

ARVIND BEAUTY BRANDS RETAIL PRIVATE LIMITED

(CIN : U52100GJ2015PTC082996)

**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 Beauty Brands Retail Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Arvind Beauty Brands Retail Private 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

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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 Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statement prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which was audited by us, whose report for the year ended 31st March, 2016 dated 12th May, 2016 expressed an unmodified opinion on those financial statement, 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



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March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company did not have any pending litigations;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - 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;

For Sorab S. Engineer & Co.

Chartered Accountants

Firm Registration No. 110417W



CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Ahmedabad

11 MAY 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 BEAUTY BRANDS RETAIL PRIVATE LIMITED

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

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties, hence requirement of this sub-clause is not applicable.
- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted secured / unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) 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, 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.



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(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.
- (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

11 MAY 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF ARVIND BEAUTY BRANDS RETAIL PRIVATE 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 Beauty Brands Retail Private 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

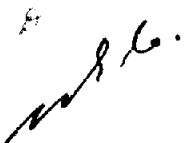
The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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

11 MAY 2017

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

Particulars	Notes	As at March 31, 2017 Rupees	As at March 31, 2016 Rupees
ASSETS			
I. Non-current assets			
(a) Property, plant and equipment	5	28,11,99,350	14,43,22,768
(b) Capital work-in-progress	5	-	23,41,922
(c) Intangible assets	6	2,35,76,328	3,04,68,314
(d) Financial assets			
(i) Other financial assets	7	10,12,77,315	7,43,27,718
(e) Deferred tax assets (net)	24	5,99,25,732	-
(f) Other non-current assets	8	1,17,00,750	4,48,97,210
Total non-current assets		47,76,79,475	29,63,57,932
II. Current assets			
(a) Inventories	9	48,53,29,238	24,46,32,518
(b) Financial assets			
(i) Trade receivables	7	56,60,839	37,49,149
(ii) Cash and cash equivalents	7	34,14,957	1,38,09,849
(iii) Bank balance other than (iii) above	7	50,00,000	-
(iv) Loans	7	78,48,513	30,000
(v) Others financial assets	7	7,031	2,156
(c) Current tax assets (net)	10	21,71,204	40,239
(d) Other current assets	8	1,49,09,130	2,63,55,481
Total current assets		52,43,40,912	28,86,19,392
Total Assets		1,00,20,20,387	58,49,77,324
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	6,46,49,990	3,31,83,330
Other equity	12	58,76,88,414	27,83,40,434
Total equity		65,23,38,404	31,15,23,764
LIABILITIES			
I. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	29,10,206	-
(b) Long-term provisions	14	14,95,404	19,12,902
(c) Deferred tax liabilities (net)	24	-	5,10,876
Total non-current liabilities		44,05,610	24,23,778
II. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	33,04,610	4,05,25,699
(ii) Trade payables	13	32,03,24,941	21,58,49,751
(iii) Other financial liabilities	13	1,24,38,238	1,04,65,825
(b) Other current liabilities	15	79,21,340	40,53,504
(c) Short-term provisions	14	12,87,244	1,35,003
Total current liabilities		34,52,76,373	27,10,29,782
Total equity and liabilities		1,00,20,20,387	58,49,77,324
Summary of significant accounting policies	3		

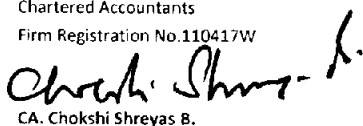
The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Sorab S. Engineer & Co.

Chartered Accountants

Firm Registration No.110417W



CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Ahmedabad

For and on behalf of the board of directors of

Arvind Beauty Brands Retail Private Limited



Director : Kannan S

DIN: 02528982

Place : Bangaluru

Date :



Director: Suresh Jayaraman

DIN: 03033110

Place : Bangaluru

Date :

