FASHIONING POSSIBILITIES

ARVIND LIMITED

CIN: L17119GJ1931PLC000093

Design Innovation Sustainability

87th Annual Report 2017 - 18

Board of Directors

Mr. Sanjay S. Lalbhai	- Chairman & Managing Director
Mr. Punit S. Lalbhai	- Executive Director
Mr. Kulin S. Lalbhai	- Executive Director
Mr. Jayesh K. Shah	- Wholetime Director & Chief Financial Officer
Dr. Bakul Dholakia	- Independent Director
Ms. Renuka Ramnath	- Independent Director
Mr. Dileep C. Choksi	- Independent Director
Mr. Vallabh Bhanshali	- Independent Director
Mr. Samir Mehta	- Independent Director
Mr. Nilesh Shah	- Independent Director

Audit Committee

Mr. Dileep C. Choksi	- Chairman
Dr. Bakul Dholakia	- Member
Mr. Jayesh K. Shah	- Member
Mr. Nilesh Shah	- Member

Stakeholders' Relationship Committee

Dr. Bakul Dholakia	- Chairman
Mr. Sanjay S. Lalbhai	- Member
Mr. Jayesh K. Shah	- Member

Nomination and Remuneration Committee

Dr. Bakul Dholakia	- Chairman
Ms. Renuka Ramnath	- Member
Mr. Dileep C. Choksi	- Member

Corporate Social Responsibility Committee

Dr. Bakul Dholakia	- Chairman
Mr. Sanjay S. Lalbhai	- Member
Mr. Punit S. Lalbhai	- Member
Mr. Jayesh K. Shah	- Member

Management Committee

Mr. Sanjay S. Lalbhai	- Member
Mr. Jayesh K. Shah	- Member
Mr. Punit S.Lalbhai	- Member
Mr. Kulin S. Lalbhai	- Member

Company Secretary

Mr. R.V. Bhimani

Auditors

Deloitte Haskins & Sells LLP
Chartered Accountants
19th Floor, "Shapath V", S. G. Highway,
Ahmedabad – 380 015.

CONTENTS

Bankers

State Bank of India	IndusInd Bank Ltd.
Bank of Baroda	IDFC BankLtd.
HDFC Bank Ltd.	RBL BankLtd.
ICICI Bank Ltd.	IDBI Bank Ltd.
YES Bank Ltd.	Export-Import Bank of India
Axis Bank Ltd.	
Kotak Mahindra Bank Ltd.	
Standard Chartered Bank	

Registered Office

Naroda Road, Ahmedabad-380025, Gujarat, India
Website : www.arvind.com

Registrar And Transfer Agent

Link Intime India Private Limited
506-508, Amarnath Business Centre -1 (abc-1),
beside Gala Business Centre,
Near St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge,
Ahmedabad-380006.
Phone Nos. 079-26465179/86/87
Fax No. 079-26465179
E-mail : ahmedabad@linkintime.co.in
Website:www.linkintime.co.in

Dear Shareholders,

At Arvind we have always taken pride in recognizing market opportunities and incubating new businesses that create value for stakeholders over time. Over the years our model has been to nurture businesses and guide them towards financial stability till they generate their own cash flows and are ready to grow on their own. Two such journeys are reaching a significant milestone very soon.

Over the next few months we plan to demerge Arvind into three entities encompassing textiles, branded apparel, and heavy engineering. The two new entities will be Arvind Fashions Ltd, which will house your company's branded apparels business; and Anup Engineering Ltd, which will house the engineering business. Arvind Fashions and Anup Engineering will be listed separately on the stock exchanges and will chart their own journeys in the future. All our shareholders will continue to enjoy proportionate ownership in all three entities.

The demerger will allow each business to have a sharper focus on developing their own aggressive growth models, on making their own capital allocation decisions and on incentivising their teams. This sharper focus will enable the businesses to create long-term shareholder value. As we work to finalise the demerger, I feel gratitude for the entire Arvind family, especially our shareholders, for reposing your trust in the possibilities that lie ahead of us.

After the demerger is complete, Arvind Limited will continue to retain its INR 6000-cr textile business, while continuing to incubate several young businesses and drive them towards realising their potential. These young businesses are, namely, our wastewater treatment business, Arvind Envisol; our technical textiles business; our digital business, Arvind Internet; and our telecom ventures, Syntel and Arya Omnitalk.

Let me now talk about the strategic priorities that we will focus on in some of the key businesses post de-merger.

RE-ORIENTING TEXTILES FOR GROWTH

First, China, which controls 35 percent of the USD 750-billion global trade of which India has only 5 percent, is losing its competitiveness, and there are few places in the world that can replace that capacity. India is one of those countries; the opportunity for India to double its trade is a real one, something we may not have seen in many decades. Second, the Indian clothing market is growing very fast - 10 percent growth - and within that the organised part is growing at double the rate, fuelled by the positive impact of the Good & Services Tax (GST). To unlock the potential of this growth and to grow our incubation businesses, we will invest Rs. 1500 crore in Arvind Limited over the next three years.

During this time, we will invest along four key themes to grow the textiles business:

i. Verticalisation: Global fashion brands are seeking complete solutions and their preference is moving towards procuring final finished garments and not just fabrics. Today we are converting around 10% of the fabrics that we manufacture into garments ourselves. We envision growing this number to 30-40% over the next three years, providing a one-stop-solution to our customers including design and innovation. This will make us a strategic partner in the value chain of our customers where we will be able to contribute more deeply by building on our intellectual property and developing newer ones, including jointly with them. We are projecting a 30% plus growth in garmenting this year.

ii. Sports and Athleisure: The second big trend is innovation in newer categories like sports and athleisure. This is the fastest

Message from Chairman

growing segment globally. We would like to set up India's first comprehensive facility in this area and build capability to service global sports brands

iii. Technical Textiles: This is a very new and exciting area for us. Textiles can play a large role in the development of several non-apparel segments of the economy. We have an opportunity to build a business that has high entry barriers, potential to generate valuable intellectual property (IP), and one that has great domestic and export growth potential. We will focus ourselves on building a technical textile business in the following areas:

a. Human protection
b. Environment protection
c. Transport solutions
d. Industrial solutions

iv. Growing Brand Arvind: We sell our textiles, and now ready-to-wear apparel, under the brand name Arvind through more than 10,000 points of sale across India. This segment is witnessing rapid growth and becoming more organised. We are one of a very small set of players that can leverage our existing brand equity and build a rapidly growing and exceptionally valuable business in this space.

CONTINUING THE HIGH GROWTH AND VALUE-CREATION JOURNEY OF BRANDS AND RETAIL

Our brands and retail businesses led the growth for Arvind with market leading 31% y-o-y increase in revenue, also accompanied with a sharp increase in EBITDA from 3.7% to 6.1%.

While we continue to see high growth in our established brands like US Polo, Arrow, Flying Machine and Tommy Hilfiger, our new emerging brands like Sephora, Gap, Aeropostale and Calvin Klein are seeing huge promise. We are particularly excited about our value retail format Unlimited, which is scaling up significantly.

As disposable incomes go up, more and more cities will support retail stores, and online channels will provide a huge new market for branded apparel. I believe the company is well positioned to ride this opportunity wave, with its best in class operating platform and proprietary omni-channel approach that gives a unique and seamless shopping experience to Indian fashion consumers.

BUILDING A FUTURE JEWEL

Anup Engineering, which designs and manufactures critical process equipment, saw its revenues cross Rs 200 crore mark. This was accomplished by increasing the size and complexity of the jobs we took, and our flawless execution coupled with an exemplary on-time delivery performance. This year we will focus on expanding our capacity so that we can take further advantage of the unique capabilities we have developed over the past few years.

SUSTAINABILITY, INNOVATION AND SOCIAL INTEGRATION

We believe our growth should be inclusive of the larger society. Our CSR initiatives focus on basic education, primary healthcare and upskilling of the underprivileged. Gyanda now helps around 1000 students complete their basic education. Through a unique delivery model, our Medical Centres provide quality, affordable primary healthcare. We continue to work on developing unique models for skill building, urban infrastructure development, and promoting health and well-being.

