

ARVIND BRANDS & RETAIL LIMITED

(CIN : U52609GJ2007PLC051974)

**ANNUAL REPORT
2013 – 2014**

ARVIND BRANDS & RETAIL LIMITED

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present their **Seventh Annual Report** together with the Audited Financial Statements for the year ended on 31st March, 2014.

1. ACCOUNTS & DIVIDEND:

During the year under review, the Company has registered a Net Profit of Rs. 55.89 Lac after making Provision for Deferred Tax of Rs. 2.92 Lac. The Net amount of Profit of Rs. 74.72 Lac is carried forward to the Balance Sheet after adjusted carried forward Profit of Rs. 18.82 Lacs.

Your Directors do not recommend any dividend on the equity shares for the financial period under review.

2. DIRECTORS:

Mr. Suresh Jayaraman, the Director of the Company, retires by rotation at the ensuing Annual General Meeting pursuant to Articles 149 of the Articles of Association of the Company and being eligible for re-appointment, offers himself for re-appointment.

3. FIXED DEPOSITS :

The Company has not accepted any deposits from public under the Companies Acceptance of Deposits Rules, 1975 nor under The Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank of India) Directions, 1998.

4. SUBSIDIARY & ASSOCIATES:

The Company has a wholly owned subsidiary namely Arvind Lifestyle Brands Limited.

During the year the Company has acquired 49% stake of the Calvin Klein Apparel business, carried out by M/s. Premium Garments Wholesale Trading Pvt. Ltd.

5. DIRECTORS' RESPONSIBILITY STATEMENT:

In compliance of Section 217(2AA) of the Companies Act, 1956, the Directors state that:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
- ii. Such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for that period;

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

iv. The statements of accounts for the year ended on March 31, 2014 have been prepared on a going concern basis.

6. PARTICULARS OF EMPLOYEES:

The Company does not have any employee covered under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

7. INFORMATION REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ETC. AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since the Company has not carried any activities, there is no disclosure to be made under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and as regard conservation of energy absorption etc. Further, during the year under review, your Company has neither earned nor made any payment in foreign exchange.

8. AUDITORS :

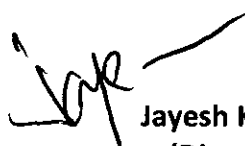
The Company's Auditors M/s. Sorab S. Engineer & Co., Chartered Accountants, retire and offer themselves for reappointment. It is proposed that M/s. Sorab S. Engineer & Co., Chartered Accountants, be reappointed as Auditors of the Company. You are requested to appoint the Auditors and fix their remuneration.

9. ACKNOWLEDGMENTS :

Your Directors wish to convey their deep sense of gratitude to all associated with it for the support extended by them and also look forward to their continued co-operation in future.

FOR AND ON BEHALF OF THE BOARD

Date : 15.05.2014
Place : Ahmedabad



Jayesh K. Shah
(Director)



Suresh Jayaraman
(Director)

ARVIND BRANDS & RETAIL LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Tuesday, the 23rd September, 2014 at 1:00 p.m. at the Registered Office of the Company at Arvind Mills Premises, Naroda Road, Ahmedabad – 380 025 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Statements of Accounts for the financial year ended on 31st March, 2014 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Suresh Jayaraman (holding DIN 03033110) , who retires by rotation in terms of Article 149 of the Articles of Association of the Company and being eligible, offers him for reappointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if through fit to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors, borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate Rs. 500 Crores (Rupees five hundred crores only).

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be

mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs. 500 Crores in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/ Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures or other financial instruments or assistance.

RESOLVED FURTHER THAT the Board of Directors of the Company including a Committee thereof, be and is hereby authorized to finalize with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees, the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto.

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.

Registered Office :
Arvind Mills Premises
Naroda Road,
Ahmedabad – 380 025

Date : 15.05.2014
Place : Ahmedabad

FOR AND ON BEHALF OF THE BOARD



Jayesh K. Shah
(Director)



Suresh Jayaraman
(Director)

Notes :

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member of the Company. The instrument appointing a proxy should however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except Sundays between 11.00 a.m. and 1.00 p.m., up to the date of the ensuing Extraordinary General Meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The Chairman informed that pursuant to the Section 180(1)(c) of the Companies Act, 2013 (the 'Act'), since notified, requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a special resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 4 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto Rs. 500 Crores (Rupees five hundred crores) i.e. in excess of the aggregate of the paid up share capital and free reserves of the Company.