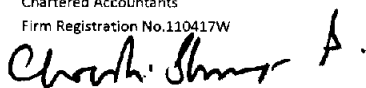
11 MAY 2017

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

Particulars	Notes	Year ended March 31, 2017 Rupees	Period ended March 31, 2016 Rupees
Income			
Revenue from operations			
Sale of Products	16	93,18,08,747	27,17,52,463
Revenue from operations		93,18,08,747	27,17,52,463
Other income	17	1,51,76,741	4,10,367
Total income (I)		94,69,85,488	27,21,62,830
Expenses			
Purchase of stock-in-trade	18	78,25,94,524	38,56,13,246
Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	(24,06,96,720)	(24,46,32,518)
Employee benefits expense	20	11,39,87,668	3,92,36,039
Finance costs	21	64,68,305	7,34,938
Depreciation and amortisation expense	22	5,88,54,399	2,03,95,776
Other expenses	23	38,68,87,484	10,88,51,026
Total expenses (II)		1,10,80,95,660	31,01,98,507
Loss before exceptional items and tax (III)=(I-II)		(16,11,10,172)	(3,80,35,677)
Exceptional items (IV)		-	-
Profit before tax (V) = (III-IV)		(16,11,10,172)	(3,80,35,677)
Tax expense			
Current tax	24	-	-
Deferred tax	24	(6,08,96,556)	5,20,048
Total tax expense (VI)		(6,08,96,556)	5,20,048
Loss for the period (VII) = (V-VI)		(10,02,13,616)	(3,85,55,725)
Other comprehensive income			
A. Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Net other comprehensive income to be reclassified to profit or loss in subsequent periods (A)			
A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains / (losses) on defined benefit plans	12	14,88,504	(29,683)
Income tax effect	24	(4,59,948)	9,172
		10,28,556	(20,511)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)		10,28,556	(20,511)
B. Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods (B)			
Total other comprehensive income for the period, net of tax (VIII) = (A+B)		10,28,556	(20,511)
Total comprehensive income for the period, net of tax (VII+VIII)		(9,91,85,060)	(3,85,76,236)
Earning per equity share [nominal value per share Rs.10/- (March 31, 2016: Rs.10/-)]			
Basic & diluted	30	(20.94)	(20.11)
Summary of significant accounting policies	3		


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

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


CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad

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


Director : Kannan S
DIN: 02528982
Place : Bangalore
Date :


Director : Suresh Jayaraman
DIN: 03033110
Place : Bangalore
Date :

11 MAY 2017

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

A. Equity share capital

	Amount in Rs.	
	Note 11	
Balance		
Issue Of Equity Share capital	3,31,83,330	
As at March 31, 2016	3,31,83,330	
Issue of Equity Share capital	3,14,66,660	
As at March 31, 2017	6,46,49,990	

B. Other equity

Particulars	Attributable to the equity holders of the Company				Total Equity
	Share application money pending allotment	Reserves and Surplus		Retained Earnings	
		Securities premium			
	Note 12	Note 12	Note 12	Note 12	Note 12
Loss for the year	-	-	(3,85,55,725)		(3,85,55,725)
Add/less during the year	100	31,69,16,570	-		31,69,16,570
Other comprehensive income for the year	-	-	(20,511)		(20,511)
Total Comprehensive income for the year	100	31,69,16,570	(3,85,76,236)		27,83,40,334
Balance as at March 31, 2016	100	31,69,16,570	(3,85,76,236)		27,83,40,334
Balance as at April 1, 2016	100	31,69,16,570	(3,85,76,236)		27,83,40,334
Loss for the year	-	-	(10,02,13,616)		(10,02,13,616)
Add/less during the year	(100)	40,85,33,140	-		40,85,33,140
Other comprehensive income for the year	-	-	10,28,556		10,28,556
Total Comprehensive income for the year	(100)	40,85,33,140	(9,91,85,060)		30,93,48,080
Balance as at March 31, 2017	-	72,54,49,710	(13,77,61,296)		58,76,88,414

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

As per our report of even date
For Sorab S. Engineer & Co.
Chartered Accountants

Firm Registration No.110417W

Chandhi Shree - A.

CA. Chokshi Shreyas B.

Partner

Membership No. 100892

Ahmedabad

11 MAY 2017

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

Kannan S

Director : Kannan S

DIN: 02528982

Place : Bangalore

Date :

Suresh Jayaraman

Director: Suresh Jayaraman

DIN: 03033110

Place : Bangalore

Date :

Arvind Beauty Brands Retail Private Limited
Statement of cash flows for the year ended March 31, 2017