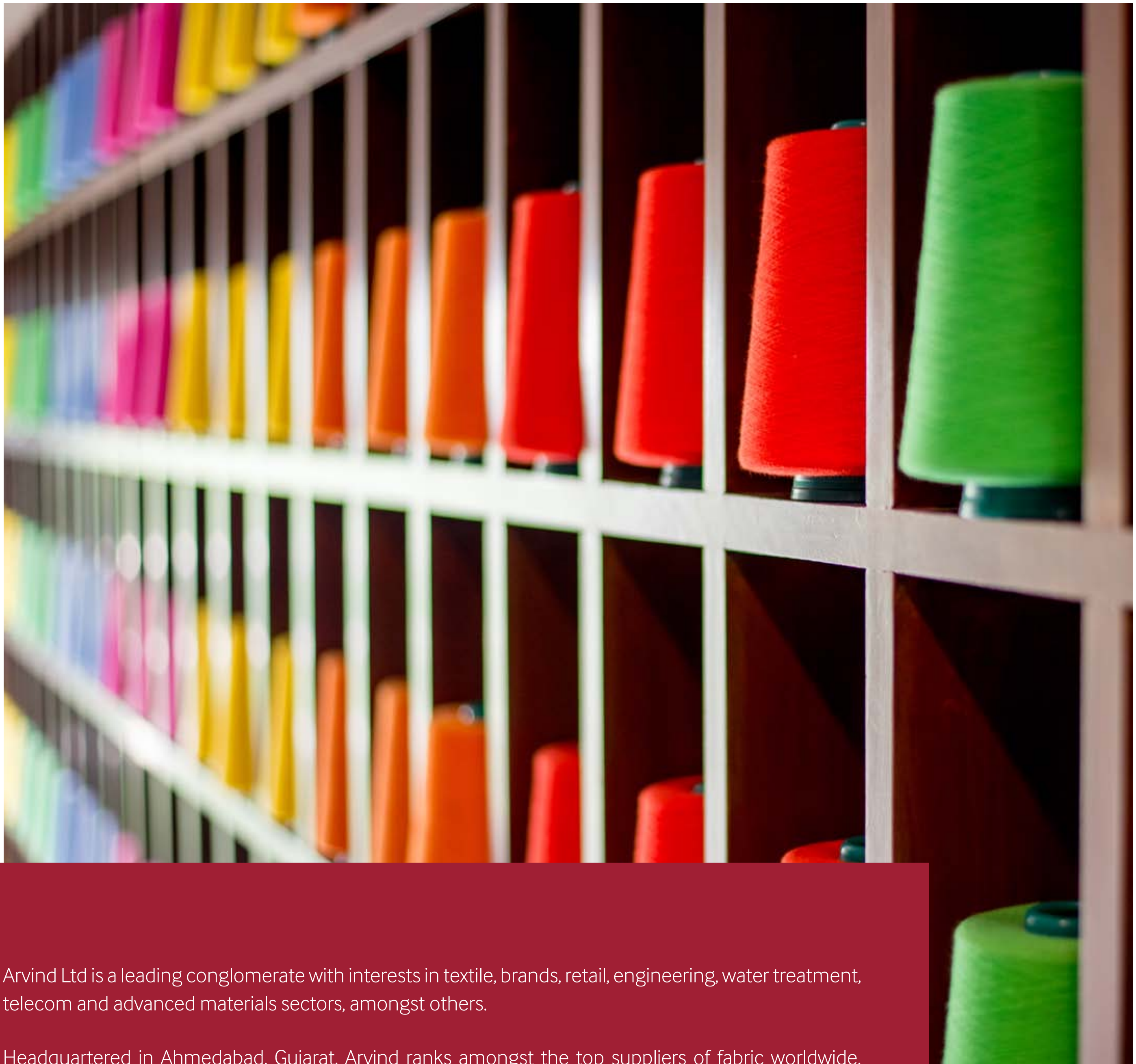
I feel proud to share that our sustainability efforts over the years yielded us the Golden Peacock award. We initiated one of the largest rooftop solar programs in India, which will take our total solar capacity up to 24MW post installations. Our recycled water now meets 60% of our total water demand. As an implementation partner of the Better Cotton Initiative, we now have 100,000 acres under cultivation. And we continue to refine and improve our performance on cleaner chemical usage. To me, sustainability is not just another initiative, but a core driver of business, essential to create long-term value.

Lastly, yet very importantly, we shall focus on investing in innovation. To give you a flavour, we will be exploring themes like waterless-dyeing, manufacturing through robotics, creating next generation digital capabilities and mass customisation. These will help create differentiation and intellectual property, and thereby positioning our company for better value creation.

I believe we have an opportunity to re-define Arvind, yet once more. I am positive that you will share my optimism and enthusiasm as we embark on this exciting journey.

With warm regards,

Sanjay Lalbhai
Chairman



Arvind Ltd is a leading conglomerate with interests in textile, brands, retail, engineering, water treatment, telecom and advanced materials sectors, amongst others.

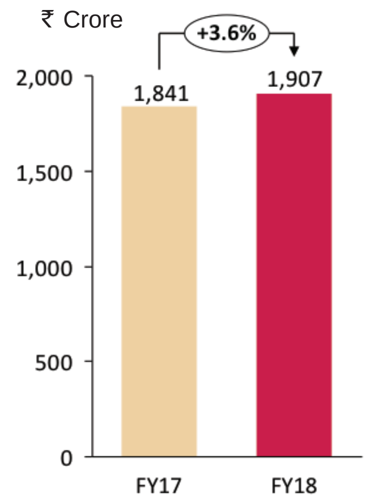
Headquartered in Ahmedabad, Gujarat, Arvind ranks amongst the top suppliers of fabric worldwide. With an annual production capacity of more than 100 million meters in denim and 132 million meters in woven fabric, your group of companies supplies fabric to many leading brands, both in India and abroad. Through its subsidiary Arvind Fashions Ltd, the group has built a strong portfolio of brands that straddles consumer segments across the income pyramid. We are also the garment maker of choice to many leading brands across the world with manufacturing capacity of more than 32 million pieces annually.

Denim

Arvind Ltd remains one of the largest producers of denim in the country with more than 100 million meters capacity.

In a challenging environment, Arvind is one of the few conglomerates that has maintained high utilisation and profitability.

The group's completely integrated set up allows it to maintain a tight control on each step of the value chain; this helps in driving efficiencies and competing aggressively in the market place.

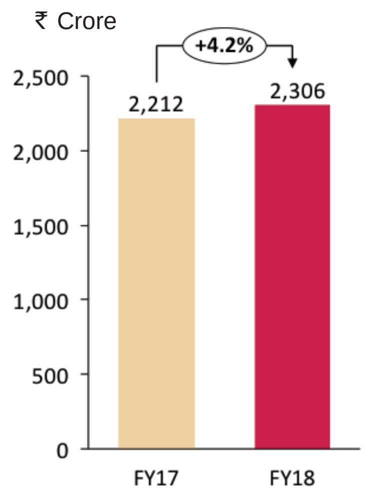


Wovens

Wovens is one of the largest divisions of Arvind Ltd., with a capacity of 132 million meters and revenue of Rs 2,306 crore.

Arvind has a design-driven product philosophy with a dedicated in-house design team that works in close coordination with clients to co-create designs as per customers' requirements.

Our in-house R&D department has helped us develop a number of new finishes, adding uniqueness to our product and creating a competitive advantage.

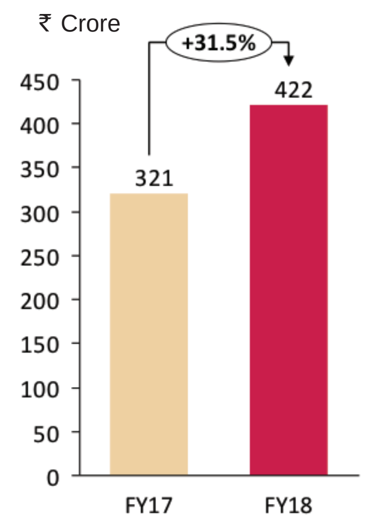


Knits

Arvind has an annual capacity of ~10,000 tons and continues to grow rapidly.

We manufacture both basic knits including jersey, pique, rib & interlock, and specialty knits including yarn-dyed, auto stripers, jacquards & stretch.

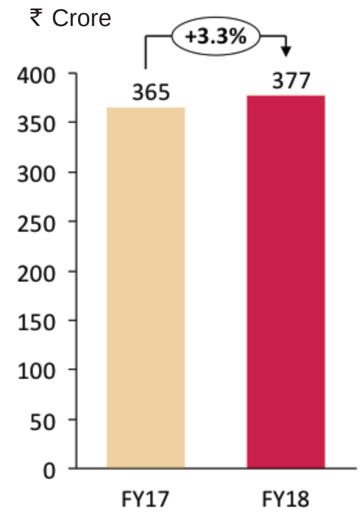
Arvind is also entering into new products segment including athleisure and sportswear in line with the global demand growth.



Voiles

Arvind is the market leader in voiles with an annual capacity of ~48 million meters and supplies its super fine fabric to both domestic and international markets.

The group produces a range of long cloths, dress material, and blouse material using materials like cotton, polyester viscose blend, polyester cotton blend, among others.

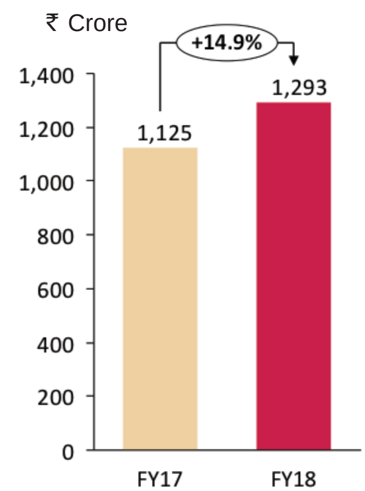


Garments

Garments is one of the fastest growing segments for Arvind Ltd, with a capacity of more than 32 million pieces.

Arvind's expansion in Ethiopia is stabilising and is allowing us to take advantage of its favourable duty structure. The group is also expanding its domestic garment facilities with new units being planned in Ranchi, Jharkhand.

With increasing capacities and multi-location facilities, Arvind is fast becoming a garment maker of choice for the leading brands across the globe.