None of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 5

The Chairman informed that pursuant to the Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), since notified, requires that the Board of Directors of the company shall not create mortgage and/or charge on the immovable and movable properties of the Company, except with the consent of the company accorded by way of a special resolution.

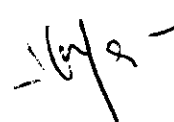
It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(a) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 5 of the Notice, to enable to the Board of Directors to create mortgage and/or charge on the immovable and movable properties of the Company in excess of the aggregate of the paid up share capital and free reserves of the Company. Approval of members is being sought to create mortgage and/or charge on the immovable and movable properties of the Company upto Rs. 500 Crores (Rupees five hundred crores) i.e. in excess of the aggregate of the paid up share capital and free reserves of the Company. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

None of the Directors, Key Managerial Personnel of the Company, and/ or their relatives may be deemed to be concerned or interested in the proposed resolution.

Registered Office :
Arvind Mills Premises
Naroda Road,
Ahmedabad – 380 025

Date : 15.05.2014
Place : Ahmedabad

FOR AND ON BEHALF OF THE BOARD



**Jayesh K. Shah
(Director)**



**Suresh Jayaraman
(Director)**



INDEPENDENT AUDITORS' REPORT

To the Members of Arvind Brands and Retail Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Arvind Brands and Retail Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892

Ahmedabad
May 15, 2014

ANNEXURE TO THE AUDITORS' REPORT

Re: Arvind Brands & Retail Limited

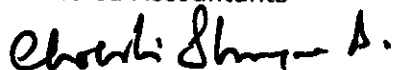
Referred to in Paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date,

- (i)
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the period at reasonable intervals and no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed of any substantial part of its fixed assets during the period as would affect its going concern status.
- (ii) In view of the nature of business the company does not have any Inventory. Accordingly the clauses 4(ii)(a) to (c) of the order are not applicable.
- (iii) The Company has not granted/taken any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly clauses 4(iii)(a) to (d) of the order are not applicable.
- (iv) In our opinion and according to information and explanations given to us; there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that need to be entered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (v,a) and (v,b) of paragraph 4 of the order are not applicable.
- (vi) 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 58A, 58AA or other relevant provisions of the Act and the rules framed there under.
- (vii) The Company does not have Internal Audit System.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 in respect of the Company's product. Consequently, requirement of clause (viii) of paragraph 4 of the order is not applicable.
- (ix)
 - (a) The Company is generally regular in depositing undisputed statutory dues including Income tax and other material statutory dues applicable to it with appropriate authorities.
 - (b) According to the information and explanations given to us, the Company has no disputed outstanding statutory dues as at 31st March, 2014.
 - (c) There are no disputed amounts outstanding as at March 31, 2014.

SORAB S. ENGINEER & CO. (Regd.)

- (x) The Company has neither any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company does not have any loans from any financial institution or bank, hence the requirement of clause (xi) of the Order is not applicable.
- (xii) As per the information and explanations given to us, the Company has not granted any loan or advance on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The provisions of any special statute applicable to Chit fund, Nidhi or Mutual Benefit Funds/Societies are not applicable to the Company.
- (xiv) According to the information and explanation given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- (xv) The Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, no long term loans have been obtained during the year.
- (xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, we report that the Company has not utilised any funds raised on short term basis for long term investments.
- (xviii) The Company has made any preferential allotment to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. The price at which shares have been issued is not prejudicial to the interest of the company.
- (xix) The Company has not issued any debentures during the period under review.
- (xx) The Company has not raised any money by public issues during the period under review.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

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



CA. Chokshi Shreyas B.
Partner
Membership No. 100892
Ahmedabad
May 15, 2014


Arvind Brands & Retail Limited

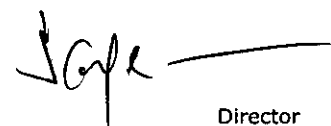
Balance Sheet

Amount in Rs.

	Note	As at	
		March 31, 2014	March 31, 2013
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	107,100,000	104,500,000
Reserves and Surplus	4	3,050,871,572	2,397,882,285
Share Application money pending allotment	5	803,500,000	350,000,000
Non-current liabilities			
Deferred Tax Liabilities	6	592	1,998
Current liabilities			
Trade Payables	7	71,251	60,161
Other Current Liabilities	8	4,775,830	4,478,881
Short Term Provisions	9	110,481	-
Total		3,966,429,726	2,856,923,325
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	10	1,937	7,328
Non-current Investments	11	3,954,497,519	2,845,300,000
Long Term Loans and Advances	12	11,793,326	61,436
Current assets			
Short Term Loans and Advances	12	-	11,423,924
Cash and bank Balances	13	136,944	130,637
Total		3,966,429,726	2,856,923,325
Significant Accounting Policies	2		

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

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

CA. Chokshi Shreyas B.
 Partner
 Membership No.100892
 Ahmedabad
 May 15, 2014


 Director


 Director


 Company Secretary

Arvind Brands & Retail Limited

Statement of Profit and Loss

Amount in Rs.