Particulars	Year ended March 31, 2017 Rupees	Period ended March 31, 2016 Rupees
A Operating activities		
Profit Before taxation	(16,11,10,170)	(3,80,35,678)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation /Amortization	5,88,54,399	2,03,95,776
Interest Income	(35,32,400)	(10,367)
Interest and Other Borrowing Cost	64,68,305	7,34,938
	<u>6,17,90,304</u>	<u>2,11,20,347</u>
Operating Profit before Working Capital Changes	(9,93,19,866)	(1,69,15,331)
Working Capital Changes:		
Changes in Inventories	(24,06,96,720)	(24,46,32,518)
Changes in trade payables	10,44,75,190	21,58,49,751
Changes in other current liabilities	53,56,340	40,23,821
Changes in other financial liabilities	13,57,847	1,04,65,828
Changes in provisions	7,34,743	20,47,905
Changes in trade receivables	(19,11,690)	(37,49,149)
Changes in other current assets	1,14,46,352	(2,63,55,482)
Changes in other financial assets	(2,69,54,472)	(7,43,29,874)
Changes in Other Bank Balances	(50,00,000)	-
Net Changes in Working Capital	(15,11,92,410)	(11,66,79,718)
Cash Generated from Operations	(25,05,12,276)	(13,35,95,049)
Direct Taxes paid (Net of Income Tax refund)	(21,30,965)	(40,239)
Net Cash from Operating Activities	(25,26,43,241)	(13,36,35,288)
B Cash Flow from Investing Activities		
Purchase of tangible/intangible assets	(18,64,97,073)	(19,75,28,781)
Changes in Capital Advances	3,31,96,460	(4,48,97,210)
Changes in Loans given	(78,18,513)	(30,000)
Interest Income	35,32,400	10,367
Net cash flow from Investing Activities	(15,75,86,726)	(24,24,45,624)
C Cash Flow from Financing Activities		
Issue of Share Capital	3,14,66,660	3,31,83,330
Securities Premium received	40,85,33,140	31,69,16,570
Share application money received/refunded	(100)	100
Changes in long term Borrowings	29,10,206	-
Changes in short term borrowings	(3,66,06,526)	4,05,25,699
Interest and Other Borrowing Cost Paid	(64,68,305)	(7,34,938)
Net Cash flow from Financing Activities	39,98,35,075	38,98,90,761
Net Increase/(Decrease) in cash & cash equivalents	(1,03,94,892)	1,38,09,849
Cash & Cash equivalent at the beginning of the period	1,38,09,849	-
Cash & Cash equivalent at the end of the period	34,14,957	1,38,09,849

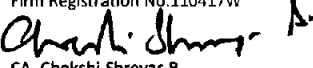
Particulars	Year ended March 31, 2017 Rupees	Year ended March 31, 2016 Rupees
Cash and cash equivalents comprise of: (Note 7)		
Cash on Hand	-	-
Balances with Banks	34,14,957	1,38,09,849
Cash and cash equivalents	34,14,957	1,38,09,849
Effect of Exchange Rate Changes	-	-
Cash and cash equivalents as restated	34,14,957	1,38,09,849

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

Notes:

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Purchase of property, plant & equipment / intangible assets include movement of capital work-in-progress and intangible assets under development during the year.

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad

11 MAY 2017

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



Director : Kannan S
DIN: 02528982
Place : Bangalore
Date :


Director: Suresh Jayaraman
DIN: 03033110
Place : Bangalore
Date :

Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements

Note 5 : Property, plant and equipment

Fixed Assets	Deemed Cost					Total	CWIP
	Plant & machinery	Furniture & fixture	Vehicles	Leasehold Improvements	Office equipment		
21,95,803	7,06,13,868	-	7,91,64,000	59,42,213	30,37,476	16,09,53,360	23,41,922
21,95,803	7,06,13,868	-	7,91,64,000	59,42,213	30,37,476	16,09,53,360	23,41,922
1,85,75,433	5,37,60,460	29,99,999	8,07,47,257	2,88,54,137	36,46,878	18,85,84,165	44,17,340
-	-	-	-	-	-	-	(67,59,262)
2,07,71,236	12,43,74,328	29,99,999	15,99,11,257	3,47,96,350	66,84,354	34,95,37,525	-
Depreciation and Impairment							
1,200	68,86,306	-	85,75,136	8,90,899	2,77,051	1,66,30,592	-
-	-	-	-	-	-	-	-
1,200	68,86,306	-	85,75,136	8,90,899	2,77,051	1,66,30,592	-
22,77,558	1,88,52,101	63,699	2,43,22,833	49,69,334	12,22,058	5,17,07,583	-
-	-	-	-	-	-	-	-
22,78,757	2,57,38,407	63,699	3,28,97,969	58,60,233	14,99,110	6,83,38,175	-
Net Block							
1,84,92,479	9,86,35,921	29,36,300	12,70,13,288	2,89,36,117	51,85,244	28,11,99,350	-
21,94,603	6,37,27,562	-	7,05,88,864	50,51,314	27,60,425	14,43,22,768	23,41,922

Notes :

1. Refer Note 25 for disclosure of contractual commitments for the acquisition of property, plant and equipment.




Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements

Note 6 : Intangible assets

Intangible assets	(Amount in Rs.)	
	Computer Software	Brand Value & License Brands
	Total	Intangible assets under development
Deemed Cost		
Additions	19,32,466	3,42,33,498
Deductions	-	-
As at March 31, 2016	19,32,466	3,42,33,498
Additions	2,54,830	2,54,830
Deductions	-	-
As at March 31, 2017	21,87,296	3,44,88,328
Amortisation and Impairment		
Amortisation for the Year	1,22,162	36,43,022
Deductions	-	-
As at March 31, 2016	1,22,162	37,65,184
Amortisation for the Year	6,86,905	64,59,912
Deductions	-	-
As at March 31, 2017	8,09,067	1,09,12,000
Net Block		
As at March 31, 2017	13,78,229	2,21,98,099
As at March 31, 2016	18,10,304	2,86,58,010