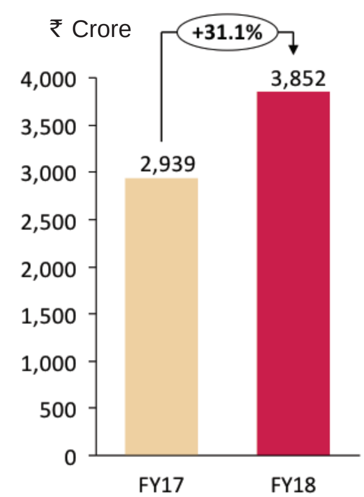
Fashions

Arvind is a leading fashion player and partner of choice for many international brands. It has a portfolio of brands that are distinctive and relevant for diverse set of consumers.

Our brands are present across multiple channels, price points and consumer segments.

With more than 1,200 standalone stores, and a large third-party distribution network, Arvind's brands are present across the country.

Arvind Ltd has decided to demerge the fashion business and will list it separately. The demerger process is underway and is expected to be completed in the next few months.



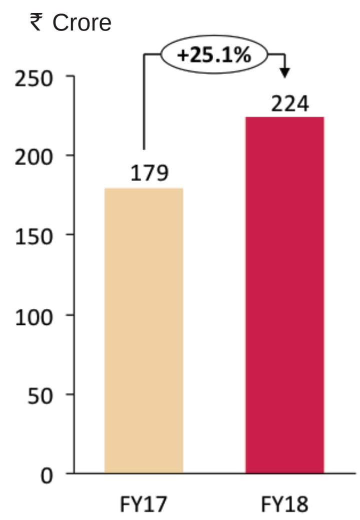
Engineering

Anup Engineering is a leading critical process engineering equipment manufacturer in the country.

Its key products include critical engineering process equipment such as Heat Exchangers, Pressure Vessels, Reactors, Columns/Towers and Centrifuges.

Our key customer segment includes process industries such as Oil and Gas, Petrochemicals, Fertilisers and Pharmaceuticals.

Anup Engineering has a well-connected, multi-accredited manufacturing set-up in Ahmedabad that employs ~500 people, including industry veterans.



Advanced Material Division

Arvind's Advanced Material Division primarily consists of four solution verticals: Human Protection (fire resistant fabrics and garments, work wear, etc), Industrial products (Filtration, Conveyor Belt Fabric, Coated Products etc), Advance Composites (Glass Fabrics and Structural Composites) and Automotive Fabrics (in JV with Adient). AMD is one of the fastest growing divisions of Arvind Ltd.

Fundamentally Right

Fundamentally Right is Arvind's bespoke approach to sustainability which focusses on input management rather than tailpipe intercessions. The six key material inputs are cotton, people, money, energy, water and chemicals. Sustainability at Arvind, is a core philosophy as well as the unique selling proposition that helps us to create and maintain enduring bonds with our clients, globally. As sustainability gains greater importance for our clients, we remain well poised to match up to their emerging expectations and perform at par with international benchmarks.

By adopting input management as our preferred approach to sustainability, we are not just ensuring that our business remains fundamentally right but also contributing towards achieving the sustainability goals of our clients and staying true to the expectations of our varied stakeholders.

Water

We have identified and implemented ways to reuse and recycle water and to minimise our water footprint. Our water conservation and recycling initiatives have helped us to lower our dependence on water resources in our key units. We implemented a breakthrough Public-Private-Partnership project at Santej Unit, where we extract process water from sewage waste water taken from nearby communities through the local municipality's wastewater network. In addition to efficient use of water resources, our aim is to completely eliminate the use of fresh water. We have achieved 65% usage of recycled water and only 35% of the water is coming from fresh water sources. Several of our production units are operating on 100% recycled water. We also have India's largest Zero Liquid Discharge plant with recycling capacity of 16 million litre per day.

Energy

Energy efficient technologies deployed across our units and offices help us to keep a keen eye on our energy consumptions. Our Santej unit has received the Most Efficient Textile Unit award from Ministry of Power for three years in a row. We have also exceeded the energy efficiency improvement targets given to us under the PAT scheme of the Bureau of Energy Efficiency. We are currently installing India's largest rooftop solar plant of 16 MW at a single location. In addition, we have switched from coal to renewable biomass to the extent of 50% in our textile mills. This has helped us to reduce our overall carbon footprint by more than 25%. We have put in practice a business-wide Energy Policy with a commitment to continually improve the energy performance of all units of Arvind. Objectives and targets are being set and reviewed to maximize the outcome of every unit of energy consumed. To ensure effective implementation of this policy, we have also instituted the Energy Conservation Cell.

Cotton

Cotton sourcing is crucial to our operations; not just in terms of quantity and supply, but also in terms of sustainability. We harness methodologies and promote responsible farming techniques like organic farming and Better Cotton Initiative (BCI) to ensure that cotton farmers, the communities and our planet reap the benefits of our fabrics. We are working closely with more than 20,000 farmers covering an area of 50,000 acres for cultivation of better cotton with reduced environmental impacts and to generate positive social impact. The agriculture projects are helping farmers reduce their dependence of fertilisers and pesticides while enhancing productivity and farm income.

The Better Cotton Initiatives (BCI) seeks to grow responsible cotton through carefully controlled application of water and use of approved fertilisers and pesticides, thereby dramatically reducing the environment footprint of cotton farming.

Arvind is one of the largest implementation partners of BCI in India. We see great merit in BCI as an intermediate step towards responsible farming because of its various social and environmental advantages.

People

Our workforce is our key asset which helps us achieve our goals and exceed the market demands year on year. Our key focus is on generating meaningful and long-term employment for the deprived sections of society. Through our various worker welfare schemes we ensure all round training and development. We ensure fair treatment of workforce and provide a healthy and safe working environment. We have clearly spelt out guidelines to ensure that we engage in fair labour practices. This includes payment of minimum wages, protection of human rights, prevention of child/forced labour and encouragement of health and safety best practices. Over last three years, we have achieved more than 80% reduction in the cases of workplace accidents and injuries through various measures that we put in place to tackle unsafe conditions, behaviour and practices.

Chemicals

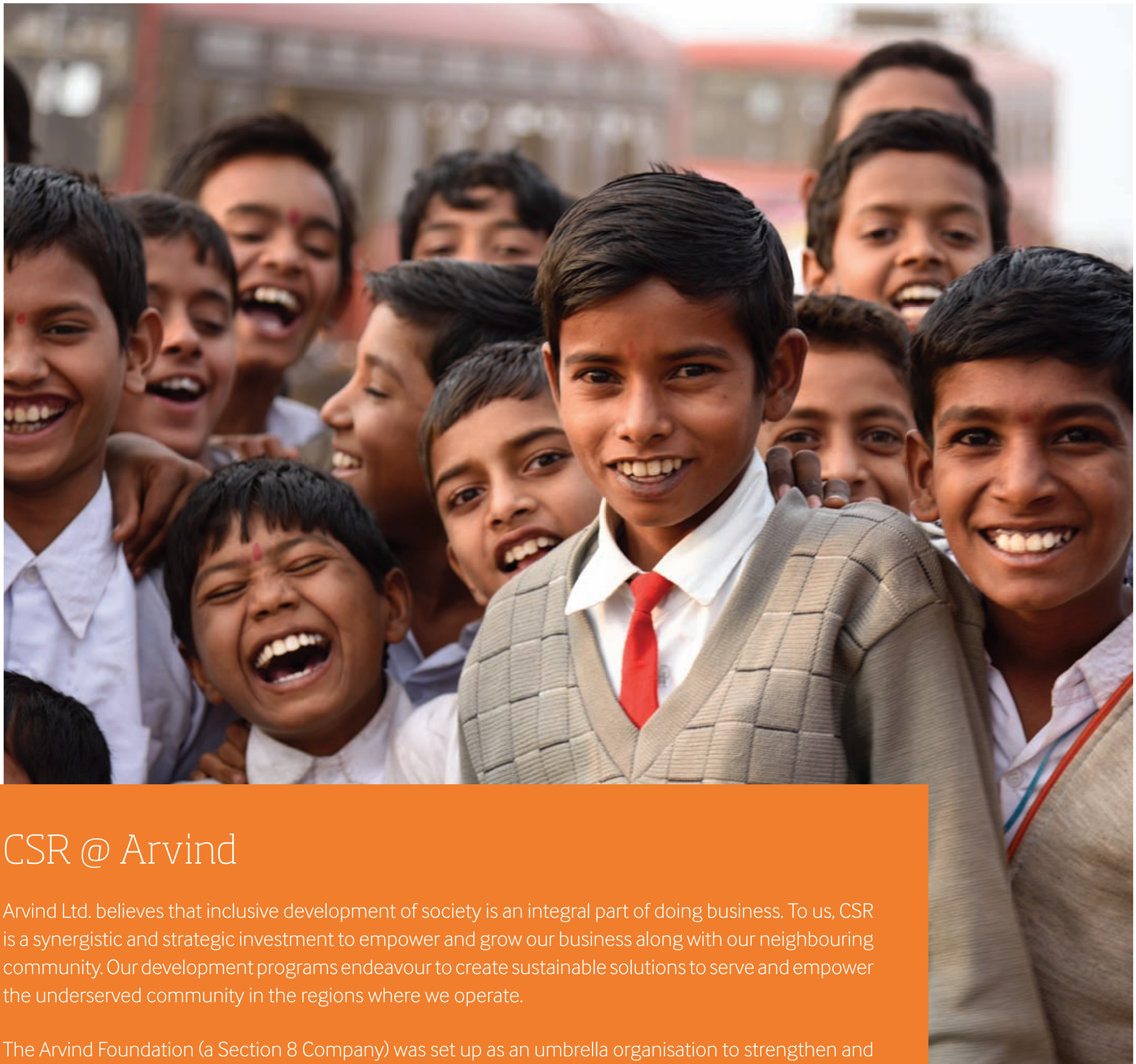
The unique properties of fabrics - the look, the feel, the hues, much of what turns a fabric into fashion, come from chemicals. Understanding the power of chemicals, leveraging its goodness and minimising its ill effects - these are core to making us fundamentally right. Our goal is to ensure that our fabrics and garments are safe for end consumers, and their manufacturing is safe for our employees, the surrounding communities and for the environment.