	Note	Year ended	
		March 31, 2014	March 31, 2013
Other Income	14	6,720,790	2,582,354
Total Revenue		6,720,790	2,582,354
Expenses:			
Finance costs	15	-	68,754
Depreciation expense	16	5,391	6,281
Other expenses	17	854,403	630,219
Total expenses		859,794	705,254
Profit before exceptional and extraordinary items and tax		5,860,996	1,877,100
Exceptional items		-	-
Profit before extraordinary items and tax		5,860,996	1,877,100
Extraordinary Items		-	-
Profit before tax		5,860,996	1,877,100
Tax expense:			
Current tax		292,000	19,000
Deferred tax		(1,406)	(1,993)
Excess Provision of Tax for earlier year		(18,885)	-
Profit for the year		5,589,287	1,860,093
Earnings per equity share	19		
(Nominal Value per Share Rs. 2/- (Previous year Rs. 2/-):			
Basic/Diluted		0.11	0.04
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 15, 2014

JGPR
Director

[Signature]
Director

[Signature]
Company Secretary

Arvind Brands & Retail Limited

Cash Flow Statement

Amount in Rs.

	Year ended on	
	March 31, 2014	March 31, 2013
A Cash Flow From Operating Activities		
Profit Before taxation	5,860,996	1,877,100
Adjustments for:		
Depreciation expense	5,391	6,281
Interest Income	(1,200,825)	(804,360)
Share of Profit from 637 Developers	(5,519,965)	(1,777,994)
	(6,715,399)	(2,576,073)
Operating Profit before Working Capital Changes	(854,403)	(698,973)
Working Capital Changes:		
Increase / (Decrease) in trade payables	11,090	2,085
Increase / (Decrease) in other current liabilities	296,949	4,466,246
Net Changes in Working Capital	308,039	4,468,331
Cash Generated from Operations	(546,364)	3,769,358
Direct Taxes paid (Net of Income Tax refund)	120,083	80,436
Net Cash from Operating Activities	(666,447)	3,688,922
B Cash Flow from Investing Activities		
Profit From 637 Developers	5,519,965	1,777,994
Changes in Loans given	(350,517)	(11,423,924)
Interest Income	1,200,825	804,360
(Addition)/Withdrawal to/from Capital Account of 637 Developers	(1,047,959)	16,439,773
(Addition)/Withdrawal to/from Capital Account of Ahmedabad East Infrastructure LLP	-	1,000
Purchase of Non Current investments	(1,108,149,560)	(850,000,000)
Net cash flow from Investing Activities	(1,102,827,246)	(842,400,797)
C Cash Flow from Financing Activities		
Money received for Issue of Equity shares with Securities Premium and Share Application money	1,103,500,000	950,000,000
Changes in short term borrowings	-	(111,203,053)
Net Cash flow from Financing Activities	1,103,500,000	838,796,947
Net Increase/(Decrease) in cash & cash equivalents	6,307	85,072
Cash & Cash equivalent at the beginning of the period	130,637	45,565
Cash & Cash equivalent at the end of the period	136,944	130,637

Particulars	As at	
	March 31, 2014	March 31, 2013
Cash and cash equivalents comprise of: (Note 12)		
Cash on Hand	46	46
Balances with Banks	136,898	130,591
Total	136,944	130,637

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

CA. Chokshi Shreyas B.