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Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements

Note 7 : Financial assets

7 (a) Trade receivables

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Current		
Secured, considered good	-	-
Unsecured, considered good	56,60,839	37,49,149
Doubtful	-	-
	<u>56,60,839</u>	<u>37,49,149</u>
Total Trade and other receivables	56,60,839	37,49,149

Write off

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

7 (b) Loans

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Current		
Unsecured considered good		
Loans to related parties	77,58,513	-
Loans to employees	90,000	30,000
	<u>78,48,513</u>	<u>30,000</u>
Total Loans	78,48,513	30,000

7 (c) Cash and cash equivalent

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Balance with Bank		
Current accounts and debit balance in cash credit accounts	34,14,957	1,38,09,849
Cash on hand	-	-
	<u>34,14,957</u>	<u>1,38,09,849</u>
Total cash and cash equivalents	34,14,957	1,38,09,849

7 (d) Other bank balance

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Deposits with original maturity less than 12 months	50,00,000	-
	<u>50,00,000</u>	<u>-</u>
Total other bank balances	50,00,000	-

7 (e) Other financial assets

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Non-current		
Security deposits	10,10,27,315	7,40,77,718
Bank deposits with maturity of more than 12 months	2,50,000	2,50,000
	<u>10,12,77,315</u>	<u>7,43,27,718</u>
Current		
Accrued Interest	7,031	2,156
	<u>7,031</u>	<u>2,156</u>
Total financial assets	10,12,84,346	7,43,29,874

7 (f) Financial assets by category

Particulars	Cost	FVTPL	FVOCI	Amortised cost
March 31, 2017				
Trade receivables	-	-	-	56,60,839
Loans	-	-	-	78,48,513
Cash & cash equivalents	-	-	-	84,14,957
other financial assets	-	-	-	10,12,84,346
Total Financial assets	-	-	-	12,32,08,655
March 31, 2016				
Trade receivables	-	-	-	37,49,149
Loans	-	-	-	30,000
Cash & cash equivalents	-	-	-	1,38,09,849
other financial assets	-	-	-	7,43,29,874
Total Financial assets	-	-	-	9,19,18,872

For Financial instruments risk management objectives and policies, refer Note 35

Fair value disclosures for financial assets and liabilities are in Note 33 and fair value hierarchy disclosures for investment are in Note 34.

Note 8 : Other current / non-current assets

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Non-current		
Capital advances	1,17,00,750	4,48,97,210
	1,17,00,750	4,48,97,210
Current		
Advances		
To Related parties	-	1,15,76,398
To Others	27,68,949	64,31,316
Balance with collectorate of central excise and customs	5,48,230	79,25,167
Sales tax / VAT / service tax receivable (net)	99,98,445	-
Prepaid expenses	15,93,507	4,22,599
	1,49,09,131	2,63,55,481
Total	2,66,09,881	7,12,52,691
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 In Rs.	As at March 31, 2016 In Rs.
Stock-in-trade	48,43,80,597	24,44,26,055
Packing materials	9,48,641	2,06,463
Total	48,53,29,238	24,46,32,518

Note 10 : Current Tax Assets (Net)

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Tax Paid in Advance (Net of Provision)	21,71,204	40,239
Total	21,71,204	40,239

Note 11 : Equity share capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	No. of shares	In Rs.	No. of shares	In Rs.
Authorised share capital				
Equity shares of Rs.10 each	1,00,00,000	10,00,00,000	50,00,000	5,00,00,000
Issued and subscribed share capital				
Equity shares of Rs.10 each	64,64,999	6,46,49,990	33,18,333	3,31,83,330
Subscribed and fully paid up				
Equity shares of Rs.10 each	64,64,999	6,46,49,990	33,18,333	3,31,83,330
Total	64,64,999	6,46,49,990	33,18,333	3,31,83,330

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	
	No. of shares	In Rs.	No. of shares	In Rs.
At the beginning of the period	33,18,333	3,31,83,330	10,000	1,00,000
Add :				
Shares issued during the year	31,46,666	3,14,66,660	33,08,333	3,30,83,330
Outstanding at the end of the period	64,64,999	6,46,49,990	33,18,333	3,31,83,330

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 Shares held by Holding Company

Name of the Shareholder	As at March 31, 2017	As at March 31, 2016
	No. of shares	No. of shares
Arvind Fashions Limited	64,64,999	-
Arvind Brands & Retail Limited	-	33,18,333

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

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Arvind Fashions Limited	64,64,999	100	-	-
Arvind Brands & Retail Limited	-	-	33,18,333	100

