting Stanard 17 on " Segment Reporting" constitutes a single reportable primary (business) segment.

b Secondary Segment (Geographical by Customers)

Amount in Rs.

	Year ended	
	March 31, 2016	March 31, 2015
Segment Revenue		
a) In India	70,67,089	1,29,88,889
b) Outside India	-	-
Total Sales	70,67,089	1,29,88,889
Carrying Cost of Assets by location of Assets		
a) In India	12,11,81,203	23,88,64,456
b) Outside India	-	-
Total	12,11,81,203	23,88,64,456
Addition to Assets		
a) In India	-	17,16,29,994
b) Outside India	-	-
Total	-	17,16,29,994

32 Lease Rent:

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:

	Amount in Rs.	
	Year ended	
	March 31, 2016	March 31, 2015
Future Minimum lease payments obligation on non-cancellable operating leases :		
Not later than one year	-	53,82,819
Later than one year and not later than five years	-	-
Later than five years	-	-
Lease Payment recognised in the Statement of Profit and Loss	59,03,526	1,09,14,093

33 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.

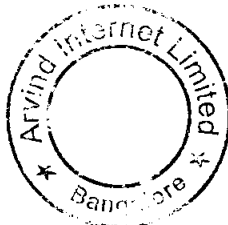
33 Effective from July 01, 2015, the Company has hived off its Division "Creyate" and "MBO" to Arvind Limited, the ultimate holding company as slump sale.

34 Figure of previous year have been recast and regrouped wherever necessary to make them comparable with current year's figures. Figures are rounded off the nearest rupee.

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

13 MAY 2016



Rulin Kulkarni
Director

[Signature]
Director

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