CA. Chokshi Shreyas B.
Partner
Ahmedabad
May 15, 2014

[Signature] Director

[Signature] Director

[Signature]
Company Secretary

Arvind Brands & Retail Limited

Notes to the financial statements

1. COMPANY BACKGROUND

Arvind Brands & Retail Limited is the holding company of Arvind Lifestyle Brands Limited (ALBL), engaged in the business of Brands Apparels and retailing Apparels. Moreover, during the year, the Company has also entered into Joint venture with Premium Garments Wholesales Private Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of Financial Statement

The Company follows the Mercantile System of Accounting. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to otherwise are consistent with generally accepted accounting statements.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

The preparation of financial Statements requires the management to make estimates and assumptions in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates.

b. Inflation

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

c. Revenue Recognition

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

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

d. Investments

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

e. Fixed Assets & Depreciation

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

Depreciation on Fixed Assets is provided on "Straight Line Method" at the rates and in the manner specified in Schedule - XIV of the Companies Act 1956.

f. Taxation

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

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

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

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

g. Earning Per Share

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

h. Provisions, Contingent Liabilities and Contingent Assets

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



Arvind Brands & Retail Limited

3 Share Capital

Amount in Rs.	
As at	
March 31, 2014	March 31, 2013

Authorised 62,500,000 Equity Shares (Previous Year 62,500,000) Par Value of Rs. 2/- per share	125,000,000	125,000,000
	125,000,000	125,000,000
Issued 53,550,000 Equity Shares (Previous Year 52,250,000) Par Value of Rs. 2/- per share	107,100,000	104,500,000
	107,100,000	104,500,000
Subscribed and fully paid up 53,550,000 Equity Shares (Previous Year 52,250,000) Par Value of Rs. 2/- per share fully paid up	107,100,000	104,500,000
Total	107,100,000	104,500,000

a Reconciliation of Number of Shares

Particulars	As At			
	March 31, 2014		March 31, 2013	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	52,250,000	104,500,000	50,250,000	100,500,000
Add : Shares issued during the year	1,300,000	2,600,000	2,000,000	4,000,000
Balance at the end of the year	53,550,000	107,100,000	52,250,000	104,500,000

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

c Shares held by Holding Company and their Subsidiaries

Particulars	As at	
	March 31, 2014	March 31, 2013
Holding Company - Arvind Limited	5,33,00,000	5,20,00,000

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

Particulars	As at	
	March 31, 2014	March 31, 2013
Holding Company - Arvind Limited	5,33,00,000 99.53%	5,20,00,000 99.52%

e Shares reserved for issue under options

Refer Note 19 for details of shares to be issued under Employee stock option scheme.

Arvind Brands & Retail Limited

4 Reserves and Surplus

	Amount in Rs.	
	As at	
	March 31, 2014	March 31, 2013
Securities Premium Account		
Balance as per last financial statements	2,396,000,000	1,800,000,000
Add: Received during the year	647,400,000	596,000,000
Balance at the end of the year	3,043,400,000	2,396,000,000
Surplus in Statement of Profit and Loss		
Balance as per last financial statements	1,882,285	22,192
Add : Profit for the year	5,589,287	1,860,093
Balance at the end of the year	7,471,572	1,882,285
Total	3,050,871,572	2,397,882,285

5 Share Application money pending Allotment

	Amount in Rs.	
	As at	
	March 31, 2014	March 31, 2013
Share Application money pending allotment (Note a)	803,500,000	350,000,000
Total	803,500,000	350,000,000

- a Share Application money pending Allotment represents application received from Holding Company - Arvind Limited which comprises of 16,07,000 Equity shares of face value Rs. 2 each fully paid up proposed to be issued at a premium of Rs. 498/-.

Equity shares are expected to be allotted against the share application money within 60 days from the date of passing special resolution . The Company has sufficient authorised capital to cover the share capital amount on allotment of above shares.

6 Deferred Tax Liabilities (Net)

	Amount in Rs.	
	As at	
	March 31, 2014	March 31, 2013
Deferred Tax Liability		
In respect of Fixed Assets	592	1,998
Net Deferred Tax Liability	592	1,998

7 Trade Payables

	Amount in Rs.	
	As at	
	March 31, 2014	March 31, 2013
Creditors in respect of goods and services (Note a)	71,251	60,161
Total	71,251	60,161

- a The Company has not received any intimation on 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 Small Enterprise regarding:

- (a) Amount due and outstanding to suppliers as at the end of accounting year;
- (b) Interest paid during the year;
- (c) Interest payable at the end of the accounting year; and
- (d) Interest accrued and unpaid at the end of the accounting year

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

8 Other Current Liabilities

	Amount in Rs.	
	As at	
	March 31, 2014	March 31, 2013
637 Developers - Current Account	-	4,472,006
Statutory dues - TDS Payable	-	6,875
Others	4,775,830	-
Total	4,775,830	4,478,881

9 Short Term Provisions

	Amount in Rs.	
	As at	
	March 31, 2014	March 31, 2013
Provision for Income Tax (Net of Advance Tax Rs. 200,519, Previous Year Rs. NIL)	110,481	-
Total	110,481	-