11.5 Objective, policy and procedure of capital management, refer Note 36

Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements

Note 12 : Other Equity

Balance	As at March 31, 2017	As at March 31, 2016
	In Rs.	In Rs.
Share Application money pending for allotment	-	100
	-	100
Note 12.1 Reserves & Surplus		
Securities premium account		
Balance as per last financial statements	31,69,16,570	-
Add: addition during the year	40,85,33,140	31,69,16,570
Balance at the end of the year	72,54,49,710	31,69,16,570
Surplus in statement of profit and loss		
Balance as per last financial statements	(3,85,76,236)	-
Add: loss for the year	(10,02,13,616)	(3,85,55,725)
Add / (Less): OCI for the year	10,28,556	(20,511)
	(13,77,61,296)	(3,85,76,236)
Total reserves & surplus	58,76,88,414	27,83,40,334
Total Other equity	58,76,88,414	27,83,40,334

Note 13 : Financial liabilities

13 (a) Long-term Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016
	In Rs.	In Rs.
Long-term Borrowings (refer note (a) below)		
Non-current portion		
Secured		
Term loan from Banks	29,10,206	-
	29,10,206	-
Current maturities		
Secured		
Term loan from Banks	6,14,563	-
	6,14,563	-
Total long-term borrowings	35,24,769	-
Short-term Borrowings (refer note (b) below)		
Unsecured		
Intercompany Deposits From Related Parties	33,04,610	4,05,25,699
Total short-term borrowings	33,04,610	4,05,25,699
Total borrowings	68,29,379	4,05,25,699

Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements
Nature of security:

- a Hire Purchase loans from are secured against hypothication of related vehicles

Rate of interest and Terms of Repayment

Particulars	Amt in Rs.	Range of Interest (%)	Terms of Repayment from Balance sheet date
From Banks			
Hire Purchase Loan	35,24,769	9.65%	Monthly payment of 60 Equated Monthly Instalments beginning from the month subsequent to taking the loans

- b Inter Corporate Deposit carries interest rate of 10.25% per annum.

13 (b) Trade payable

Particulars	As at March 31, 2017 In Rs.	As at March 31, 2016 In Rs.
Current		
Acceptances	-	-
Other trade payable (Refer note below)	32,03,24,941	21,58,49,751
	32,03,24,941	21,58,49,751
Total	32,03,24,941	21,58,49,751

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

- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
- Interest paid during the year;
- Amount of payment made to the supplier beyond the appointed day during accounting year;
- Interest due and payable for the period of delay in making payment;
- Interest accrued and unpaid at the end of the accounting year; and
- 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 In Rs.	As at March 31, 2016 In Rs.
Current		
Current maturity of long term borrowings	6,14,563	-
Payable to employees	33,35,923	49,85,086
Payable in respect of capital goods	84,87,752	54,80,739
	1,24,38,238	1,04,65,825
Total	1,24,38,238	1,04,65,825

Arvind Beauty Brands Retail Private Limited

Notes to the Financial Statements

13 (d) Financial liabilities by category

March 31, 2017			
Borrowings	-	-	62,14,816
Trade payable	-	-	32,03,24,941
Current maturity of long term borrowings	-	-	6,14,563
Payable to employees	-	-	33,35,923
Payable in respect of capital goods	-	-	84,87,752
Total Financial liabilities	-	-	33,89,77,995

March 31, 2016			
Borrowings	-	-	4,05,25,699
Trade payable	-	-	21,58,49,751
Current maturity of long term borrowings	-	-	-
Payable to employees	-	-	49,85,086
Payable in respect of capital goods	-	-	54,80,739
Total Financial liabilities	-	-	26,68,41,275

For Financial instruments risk management objectives and policies, refer Note 35

Fair value disclosures for financial assets and liabilities are in Note 33 and fair value hierarchy disclosures for investment are in Note 34.

Note 14 : Provisions

Particulars	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
	In Rs.	In Rs.	In Rs.
Long-term			
Provision for employee benefits (refer Note 28)			
Provision for leave encashment		14,95,404	11,50,372
Provision for Gratuity		-	7,62,530
		14,95,404	19,12,902
Short-term			
Provision for employee benefits (refer Note 28)			
Provision for Gratuity		11,00,267	1,450
Provision for leave encashment		1,86,977	1,33,553
		12,87,244	1,35,003
Total		27,82,648	20,47,905

Note 15 : Other current / Non-current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016
	In Rs.	In Rs.
Current		
Statutory dues including provident fund and tax deducted at source	79,21,340	40,53,504
	79,21,340	40,53,504
Total	79,21,340	40,53,504

Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements

Note 16 : Revenue from operations

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Sale of products	93,18,08,747	27,17,52,463
Total	93,18,08,747	27,17,52,463