We follow a lifecycle approach to ensure comprehensive chemical management:

1. We encourage the farmers to reduce or eliminate harmful chemical fertilisers and pesticides in cotton cultivation by promoting BCI, organic cotton
2. We make improvements in the production process to reduce the consumption of chemicals
3. We substitute hazardous chemicals from the chemical recipe with minimal discrepancy in the final output
4. We limit the discharge of hazardous chemicals and recover salts from the wastewater

Money

We try to be fundamentally right in our approach to run our business. This ensures that our core business interests remain protected and are sustainable. We carefully invest in the expansion of our capacities, nurturing our talent pool, advancements in technology, employment generation and giving back to the community while protecting the environment. Our strong financial performance is key to sustainable growth. The more value we generate, the more we can distribute to our stakeholders and the more we can invest in sustainable innovation. Value creation is, thus, material for Arvind as it directly affects our stakeholders including employees, local communities, and investors.



CSR @ Arvind

Arvind Ltd. believes that inclusive development of society is an integral part of doing business. To us, CSR is a synergistic and strategic investment to empower and grow our business along with our neighbouring community. Our development programs endeavour to create sustainable solutions to serve and empower the underserved community in the regions where we operate.

The Arvind Foundation (a Section 8 Company) was set up as an umbrella organisation to strengthen and expand the development programs undertaken by our trusts over the years.

While our Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust has been working on urban renewal programs since 1997, the Narottam Lalbhai Rural Development Fund (NLRDF) has been working with the rural populace transforming their lives through its interventions.

We believe in synergistic partnerships and have partnered with likeminded individuals and organisations including but not restricted to government bodies, corporates, academic institutions, research & development, training bodies and non-government organisations (NGOs) that add value to our programs and bring specific expertise.

Our development initiatives:

Our Educational Support Program or Gyanda

Gyanda is a unique supplementary education model designed for primary, secondary and higher secondary school-going children studying in municipal schools. It prevents these children from dropping out and helps them complete their basic education from Standard V to XII. At present, there are around 1000 students in our system. This program is being managed by the SHARDA Trust.

Our Rural Development Initiatives

Undertaken by NLRDF in three districts of Gujarat are reaching out to around 35,000 people. NLRDF provides transformative solutions and links Government programs with the rural poor, thereby improving the delivery mechanism.improving the delivery mechanism.

Arvind Medical Centres

A Primary Health Centre, provides credible, affordable and quality primary healthcare to the people, specifically benefitting the economically disadvantaged sections of society. Four Arvind centres are operational at present, providing medical services under one roof.

Our development initiatives:

Arvind Rural Transformation Initiative (ARTI)

(ARTI) is a new program that works on the all-round development of 15 villages in the Santej region.

Enabling Sanitation Ecosystem or Project Asmita

Project Asmita is an endeavor to contribute towards making India open defecation free. Towards this end, we have created the Asmita toilet design that is cost effective and easy to install. We are promoting the installation and use of these toilets in rural areas through like-minded partners.

Promoting Inner Well Being through meditation programs among masses

Our people are exposed to the techniques and benefits of relaxation and meditation and are encouraged to make it a part of their daily routine.

Skill development program for tribal girls

(CSR in Spirit) encompasses training of tribal girls in apparel manufacturing and employing them to work in our manufacturing unit, thereby providing them employment, and an opportunity to upgrade their qualification and skills and seek white collar jobs.

Notice

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Thursday, the 30th August, 2018 at 9:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the financial year ended March 31, 2018 and the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Sanjay Lalbhai (holding DIN 00008329), who retires by rotation in terms of Article 168 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   RESOLVED THAT pursuant to the provisions of Section 148 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 3.75 lakhs (Rupees three lakhs seventy five thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit, payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad having Firm Registration No. 000025, appointed by the Board to conduct the audit of the cost records of textiles and engineering products of the Company for the financial year ending 31st March 2019, be and is hereby ratified and confirmed.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as maybe necessary, proper or expedient to give effect to this Resolution.

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

   RESOLVED THAT pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made there under (including any statutory modifications, clarifications, exemptions or re-enactment thereof, from time to time) and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended up to date and other applicable SEBI regulations and guidelines, the provisions of Memorandum and Articles of Association of the Company and subject to such applicable laws, rules and regulations and guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall include any Committee thereof which the Board may have constituted / reconstituted to exercise its powers including the powers conferred by this Resolution) to offer, issue and allot, in one or more tranches Secured / Unsecured Redeemable Non-convertible Debentures (NCDs) including but not limited to subordinated debentures, bonds, and/or other debt securities etc. on private placement basis, during the period of one year from the date of passing of the Special Resolution by the members, for an amount not exceeding ₹ 500 Crores (Rupees Five hundred crores only) on such terms and conditions and at such times, at par or at such premium, as may be decided by the Board to such person(s), including one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board/Committee of Directors may decide; so, however, that the aggregate amount of funds to be raised by issue of NCDs, subordinated debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as may be approved by the Members from time to time.

   RESOLVED FURTHER THAT without prejudice to the generality of the above and for the purpose of giving effect to the above, the Board be and is hereby authorized to determine as to the time of issue of the NCDs, the terms of the issue, number of NCDs to be allotted in each tranche, issue price, rate of interest, redemption period, security, listing on one or more recognized stock exchanges and all such terms as are provided in offering of a like nature as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and to settle any questions or difficulties that may arise in regard to the said issue(s).

   RESOLVED FURTHER THAT the approval is hereby accorded to the Board to appoint lead managers, arrangers, underwriters, depositories, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts/ agreements, memorandum, documents etc., with such agencies and to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to this resolution.

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

   RESOLVED THAT pursuant to the provisions of Section 62 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the applicable Rules framed thereunder, including any amendment thereto or re-enactment thereof and including any regulations, guidelines, circulars and notifications issued thereunder and subject to such other approvals, consents, permissions and/or sanctions as may be required from any appropriate regulatory or statutory authority/institution or body and subject to such terms and conditions as may be prescribed/imposed by any of them, the consent of the Members of the Company be and is hereby accorded for amending/altering the "Arvind Limited - Employee Stock Option Scheme 2008" (hereinafter referred to as the

"ESOS 2008" or the "Scheme") which was approved by the Members at the Extraordinary General Meeting of the Company held on 23rd October, 2007, as under:

In the existing clause 7.a), for the words "The exercise price shall be the Market Price rounded off to the nearest rupee.", the words "The exercise price shall be the Market Price or such other price as may be decided by the Nomination and Remuneration Committee or such other price as may be required to be arrived in accordance with the applicable laws." be substituted.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee or any other Committee of the Board of Directors constituted by the Board, to exercise its powers including powers conferred by this Resolution), be and is hereby authorized to do all acts, deeds and things and execute all such deeds, documents and instruments and writings as may be necessary and incidental for giving effect to the above.

Registered Office:	By Order of the Board
Naroda Road	
Ahmedabad-380025	**R. V. Bhimani**
Date: May 9, 2018	Company Secretary

NOTES

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto. The relevant details, as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as a Director under Item No. 2 of the Notice are also annexed.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

   The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of AGM. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable.

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or member.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 24th August, 2018 to Thursday, the 30th August, 2018 (both days inclusive).

4. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No.

5. The dividend on equity shares for the year ended 31st March, 2018, if declared at the meeting, will be paid/dispatched on due date to those members whose names appear on the Company's Register of Members on 30th August, 2018 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 23rd August, 2018.

6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent, Link Intime India Pvt. Ltd. in case the shares are held by them in physical form.

   SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Pvt. Ltd.

   SEBI has also mandated that for registration of transfer of securities, the transferee/s as well as transferor/s shall furnish a copy of their PAN card to the Company or Link Intime India Pvt. Ltd. for registration of transfer of securities.

7. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Link Intime India Pvt. Ltd. for assistance in this regard.

8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

10. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the AGM.