Arvind Brands & Retail Limited

10 Tangible Assets

Particulars	Gross Block				Depreciation			Amount in Rs.		
	As on	Additions	Disposals	As on	As on	Additions	Deductions	As on	As on	As on
	01.04.2013			31.03.2014	01.04.2013			31.03.2014	31.03.2014	31.03.2014
Laptop	38,750	-	-	38,750	31,422	5,391	-	36,813	1,937	7,328
Total	38,750	-	-	38,750	31,422	5,391	-	36,813	1,937	7,328
Previous Year	38,750	-	-	38,750	25,141	6,281	-	31,422	7,328	13,609

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Arvind Brands & Retail Limited

11 Non Current Investments

Particulars	Face Value Per Share	No of Shares	Amount in Rs.	
			As at	
			March 31, 2014	March 31, 2013
Trade Investments (At Cost)				
Investments in Equity Shares (Unquoted- Fully paid up)				
<i>In Subsidiaries</i>				
Arvind Lifestyle Brands Limited (6,270,002 shares allotted under the scheme of Amalgamation of Arvind Retail Limited against 20,900,006 shares & 600,000 shares acquired during the year)	Rs. 10/-	27,870,012	3,145,300,000	1,896,500,000
Arvind Retail Limited	Rs. 10/-	20,900,006	-	948,800,000
<i>In Joint Venture</i>				
Premium Garments Wholesales Private Limited	Rs. 10/-	22,050	808,149,560	-
<i>In Partnership Firm</i>				
637 Developers			1,047,959	-
Total			3,954,497,519	2,845,300,000

a	Aggregate amount of quoted investments	-	-
	Market value of quoted investments	-	-
	Aggregate amount of unquoted investments	3,954,497,519	2,845,300,000

b Disclosure as per AS 13 - Accounting for Investments

Long Term Investments	3,954,497,519	2,845,300,000
Current Investments	-	-
Total	3,954,497,519	2,845,300,000

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

Names of Partners	% Profit Sharing Ratio		Capital Amount	
	2013-14	2012-13	March 31, 2014	March 31, 2013
Arvind Brands and Retail Limited	35	35	1,047,959	(4,472,006)
Chetas A. Shah	2	2	(642,972)	(958,400)
Dahyabhai Maneklal Private Limited	15	15	3,477,696	1,111,997
Darshan Jhaveri	7	7	249,592	(854,401)
Jigen H. Shah	12	12	392,157	(1,500,402)
Pankaj C. Shah	3	3	(864,461)	(1,337,601)
Shaan Zaveri	17.75	17.75	(2,443,892)	(5,243,303)
Mischa Gorchov	8.25	8.25	285,234	(1,015,901)
Total:	100	100	1,501,313	(14,270,017)

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

Arvind Brands & Retail Limited

Amount in Rs.

12 Loans and Advances

	Long Term		Short Term	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Loans and Advances:				
To Related Parties				
Considered Good				11,423,924
To Others	11,774,441	-	-	-
Advance tax paid (Net of Provision of Rs. NIL, Previous year Rs. 19,000)	-	61,436	-	-
MAT Credit Entitlement	18,885	-	-	-
Total	11,793,326	61,436	-	11,423,924

13 Cash and Bank Balances

	Amount in Rs.	
	As at	
	March 31, 2014	March 31, 2013
Cash and Cash Equivalents:		
Cash on Hand	46	46
Balances with Banks		
In Current Account with HDFC Bank Limited	136,898	130,591
Total	136,944	130,637

Arvind Brands & Retail Limited

14 Other Income

	Amount in Rs.	
	Year ended	
	March 31, 2014	March 31, 2013
Interest Income	1,200,825	804,360
Share of Profit from Partnership Firm- 637 Developers	5,519,965	1,777,994
Total	6,720,790	2,582,354

15 Finance Cost

	Amount in Rs.	
	Year ended	
	March 31, 2014	March 31, 2013
Interest On Other Loan	-	68,754
Total	-	68,754

16 Depreciation Expense

	Amount in Rs.	
	Year ended	
	March 31, 2014	March 31, 2013
Depreciation on Tangible assets	5,391	6,281
Total	5,391	6,281

17 Other Expenses

	Amount in Rs.	
	Year ended	
	March 31, 2014	March 31, 2013
Professional Fees	7,750	10,000
Printing and Stationary	7,000	-
Filing Fees and Stamp Duty	754,090	603,000
Auditor's Remuneration - As Auditors	16,854	16,854
Bank Charges	68,709	281
Miscellaneous Expenses	-	84
Total	854,403	630,219