Note 17 : Other income

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Interest income	35,32,400	10,367
Foreign exchange gain	4,97,982	-
Miscellaneous income	1,11,46,359	4,00,000
Total	1,51,76,741	4,10,367

Note 18 : Purchases of stock-in-trade

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Cosmetics & Accessories	78,25,94,524	38,56,13,246
Total	78,25,94,524	38,56,13,246

Note 19 : Changes in Inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Stock at the end of the year		
Stock-in-trade	48,53,29,238	24,46,32,518
	<u>48,53,29,238</u>	<u>24,46,32,518</u>
Stock at the beginning of the year		
Stock-in-trade	24,46,32,518	-
	<u>24,46,32,518</u>	<u>-</u>
[(Increase) / Decrease in stocks]	(24,06,96,720)	(24,46,32,518)
Total	(24,06,96,720)	(24,46,32,518)

Note 20 : Employee benefits expense

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 28)	10,31,48,850	3,60,98,637
Contribution to provident and other funds	64,83,574	19,95,306
Welfare and training expenses	43,55,244	11,42,096
Total	11,39,87,668	3,92,36,039

Note 21 : Finance costs

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Interest expense - Loans	87,375	-
Interest expense - others	63,80,930	7,34,938
Total	64,68,305	7,34,938

Note 22 : Depreciation and amortization expense

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Depreciation on Tangible assets (Refer Note 5)	5,17,07,583	1,66,30,592
Amortization on Intangible assets (Refer Note 5)	71,46,816	37,65,184
Total	5,88,54,399	2,03,95,776

Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements
Note 23 : Other expenses

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Power and fuel	1,78,69,427	54,29,040
Shared Service	2,29,83,326	21,38,625
Insurance	11,71,365	2,02,444
Printing, stationery & communication	19,66,968	5,17,197
Rent	10,50,15,168	2,40,04,147
Commission, Brokerage & discount	5,81,81,829	2,40,24,424
Rates and taxes	17,31,259	15,60,684
Repairs :		
To others	2,84,77,039	90,81,787
Royalty on Sales	2,14,40,780	62,23,432
Freight, insurance & clearing charge	1,81,97,106	53,74,845
Octroi	1,00,14,238	53,14,653
Legal & Professional charges	44,67,342	32,52,897
Housekeeping Charges	78,45,045	19,07,406
Security Charges	82,27,720	17,77,746
Conveyance & Travelling expense	73,44,093	37,41,755
Advertisement and publicity	3,82,06,649	82,32,524
Sales Promotion	13,30,029	-
Charges for Credit Card Transactions	82,30,192	21,22,929
Packing Materials	51,34,055	-
Contract Labour Charges	38,33,494	12,15,658
Sampling and Testing Expenses	27,483	-
Auditor's remuneration	13,58,217	11,45,000
Bank charges	18,76,749	4,99,466
Staff Training and Recruitment Expense	10,67,378	1,71,002
Dormancy	93,24,213	-
Exchange difference (net)	-	5,10,783
Miscellaneous expenses	15,66,322	4,02,581
Total	38,68,87,484	10,88,51,026

Payment to Auditors (Net of service tax)

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Payment to Auditors as		
Auditors	10,00,000	8,00,000
For tax audit	2,00,000	2,00,000
For Other certification work	1,20,537	1,00,000
For reimbursement of expenses	37,680	45,000
Total	13,58,217	11,45,000

Note 24 : Income tax

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

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Statement of Profit and Loss		
Current tax		
Current income tax		
Deferred tax		
Deferred tax expense	(6,08,96,556)	5,20,048
Income tax expense reported in the statement of profit and loss	(6,08,96,556)	5,20,048

OCI section

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	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	(4,59,948)	9,172
Deferred tax charged to OCI	(4,59,948)	9,172

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	Year ended March 31, 2017	Period ended March 31, 2016
	In Rs.	In Rs.
Accounting loss before tax from continuing operations	(15,96,21,668)	(3,80,65,360)
Tax @ 30.90% (March 31, 2016: 30.90%)	(4,93,23,095)	(1,17,62,196)
Adjustment		
in respect of book depreciation more than IT depreciation	(54,50,018)	11,43,679
Deductible on payment bases (43B items)	(1,81,080)	(6,32,803)
Expenses u/s 35 DD	(4,46,771)	-
unabsorbed depreciation & business loss	(50,35,644)	1,17,62,196
At the effective income tax rate of 0% (March 31, 2016: 0%)	(6,04,36,609)	5,10,876