11. All unclaimed dividends up to the financial year 2005-06 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The Company did not declare any dividends on equity shares for the financial years 2006-07 to 2010-11. Unclaimed and unpaid dividends for the financial years 2011-12 to 2016-17 will be transferred to this fund on due dates. Those members who have so far not encashed their dividend for the said financial years are requested to approach the Company or its RTA for payment thereof. Kindly note that once unclaimed and unpaid dividends are transferred to the Investor Education and Protection Fund, members will have to approach to IEPF Authority for such dividends.

12. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2017-18 will also be available on the Company's website viz. www.arvind.com

13. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / Link Intime India Pvt. Ltd.

14. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the registered office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.

15. The route map showing directions to reach the venue of the 87th AGM is annexed.

16. Instructions for e-voting:

    A separate sheet containing the complete details of the instructions for e-voting is being sent to all the shareholders along with the Annual Report for the year 2017-18 to enable them to cast their votes through e-voting.

Registered Office:
Naroda Road
Ahmedabad-380025
Date: May 9, 2018

By Order of the Board
R. V. Bhimani
Company Secretary

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

Item No.4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors to conduct the audit of the cost records of textiles and engineering products of the Company for the financial year ending March 31, 2019 at a remuneration of ₹ 3.75 lakhs plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 (3) of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No.5

Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company cannot issue securities on a private placement basis unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the shareholders of such Company, by a special resolution for each offer or invitation, and further provides that in case of an offer or invitation for secured / unsecured redeemable non-convertible debentures (NCDs), it shall be sufficient if the company passes a special resolution once a year for all the offers and invitations for such NCDs to be made during the said year.

In order to meet the financial needs of the Company, the Company may make an offer of NCDs or invite subscription to NCDs on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the special resolution by the members, for an aggregate amount not exceeding ₹ 500 crores (Rupees five hundred crores). It is proposed that the Board which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution, be authorized to issue NCDs within the aforesaid limits, on such terms and conditions as it may deem fit.

The Board recommends the resolution at Item No. 5 for your approval. None of the Directors or any Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

Item No. 6

Arvind Limited ("Arvind" or "Company") had introduced the "Arvind Limited - Employee Stock Option Scheme 2008" ("Scheme"), pursuant to Shareholders' Resolution passed on 23rd October, 2007. The Scheme is administered by the Nomination and Remuneration Committee of the Company. The objective of the Scheme is to provide incentives to attract, retain and reward Employees of the Company and Employees of its Subsidiary Companies and motivate such Employees to contribute to the growth and profitability of the Company and its Subsidiary Companies.

Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 7 of SEBI (Share based Employee Benefits) Regulations, 2014 provides that the Company may vary, by way of a Special Resolution, the terms of the Employees Stock Options not yet exercised by the Employees provided that such variation is not prejudicial to the interests of the option holders and the modifications are not prejudicial or detrimental to the interests of the employees.

Pursuant to the above provisions, it is proposed to amend the Scheme to provide flexibility to the Nomination and Remuneration Committee and/or the Board of Directors to fix the exercise price that will motivate and keep motivated the eligible Employees of the Company and its Subsidiary Companies and will not be prejudicial or detrimental to the interests of the employees. The Board of Directors of the Company is of the view that the amendment as proposed in the resolution will not be prejudicial to the interests of the employees.

A copy of the amended Scheme, would be available for inspection, by the Members without any fee, at the Registered Office of the Company during normal business hours on any working day up to and including the date of Annual General Meeting of the Company.

The approval of the Members is being sought by way of a Special Resolution as required under Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and Regulation 7 of SEBI (Share based Employee Benefits) Regulations, 2014, for the amendment of the existing Scheme.

The Directors commend the Resolution at Item No. 6 of the accompanying Notice, for the approval of the Members of the Company.

The Directors (excluding Independent Directors) or Key Managerial Persons of the Company may be deemed to be concerned or interested in the Resolution to the extent of the employee stock options granted / may be granted to them. None of the relatives of the Directors of the Company or of the Key Managerial Personnel of the Company are concerned or interested in the passing of the Resolution at Item No. 6.

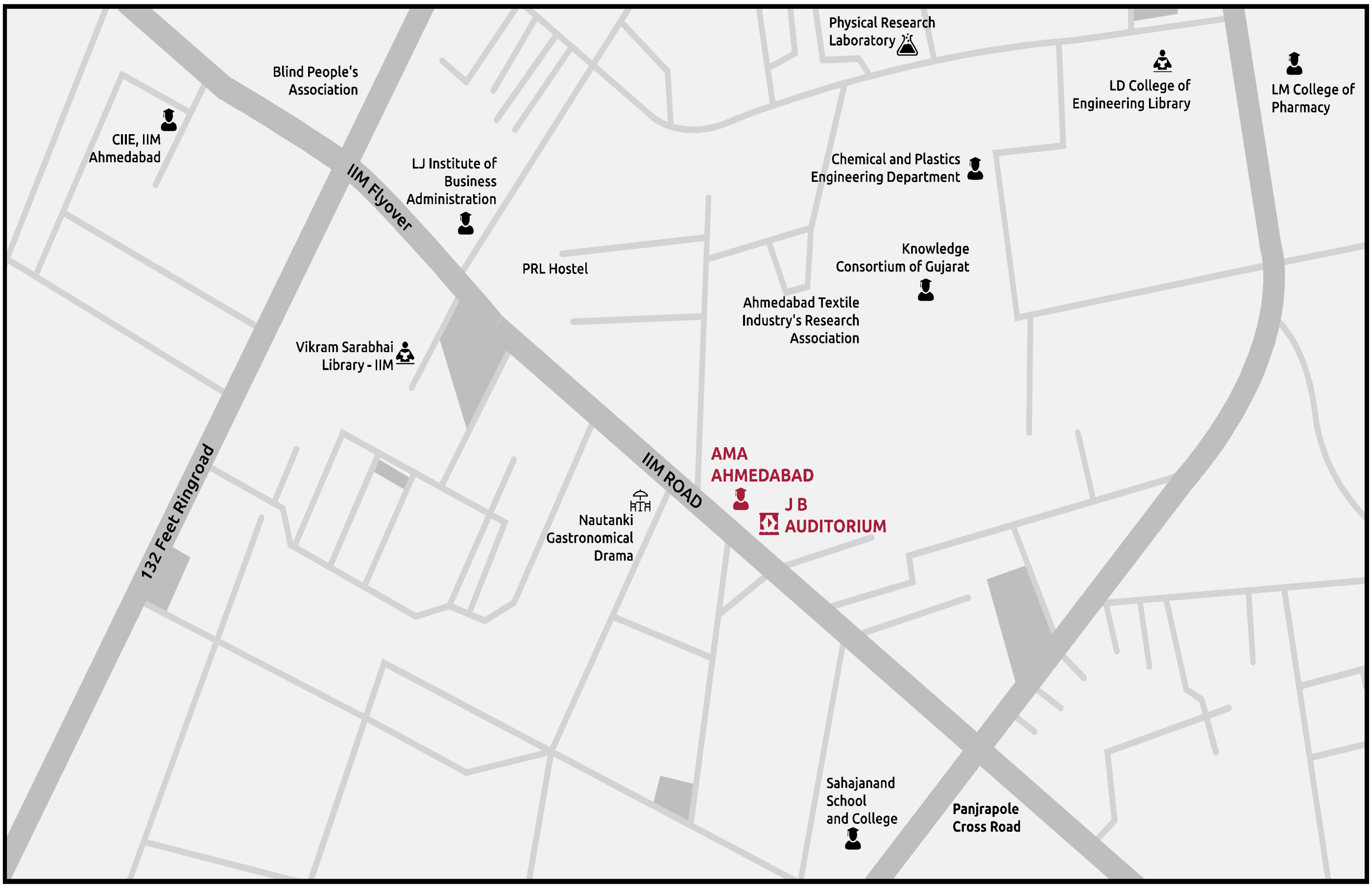
ANNEXURE TO ITEM NO.3 OF THE NOTICE

Details of Director seeking reappointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of the Director	Mr. Sanjay Lalbhai
Director Identification Number (DIN)	00008329
Date of Birth	10th April, 1954
Nationality	Indian
Date of Appointment on the Board	17th March, 1979
Qualifications	B.Sc., MMS
Expertise in specific functional area	Business Strategy, Product Development & Branding, Operations and General Management.
Number of Shares held in the Company	1,564
List of the Directorships held in Other companies (excluding Foreign, private and Section 8 companies)	1. Arvind SmartSpaces Limited 2. Adani Ports and Special Economic Zone Limited 3. Anveshan Heavy Engineering Limited 4. Arvind Fashions Limited 5. Arvind Lifestyle Brands Limited 6. The Anup Engineering Limited
Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across public companies including Arvind Limited	1. Member – Stakeholders' Relationship Committee (Arvind Limited) 2. Chairman- Stakeholders' Relationship Committee (Arvind SmartSpaces Limited)
Relationships between Directors inter-se	Mr. Sanjay Lalbhai is the father of Mr. Punit Lalbhai and Mr. Kulin Lalbhai, Executive Directors of the Company.

Route Map for the venue of the meeting, J. B. Auditorium Ahmedabad Management Association (AMA), Ahmedabad



DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Annual Report along with the Audited Financial Statements for the period from 1st April, 2017 to 31st March, 2018.