Arvind Brands & Retail Limited

18 Related Party Disclosures :

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

a List of Related Parties & Relationship :

Arvind Limited	Holding Company
Arvind Lifestyle Brands limited (ALBL)	Subsidiary Company
Premium Garments Wholesales Private Limited	Joint Venture Company
Ahmedabad East Infrastructure LLP (Upto 01.04.2012)	Associate Firm
637 Developers	Associate Firm
Arvind Infrastructure Limited	Fellow Subsidiary Company

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

b Related Party Transactions :

Nature of Transactions	Amount in Rs.	
	Year ended	
	March 31, 2014	March 31, 2013
Purchase of shares of Subsidiary Company		
Arvind Lifestyle Brands Limited	-	350,000,000
Investment in Equity Shares		
Arvind Lifestyle Brands limited	300,000,000	500,000,000
Premium Garments Wholsales Private Limited	806,396,596	-
Issue of Equity Shares (Including premium)		
Arvind Limited	650,000,000	600,000,000
Share Application Money Received		
Arvind Limited	803,500,000	350,000,000
Interest Income		
Arvind Infrastructure Limited	395,890	804,360
Withdrawal of Capital		
Ahmedabad East Infrastructure LLP	-	1,000
637 Developers	-	16,439,773
Share in Profit/(Loss)		
637 Developers	5,519,965	1,777,994
Loan Recovered		
Arvind Infrastructure Limited	11,423,924	-
Loan Repaid		
Arvind Limited	-	11,112,684
Outstanding :		
Payable in respect of Current account		
637 Developers	-	4,472,006
Arvind Limited	6,174	-
Arvind Lifestyle Brands limited	1,752,964	-
Receivable in respect of Loans		
Arvind Infrastructure Limited	-	11,423,924

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Arvind Brands & Retail Limited

c Transactions and Balances :

Amount in Rs.

Particulars	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Joint Venture Company/ Associates	
	Year ended		Year ended		Year ended		Year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Transactions:								
Purchase of shares of Subsidiary Company	-	-	-	350,000,000	-	-	-	-
Investment in Equity Shares	-	-	300,000,000	500,000,000	-	-	806,396,596	-
Issue of Equity Shares (Including premium)	650,000,000	600,000,000	-	-	-	-	-	-
Share Application Money Received	803,500,000	350,000,000	-	-	-	-	-	-
Interest Income	-	-	-	-	395,890	804,360	-	-
Withdrawal of Capital	-	-	-	-	-	-	-	16,440,773
Share in Profit/(Loss)	-	-	-	-	-	-	5,519,965	1,777,994
Loan Recovered	-	-	-	-	11,423,924	-	-	-
Loan Repaid	-	11,112,684	-	-	-	-	-	-
Outstanding:								
Payable in respect of Current account	6,174	-	1,752,964	-	-	-	-	4,472,006
Receivable in respect of Loans	-	-	-	-	-	11,423,924	-	-

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19 Earning Per Share (EPS) :

		Year ended	
		March 31, 2014	March 31, 2013
Profit for the year available to equity shareholders	Rs.	5,589,287	1,860,093
Weighted average no. of Equity Shares	Nos.	52,913,715	51,493,826
Nominal value of Equity Shares	Rs.	2.00	2.00
Basic/Diluted Earning Per Share	Rs.	0.11	0.04

a Weighted average number of Equity Shares

		Year ended	
		March 31, 2014	March 31, 2013
Opening No. of Shares for Basic EPS		52,250,000	50,250,000
Weighted average number of shares issued during the year		663,715	1,243,826
Weighted average number of shares considered for calculating EPS		52,913,715	51,493,826

20 Employee Share Based Payment :

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

Scheme	ESOP 2011
Total Number of Option Granted	2,213,484
Exercise Price	Rs. 54/-
Vesting Conditions	Based on passage of time and continued employment with the company. Options would also be subject to performance of the Company/ Individual/ both as mentioned in the letter of grant.
Vesting Period	Options may vest not earlier than one year from the date of grant and not later than five years from the date of grant.
Exercise Period	All the vested options can be exercised not earlier than three years from the date of vesting of options or date of listing of company's equity shares whichever is earlier.

- 21** In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.
- 22** Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of the current year.

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


CA. Chokshi Shreyas B.

Partner
Membership No.100892
Ahmedabad
May 15, 2014


Director



Director

Company Secretary