B) Deferred tax

Particulars	Balance Sheet		Statement of Profit and Loss	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
	In Rs.	In Rs.	In Rs.	In Rs.
in respect of book depreciation more than IT depreciation	43,06,339	(11,43,679)	54,50,018	-
Deductible on payment bases (43B items)	8,13,883	6,32,803	1,81,080	-
Expenses u/s 35 DD	4,46,771	-	4,46,771	-
unabsorbed depreciation & business loss	5,43,58,740	-	5,43,58,740	-
Others	-	-	-	-
Deferred tax expense/(income)			6,04,36,609	-
Net deferred tax assets/(liabilities)	5,99,25,732	(5,10,876)		
Reflected in the balance sheet as follows				
Deferred tax assets	5,99,25,732	-		
Deferred tax liabilities	-	(5,10,876)		
Deferred tax liabilities (net)	5,99,25,732	(5,10,876)		
Reconciliation of deferred tax assets / (liabilities), net			March 31, 2017	March 31, 2016
			In Rs.	In Rs.
Opening balance as of April 1			(5,10,876)	-
Tax income/(expense) during the period recognised in profit or loss			6,08,96,556	(5,20,048)
Tax income/(expense) during the period recognised in OCI			(4,59,948)	9,172
Closing balance as at March 31			5,99,25,732	(5,10,876)

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 : Capital commitment and other commitments

Particulars	Year ended March 31, 2017		Period ended March 31, 2016	
	In Rs.		In Rs.	
Capital commitments				
Estimated amount of Contracts remaining to be executed on capital account and not provided for		52,99,845		2,09,79,188
Other commitments		-		-

Note 26 : Foreign Exchange Exposures not hedged

B. Exposure Not Hedged

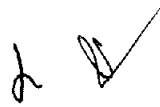
Nature of exposure	Currency	Year ended March 31, 2017		Period ended March 31, 2016	
		In FC	In Rs.	In FC	In Rs.
Payable to creditors	SGD	5,000	2,42,050	-	-

Note 27 : Segment Reporting

The Company is primarily engaged in the business of retail trade of Cosmetics & Accessories through retail and departmental store facilities, which in the context of Indian Accounting Standard 108 'Operating Segment', constitutes a single reportable primary business segment.

Secondary Segment

The risk and returns of the Company are not influenced by geographical location of its operations or location of its customers. Both are situated in India.



Note 28 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:
Amount of Rs. 4,478,345/- (March 31, 2016: Rs. 1,246,161/-) is recognised as expenses and included in Note No. 20 "Employee benefit expense".

Particulars	As at March 31, 2017		As at March 31, 2016	
	in Rs.		in Rs.	
Provident Fund	44,78,345		12,46,161	
	<u>44,78,345</u>		<u>12,46,161</u>	

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

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

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

	April 1, 2016		Gratuity cost charged to statement of profit and loss		Benefit paid	Return on plan assets (excluding amounts included in net interest expense)		Remeasurement gains/(losses) in other comprehensive income		Sub-total included in OCI		March 31, 2017	
	Defined benefit obligation	Fair value of plan assets	Service cost	Net interest expense		Sub-total included in statement of profit and loss (Note 30)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	Defined benefit obligation
Defined benefit obligation	7,63,980		18,63,882	60,909	19,24,791	40,228	(17,491)	(6,61,214)	(8,50,027)	(14,88,504)	(1,00,000)	11,00,267	
Fair value of plan assets		7,63,980		60,909	19,24,791	40,228	(17,491)	(6,61,214)	(8,50,027)	(14,88,504)	(1,00,000)	11,00,267	
Total benefit liability	7,63,980	7,63,980	18,63,882	60,909	19,24,791	40,228	(17,491)	(6,61,214)	(8,50,027)	(14,88,504)	(1,00,000)	11,00,267	11,00,267

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

	April 1, 2015		Cost charged to statement of profit and loss		Benefit paid	Return on plan assets (excluding amounts included in net interest expense)		Remeasurement gains/(losses) in other comprehensive income		Sub-total included in OCI		March 31, 2016	
	Defined benefit obligation	Fair value of plan assets	Service cost	Net interest expense		Sub-total included in statement of profit and loss (Note 30)	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	Defined benefit obligation
Defined benefit obligation			7,34,297		7,34,297				29,683	29,683		7,63,980	
Fair value of plan assets													7,63,980
Total benefit liability			7,34,297		7,34,297				29,683	29,683		7,63,980	7,63,980

Avind Beauty Brands Retail Private Limited
Notes to the Financial Statements

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

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
Discount rate	7.40%	7.98%
Future salary increase	5.00%	12.00%
Medical cost inflation		
Expected rate of return on plan assets	7.40%	7.98%
Attrition rate	7.00%	5.00%
Mortality rate during employment:	Indian assured lives	Indian assured lives
Mortality rate after employment	Mortality(2006-08)	Mortality(2006-08)
	NA	N.A.