1. FINANCIAL RESULTS

Highlights of Financial Results for the year are as under:

₹ in crores

	Standalone		Consolidated	
	2017-2018	2016-2017	**2017-2018**	2016-2017
Turnover & Operating Income	**6423.34**	5980.98	**10826.13**	9257.69
Profit before Finance Costs, Depreciation and Amortisation Expenses, Extraordinary Items & Tax Expenses	**700.86**	818.78	**1027.58**	1021.38
Less : Finance costs	**177.68**	221.87	**257.85**	288.41
Profit before Depreciation and Amortisation Expenses, Extraordinary Items & Tax Expenses	**523.18**	596.91	**769.73**	732.97
Less : Depreciation and Amortisation Expenses	**208.85**	182.10	**359.34**	297.08
Profit before Extraordinary Items and Tax Expenses	**314.33**	414.81	**410.39**	435.89
Less : Exceptional Items	**22.72**	280.17	**22.72**	18.06
Profit Before Tax	**291.61**	134.64	**387.67**	417.83
Current Tax	**60.93**	49.54	**123.27**	70.08
(Excess)/Short Provision of Earlier Years	**1.26**	0.62	**1.80**	0.62
Deferred Tax	**(20.62)**	65.92	**(50.50)**	28.19
Share of profit/(loss) of Joint Ventures	**NIL**	NIL	**2.71**	1.91
Profit After Tax	**250.04**	18.56	**315.81**	320.85

2. COMPANY'S PERFORMANCE

Year 2017 saw a marked improvement in growth in the global economies on the back of strong growth in global trade. Global trade recovered strongly after an extremely weak 2016 and grew at 4.9% in 2017. Recovery was broad based with both developed and emerging economies registering an improvement in growth rate. Developed economies including US and Western Europe countries saw an increase in investment spending that led to higher growth. On the other hand, emerging economy registered a pick-up in consumer spending which drove their economic growth.

Indian economy registered a strong growth despite the after-effects of demonetisation and disruptions caused by GST implementation. Inflation remained benign for most part of the year partially aided by low crude prices. With crude prices rising up now, we can expect to see a little higher inflation going forward.

In this backdrop, your Company delivered a growth of 16.9% in revenue while Operating Earnings before Interest, Depreciation and Taxes (EBITDA) was up 2.7% during FY2017-18. Our brands and retail business registered a strong growth of 31% in revenue driving the overall company growth. Profit before taxes for the year was ₹ 413 crores, a decline of 5.6% over the previous year.

A detailed analysis of the financial results is given in the Management Discussion and Analysis Report which forms part of this report.

3. DIVIDEND

Your Directors have recommended a dividend of 24% i.e. ₹ 2.40 per equity share of ₹ 10 each for the year ended on 31st March, 2018. The dividend, if approved by the members, would involve a cash outflow of ₹ 75 crores (inclusive of tax on dividend).

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Dividend Distribution Policy and the same is available on the Company's Website at:
http://www.arvind.com/sites/default/files/field_policy_file/DividendDistributionPolicy.pdf

4. TRANSFER TO RESERVES

During the year under review, the Company has transferred ₹ 50 crores to Debenture Redemption Reserve.

5. SCHEME OF ARRANGEMENT

The Scheme of Arrangement in the nature of amalgamation of Arvind Brands and Retail Limited ("ABRL"), Arvind Garments Park Private Limited ("AGPPL") and Dholka Textile Park Private Limited ("DTPPL") with Arvind Limited ("AL") under sections 230-232 and other applicable provisions of the Companies Act, 2013 has been sanctioned by the National Company Law Tribunal, Bench at Ahmedabad ("NCLT") vide its order dated 24th August, 2017.

The Scheme has become effective on 9th November, 2017 on filing with the Registrar of Companies, Gujarat with effect from 1st April, 2016 i.e. Appointed Date.

During the year under review, your Directors had approved the Composite Scheme of Arrangement amongst Arvind Limited ("Arvind") and Arvind Fashions Limited ("Arvind Fashions") and Anveshan Heavy Engineering Limited ("Anveshan") and The Anup Engineering Limited ("Anup") and their respective shareholders and creditors under Sections 230 - 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 involving :

- demerger, transfer and vesting of Branded Apparel Undertaking from Arvind to Arvind Fashions and Engineering Undertaking from Arvind to Anveshan on a going concern basis and consequent issue of shares by Arvind Fashions and Anveshan ;
- amalgamation of Anup with Anveshan ;
- reduction of share capital of Arvind Fashions and Anveshan.

The Appointed Date for transfer of Branded Apparel Undertaking from Arvind to Arvind Fashions is the effective date and the Appointed Date for transfer of Engineering Undertaking from Arvind to Anveshan and for amalgamation of Anup with Anveshan is 1st January, 2018. The Scheme is subject to requisite approvals, including sanction by NCLT.

6. SHARE CAPITAL

During the year under review, the authorized equity share capital of the Company has been increased from ₹ 565 crores to ₹ 674.50 crores on account of amalgamation of Arvind Brands and Retail Limited, Arvind Garments Park Private Limited and Dholka Textile Park Private Limited with Arvind Limited. Consequently, the authorized share capital of the Company as on 31st March, 2018 was ₹ 774.50 crores divided into 67.45 crores equity shares of ₹ 10 each and 1 crore preference shares of ₹ 100 each.

During the year under review, your Company allotted 2,58,000 Equity Shares of ₹ 10 each to the eligible employees pursuant to the exercise of stock options granted in terms of the Employees Stock Option Scheme 2008 (ESOS) of the Company. Consequently, the paid up Equity Share Capital of the Company stood at ₹ 258.62 crores consisting of 25,86,17,069 equity shares of ₹ 10/- each.

During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

7. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has instituted the Employee Stock Option Scheme (ESOS) to grant equity based incentives to certain eligible employees and directors of the Company and its subsidiary companies. During the year under review, the Company has not granted any stock options. Details of the shares issued under Employee Stock Option Scheme (ESOS) and also the disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 are set out in "Annexure -A" to this report.

8. DISCLOSURE UNDER SECTION 67 (3) (C) OF THE COMPANIES ACT, 2013

No disclosure is required under section 67 (3) (c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

9. FINANCE

The Company has repaid the installments of Term Loans amounting to ₹ 336 crores during the current year. The Company has also made fresh long term borrowings of ₹ 525 crores (₹ 220 crores from subsidiaries) for funding capital expenditure and other requirements. Long Term Debt of the Company stands to ₹ 901 crores (₹ 40 crores loan from subsidiaries) as on 31st March, 2018.

10. FIXED DEPOSITS

During the year under review, your Company has not accepted or renewed any Deposit within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under.

11. NON-CONVERTIBLE DEBENTURES

During the year under review, your Company has issued and allotted the following Non-convertible Debentures:

- 8% - 1,000 Unsecured Listed Rated Redeemable Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash at par, aggregating ₹ 100 crores on private placement basis listed on the Wholesale Debt Market Segment of the BSE Limited;
- 7.79% - 1,000 Unsecured Listed Rated Redeemable Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash at par, aggregating ₹ 100 crores in series -01 and 02 of ₹ 50 crores each, on private placement basis listed on the Wholesale Debt Market Segment of the BSE Limited.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

13. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Indian Accounting Standards issued by the Institute of Chartered Accountants of India and form part of this Annual Report.

14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Arvind Ltd. believes that inclusive development of society is an integral part of doing business. To us, CSR is a synergistic and strategic investment to empower and grow our business along with our neighbouring community. Our development programs endeavour to create sustainable solutions to serve and empower the underserved community in the regions where we operate.

Arvind Foundation (a section 8 company) was set up as an umbrella organization to strengthen and expand the development programs undertaken by our Trusts for many years.

Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust works on the programs of urban renewal since 1997. Narottam Lalbhai Rural Development Fund (NLRDF) has been working with the rural populace transforming their lives through its interventions.

We believe in synergistic partnerships and have partnered with likeminded individuals and organisations including but not restricted to government bodies, corporates, academic institutions, research & development, training bodies and NGOs which add value to our programs and bring specific expertise.

Our development initiatives:

Educational Support Program called Gyanda is a unique supplementary education model designed for primary, secondary and higher secondary school going children studying in Municipal Schools. It prevents these children from dropping out and helps them complete their basic education from standard V to XII. At present there are around 1000 students in our system. This program is being managed by SHARDA Trust.

Rural development initiatives undertaken by NLRDF in 3 districts of Gujarat are reaching out to around 35,000 people. NLRDF provides transformative solutions and links Government programs with the rural poor thereby improving the delivery mechanism.

Arvind Medical Centres (a Primary Health Centre) provides credible, affordable and quality primary healthcare to the people and specifically benefitting the economically disadvantaged section of the society. Four Arvind centres are operational at present providing medical services under one roof.

Arvind Rural Transformation Initiative (ARTI) is a new program to work on the all-round development of 15 villages in Santej region.

Enabling Sanitation Ecosystem (Project Asmita) is an endeavor to contribute towards making India open defecation free. Towards this end, we have created Asmita toilet design that is cost effective and easy to install. We are promoting the installation and use of these toilets in rural areas through like-minded partners.

Promoting Inner Well Being through meditation programs among masses. People are exposed to the techniques and benefits of relaxation and meditation and are encouraged to make it a part of their daily routine.

Skill development program for tribal girls (CSR in spirit) encompasses training of tribal girls in Apparel Manufacturing and employing the girls to work in our manufacturing unit, thereby providing them employment, opportunity to upgrade their qualification and skills and seek better white collar jobs ahead.

The Annual Report on CSR Activities in prescribed format is enclosed as “Annexure-B”.

15. HUMAN RESOURCES

The Company believes that Human Resources play a significant role in achieving its business vision. Hence, the Company continues to invest on hiring the best talent from other industries, developing and retaining the available talent to ensure a sustainable talent supply within the organization. The Company provides various opportunities to the employees to develop and hone their skills to take up higher responsibilities in the organization.

A well - defined competency framework outlines the leadership behaviours expected from employees to be successful in Arvind. The Company also uses various communication channels to seek employees’ feedback about the overall working environment and the necessary tools and resources they need to perform at their best potential.

Diverse employee engagement initiatives are launched to ensure employees of various age and background continue to be effective in their roles and build meaningful career at Arvind.

The Group’s Corporate Human Resources plays a critical role in company’s talent management process.

16. RISK MANAGEMENT

The Company has a robust Enterprise Risk Management framework which enables it to take certain risks to remain competitive and achieve higher growth and at the same time mitigate other risks to maintain sustainable results.

Under the framework, the Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Audit Committee reviews the identified Risks and its mitigation measures annually.

The Company has identified 21 Risks - 5 Strategic Risks, 12 Operational Risks & 4 Regulatory Risks. Key Strategic Risks include geographical concentration of its manufacturing capacity, reputational risk, digital readiness to enable growth at Brands, changing customer preference from cotton to blends & business continuity planning. Key Operating Risks include fluctuation in cotton prices, labour unrest, diminishing product life cycle of voiles business, increased global and local competition, customers’ credit risk, fire & safety related accidents, non-renewal of licence, customers’ concentration & fluctuation on foreign exchange rates. Regulatory Risks include changes in taxation regime, bilateral/multilateral trade agreements, government policies with respect to textiles, regulatory compliances & data privacy.

17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit Department with adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department is supported by an external audit firm.

The Internal Audit Department reviews the adequacy of internal control system in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of internal audit function, process owners undertake corrective actions in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

18. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at
http://www.arvind.com/sites/default/files/field_policy_file/Whistleblower%20policy.pdf

19. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on 31st March, 2018, the Company has 27 subsidiaries (Direct or Indirect) and 2 joint venture companies.

During the year under review, the following Companies incorporated/acquired as or become subsidiaries/joint ventures of the Company (Direct or Indirect):

1. Arvind Transformational Solutions Private Limited (Subsidiary)
2. Arya Omnitalk Wireless Solutions Private Limited (Subsidiary)
3. Arvind Smart Textiles Limited (Subsidiary)
4. Arvind Enterprise (FZE), Sharjah, UAE (Subsidiary)
5. Arvind Envisol PLC , Ethiopia (Subsidiary)
6. Brillaire Inc. Canada (Subsidiary)
7. Calvin Klein Arvind Fashion Private Limited (Subsidiary)
8. Tommy Hilfiger Arvind Fashion Private Limited (Subsidiary)

During the year under review, the following subsidiaries ceased to be the subsidiaries of the Company:

1. Arvind Brands and Retail Limited (merged with Arvind Limited)
2. Dholka Textile Park Pvt. Limited (merged with Arvind Limited)
3. Arvind Garments Park Pvt. Limited (merged with Arvind Limited)

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, a statement containing salient features of financial statements of subsidiaries, associates and joint venture companies in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any Member of the Company interested in obtaining the same. The separate audited financial statements in respect of each of the subsidiary are also available on the website of the Company at www.arvind.com

The Company has framed a policy for determining material subsidiaries, which has been uploaded on company's website at
http://www.arvind.com/sites/default/files/field_policy_file/PolicyonMaterialSubsidiaries.pdf

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of 10 members, of which six are Independent Directors. The Board also comprises of one women Director.

As approved by the shareholders at the Annual General Meeting (AGM) held on 4th August, 2017, Mr. Punit Lalbhai (DIN: 05125502) and Mr. Kulin Lalbhai (DIN: 05206878) were appointed as Executive Directors of the Company for a further period of five years from 1st August, 2017.

As per the provisions of Section 152 (6) of the Act, Mr. Sanjay Lalbhai (holding DIN 00008329) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as the Director of the Company.

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Sanjay Lalbhai- Chairman and Managing Director, Mr. Jayesh Shah-Whole time Director and Chief Financial Officer and Mr. R.V. Bhimani-Company Secretary are the key managerial personnel of the Company.

21. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

22. REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The Remuneration Policy is explained in the Corporate Governance Report forming part of this Report.

23. FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization program are explained in the Corporate Governance Report are also available on the Company's website at
http://www.arvind.com/sites/default/files/field_policy_file/FamiliarisationProgramsofIDs.pdf

24. DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

25. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year under review, 5 meetings of the Board were held. The details of the meetings are provided in the Corporate Governance Report forming part of this Report.

26. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

a. in preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that 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 of the profit and loss of the Company for that period;

c. they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. they have prepared the annual accounts on a going concern basis;

e. they have laid down internal financial controls, which are adequate and are operating effectively;

f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

27. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Accounting Standards.

All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

The Policy on Related Party Transactions as approved by the Board is available on Company's website at
http://www.arvind.com/sites/default/files/field_policy_file/RelatedPartyTransactionsPolicy.pdf

28. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

29. AUDITORS

A. Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117366W/W-100018) were appointed as Statutory Auditors of your Company at the last Annual General Meeting held on 4th August, 2017 for a term of five consecutive years.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

B. Cost Auditors

Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000025) carried out the cost audit for applicable business during the year. The Board of Directors has appointed them as Cost Auditors for the financial year 2018-19.

The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Kiran J. Mehta & Co., Cost Auditors is included at item No.4 of the notice convening the Annual General Meeting.

C. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Hitesh Buch & Associates, a firm of Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report is annexed herewith as "Annexure-C". The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

30. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

31. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, are set out as seperate Annexures together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

32. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March, 2018 as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is annexed which forms part of this Annual Report.

33. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure- D".

34. EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure -E".

35. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in "Annexure-F" to this report.

36. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

Arvind Internal Complaints Committee (AICC) is formed and its details are declared across the organizations. All AICC members are trained by subject experts on handling the investigations and proceedings as defined in the policy.

During the financial year 2017-18, the Company has received 1 (one) complaint on sexual harassment. AICC conducted the proceedings as defined in the Policy. The case was dealt with, as per the policy guidelines and ICC recommendations were given, in a fair and just manner.

37. ACKNOWLEDGEMENTS

The Board expresses its sincere thanks to all the employees, customers, suppliers, investors, lenders, regulatory and government authorities and stock exchanges for their co-operation and support and look forward to their continued support in future.

By order of the Board

Date: May 9, 2018

Place: Ahmedabad

Sanjay Lalbhai

Chairman and Managing Director

Annexure- A to the Directors' Report

Disclosures under Regulation 14 of the SEBI (Share based Employee Benefits) Regulations, 2014:

The details of ESOP 2008 for the year ended March 31, 2018 are as under:

1	Description of ESOP 2008:	
(a)	Date of shareholder approval	23-Oct-2007
(b)	Total number of shares approved under ESOP 2008	5% of share capital from time to time
(c)	Vesting requirements	Options vest over a period of 1 to 5 years based on continued service and certain performance parameters
(d)	Exercise price or pricing formula	Market price of the equity shares being latest available closing price on the Stock Exchange
(e)	Maximum term of options granted	5 years from the date of grant
(f)	Source of shares	Primary
(g)	Variation of terms of options	Vesting period modified to vest options earlier: 1,75,000 options vested on August 31, 2016; 50,000 options vested on March 25, 2017; 50,000 options vested on April 4, 2017; 50,000 options vested on September 23, 2017 and 49,000 options vested on November 1, 2017
2	Method used to account for ESOS	Fair Value Method
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed. (i) Difference between Intrinsic value and Fair value compensation cost (ii) Impact on the Profits of the Company (₹) (iii) Impact on Basic Earnings Per Share of the Company (₹) (iv) Impact on Diluted Earnings Per Share of the Company (₹)	Not applicable as the Company has accounted for the expense using fair value method and the current Profits of the Company along with the Earnings per Share disclosed reflect the impact of such expense
4	Option movement during the year:	
(a)	Options Outstanding at the beginning of the year	18,34,000
(b)	Options granted during the year	0
(c)	Options forfeited / lapsed during the year	0
(d)	Options vested during the year	10,49,000
(e)	Options exercised during the year	2,58,000
(f)	Number of shares arising as a result of exercise of option	2,58,000
(g)	Money realised by exercise of options (₹)	5,17,16,100/-
(h)	Loan repaid by the Trust during the year from exercise price received	NA
(i)	Options Outstanding at the end of the year	15,76,000
(j)	Options Exercisable at the end of the year	9,00,000
5A	Weighted average exercise prices of options whose Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	 ₹ 254.01 0 0
5B	Weighted average fair value of options whose Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	 ₹ 89.35 0 0
6	Employee wise details of options granted to: (i) Key managerial personnel (ii) Any other employee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year (iii) Identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant	 None None None
7	A description of the method and significant assumptions used during the year to estimate the fair values of options, including following information: (i) Share price (₹) (ii) Exercise price (₹) (iii) Expected volatility (iv) Expected dividends (v) Risk-free interest rate (vi) Any other inputs to the model (vii) Method used and the assumptions made to incorporate effects of expected early exercise (viii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility (ix) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition	No grants made during the year

Annexure – B to the Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

SECTION 1

A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Brief outline of the Company's CSR policy

Arvind's CSR is guided by the founders' conviction that industry has an important role in improving Educational, Social and Cultural conditions of the society. We have been instrumental in setting up pioneering institutions for Ahmedabad's social and business progress. Over the years, multiple initiatives have been planned and undertaken for the upliftment and growth of the downtrodden sections of the society. The Sanjaynagar Slum Upgradation Project undertaken in 1997 has set a benchmark in slum upgradation. Skill development initiatives have enhanced the capabilities of the youth and made them financially independent. Financial support to the needy for medical care has helped hundreds in receiving quality medical services in the past.