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

Particulars	Sensitivity level	(Increase) / decrease in defined benefit obligation (Impact)	
		Year ended March 31, 2017	Period ended March 31, 2016
		Rs.	Rs.
Gratuity			
Discount rate	0.5% increase	11,00,011	7,02,599
	0.5% decrease	-12,25,324	-8,33,173
Salary increase	0.5% increase	-12,12,490	-8,25,651
	0.5% decrease	11,08,045	7,08,188
Attrition rate	1% increase	-	-7,03,518
	1% decrease	-	8,34,005

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

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	Rs.	Rs.
Gratuity		
Within the next 12 months (next annual reporting period)	4,495	5,669
Between 2 and 5 years	4,00,277	2,31,559
Beyond 5 years	5,63,546	43,06,703
	9,68,318	45,43,931
Total expected payments	9,68,318	45,43,931

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

Particulars	Year ended March 31, 2017	Period ended March 31, 2016
	Years	Years
Gratuity	11	19

C. Other Long term employee benefit plans
Leave encashment

Amount of Rs. 511,294/- (March 31, 2016: Rs. 1,283,925/-) is recognised as expenses and included in Note No. 20 "Employee benefit expense"

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Arvind Beauty Brands Retail Private Limited
Notes to the Financial Statements

Note 29 : 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 :

Arvind Limited	Ultimate Holding Company
Arvind Brands and Retail Limited	Fellow Subsidiary
Arvind Lifestyle Brands Limited	Fellow Subsidiary
Dholka Textile Park Private Limited	Fellow Subsidiary
Arvind Garments Park Private Limited	Fellow Subsidiary
Arvind Fashions Limited	Holding Company

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

Arvind Beauty Brands Retail Private Limited

b Disclosure in respect of Related Party Transactions :

Nature of Transactions	Year ended	Period ended
	March 31, 2017	March 31, 2016
Purchase of Fixed Assets		
Arvind Lifestyle Brands Limited	-	12,72,222
Receiving of Services		
Arvind Lifestyle Brands Limited	5,32,58,860	89,14,501
Interest Expense		
ICD- Arvind Limited	36,71,788	5,25,699
Other Expenses		
Arvind Limited	9,62,525	-
Interest Income		
Dholka Textile Park Private Limited	33,77,473	-
Arvind Garments Park Private Limited	1,31,986	-
Issue of Equity shares		
Arvind Brands and Retail Limited	-	35,00,99,900
Arvind Fashion Limited	43,99,99,800	-

Disclosure in respect of Related Party Transactions :

Nature of Transactions	Year ended	Period ended
	March 31, 2017	March 31, 2016
Loan taken		
ICD- Arvind Limited	11,00,00,000	-
Loan repaid		
ICD- Arvind Limited	11,00,00,000	-
Loan Given		
Dholka Textile Park Private Limited	15,46,00,000	-
Arvind Garments Park Private Limited	4,00,00,000	-
Loan Received back		
Dholka Textile Park Private Limited	15,00,00,000	-
Arvind Garments Park Private Limited	4,00,00,000	-
Share Application Money		
Arvind Brands and Retail Limited	-	100

c Transactions and Balances :

(Amount in Rs.)

Particulars	Ultimate Holding Company		Holding company		Fellow Subsidiary companies	
	Period ended		Period ended		Period ended	
	Year ended March 31, 2017	March 31, 2016	Year ended March 31, 2017	March 31, 2016	Year ended March 31, 2017	March 31, 2016
Transactions						
Purchase of Fixed Assets	-	-	-	-	-	12,72,222
Receiving of Services	-	-	-	-	5,32,58,860	89,14,501
Interest Expense	36,71,788	5,25,699	-	-	-	-
Other Expenses	9,62,525	-	-	-	-	-
Interest Income	-	-	-	-	35,09,459	-
Loan Given/(Repaid) (Net)	-	-	-	-	46,00,000	-
Issue of Equity Shares	-	-	43,99,99,800	-	-	35,00,99,900
Share Application Money Received Pending Allotment	-	-	-	-	-	100
Particulars	Ultimate Holding Company		Holding company		Fellow Subsidiary companies	
	As at		As at		As at	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
Balances as at year end	-	-	-	-	1,80,27,702	4,52,80,533
Trade and Other Receivable	-	-	-	-	77,58,413	-
Receivable in respect of Loans	33,04,610	-	-	-	-	-
Payable in respect of Loans	-	4,05,25,699	-	-	-	-
Trade and Other Payable	9,62,525	-	-	-	6,11,32,165	3,37,04,135

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 at the year-end are unsecured and settlement occurs in cash.

2) Loans given / taken to the related party carries interest rate of 10.25% (March 31, 2016 : 10.25%)

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)