The Arvind Limited Policy on Corporate Social Responsibility (ALPCSR) has formally been put in place in the year 2014-15 and we have followed the Policy and the Companies Act, 2013 in letter and spirit. The high points of the Policy are presented below and the Policy can also be reached at our website through this link:

http://www.arvind.com/sites/default/files/field_policy_file/CSR%20Policy.pdf

Overview of projects or programs undertaken/ proposed to be undertaken

The Arvind Limited Policy on Corporate Social Responsibility (ALPCSR) aims to impact positively, the quality of life of people, through initiatives of social, economic, educational, infrastructural, environmental, health and cultural advancement.

The projects and programs of ALPCSR will be synergetic to the thematic areas as defined in Schedule VII of the New Companies Act.

All the development interventions (projects and programs) mentioned under ALPCSR would be carried out by the Company promoted organizations- **SHARDA Trust, NLRDF and Arvind Foundation.** We have also partnered with likeminded organizations that bring specific expertise on the table. Such synergies will create mutually beneficial solutions for the community and the organization. For example, we have partnered with Swasth Foundation to set up primary health centres in Ahmedabad and its neighboring areas. In 2015-16, Arvind Foundation has been set up to act as an umbrella organization for undertaking CSR activities.

We plan to continue working on the following initiatives further strengthening them and expanding their reach.

Initiatives in urban area- undertaken by SHARDA Trust

- **Gyanda or Fountain of Knowledge** has been providing educational support to the children studying in Municipal Schools of Ahmedabad, since 2006. At present there are around 1000 students in our system, which also includes college students (Graduation and Post-Graduation). The program is now ready for expansion. We aim to bring about 6600 students in our system by 2020. Preparations for the same are ongoing like expanding the human resource base (qualified and dedicated teachers), management staff, software for student information management, etc.
- By the end of financial year 2017-18, 4 **Primary Health Centres** have become operational in the following areas -Saraspur, Asarwa, Khatraj and Kalol. These centres are a one stop solution for providing quality health care at an affordable cost to the needy patients. These centres are well equipped to provide healthcare to people including consultation, pathological tests, medicines (strip packed quality medicines), dental care, day time care and more. More than 3500 patients got general medical care and around 3100 got dental treatments in the clinics in the reporting period. More than 2500 needy families have registered themselves in the clinics for availing medical care.

Initiatives in rural areas- undertaken by NLRDF

- **HIV/AIDS control program**- NLRDF conducts awareness programs and health camps on HIV/AIDS and sexually transmitted diseases for industrial workers in Dahej industrial area of Bharuch district. Health camps, counselling, awareness rallies, display of informative posters, distribution of condoms etc. create awareness and prevent the spread of HIV/AIDS. Along with Gujarat State AIDS Control Society, NLRDF has been implementing the AIDS control program in Sabarkantha district.
- **Women and child development**- NLRDF has implemented the project "Promoting Appropriate Maternal and Infant & young child Nutrition Practices at Family and Community level" in 100 villages of Khedbrahma block of Sabarkantha district. More than 6300 (Lactating and Pregnant) women and around 2500 malnourished children have benefitted from this program.
- **Entrepreneurship training to widows and vulnerable women**- To make widows and vulnerable group of women financially independent, NLRDF provides them with entrepreneurship training and kits to start their enterprise. NLRDF has so far implemented this programme in 20 districts of Gujarat State and imparted training to over 11000 widows so far.
- **Capacity building** program for the farmer community benefitted more than 150 farmers in Khedbrahma block who got equipped with knowledge on animal husbandry and modern agricultural practices, organic farming.

- **A Water Campaign called "Jal Hi Jivan Hai" was organized in 29 villages of Khedbrahma Block.** Under this program, villagers were made aware about the importance of water conservation and various techniques for the same.
- NLRDF has formed **Rural Child Protection Samitti** in 134 villages of Khedbrahma block. These community based groups (Samitti) will work towards protecting the rights and lives of rural children.

Project on Promotion of Indology

The Company has decided to support Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) for a project of **"Promotion of Indology"** through a corpus grant of ₹ 1.0 Crore each since 2014-15 and has given ₹ 3.0 Crores as Corpus so far. During 2017-18, the Company has supported LDBSV with a grant of ₹ 1.50 Crore as Project Expenses.

New initiatives planned and implemented in the reporting year by Arvind Foundation

- **Arvind Rural Transformation Initiative (ARTI)** is a new program to work on the all-round development of 15 villages in Santej region. The program is planned to be undertaken in 2 phases. Phase 1 is underway and the following activities have been conducted which included need assessment study, awareness generation, community mobilization and study of social and physical infrastructure available in the villages. Based on the same, 2 interventions were initiated. We planted saplings in Khatraj and conducted water and sanitation awareness campaign amongst the school students in 4 villages. A perspective plan for the 15 villages is being prepared and community connect initiatives are being implemented.
- **Enabling Sanitation Ecosystem : Project Asmita -** To provide good toilet at household level, we have created Asmita toilet design to increase the toilet coverage with cost effective and easy to install technologies. These toilets have been successfully installed in different geographies to get first hand customer feedback and expertise. We plan to increase Asmita toilet outreach and benefit the larger section of society. For this we have developed open source partners driven Asmita Project. Under the Open source Asmita project a team of likeminded partners (NGOs, MFIs, entrepreneurs etc.) develop toilet awareness, toilet construction and financial assistance to poor for enabling toilet construction at household level. Till date, 500 Asmita toilets have been installed.
- **Promoting Inner Well Being with meditation programs -** At Arvind, we believe that for social, cultural and economic development of people, one must focus on inner wellbeing as well. This is a very important aspect of our wellness measure and is often a neglected one. To enhance the inner wellbeing of people, we have initiated this program in rural areas. A program to ensure experience through specific techniques of relaxation and meditation and the importance of following the same regularly is being carried out. Till date the program has been conducted in 170 different locations in Gujarat (Bhavnagar) and Rajasthan (Jodhpur).
- **Skill development program for tribal girls (CSR in spirit) -** The objective of this program is inclusive growth of tribal women through skill development and employment and creating an opportunity for them to continuously upgrade themselves. The women who are trained in Apparel Manufacturing are employed in our manufacturing unit. Various programs are organised for their continuous growth like enrolling them for further studies, personality development, improving communication skills, enhancing life view, spiritual practices and more to help them aspire and get better white collar jobs ahead. At present there are over 200 women in the program.

The Company is committed to put in place a strategy to ensure financial sustainability to all our CSR initiatives. The Company plans to achieve this through creation of a large corpus fund over a period of time. Our CSR Policy has envisaged continuously investing in a corpus fund. During 2017-18, ₹ 4.50 crores was invested in the corpus of Arvind Foundation.

A brief account of the projects and programs supported by the Company during 2017-18, is listed in Section 5 of this report in the format given by the Ministry of Corporate Affairs.

Section 2

Composition of the CSR Committee

The Arvind Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act. The members of the CSR Committee are:

(i) Dr. Bakul Dholakia (Independent Director) - Chairman

(ii) Mr. Sanjay Lalbhai (Chairman and Managing Director) - Member

(iii) Mr. Punit Lalbhai (Executive Director) - Member

(iv) Mr. Jayesh Shah (Whole Time Director and CFO) - Member

Section 3

Average net profit of the Company for last three financial years

The average net profit of the Company is ₹ 425 Crores.

Section 4

Prescribed CSR Expenditure (two per cent. of the amount as in Section 3 above)

The prescribed CSR Spend for Arvind Limited for the year 2017-18 is ₹ 8.50 Crores.

Section 5

Details of CSR Spend during the financial year

(a) Total amount to be spent for the financial year: ₹ 8.50 Crores

(b) Amount Unspent, if any: None

(c) Manner in which the amount was spent during the financial year is detailed below:

1	2	3	4	5	6	7	8	
S. No.	**CSR project or activity identified**	**Sector in which the Project is covered**	**Projects or programmes**	**Amount outlay (budget) project or Programmes wise**	**Amount spent on the projects or programmes**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency**	**Remarks**
					Sub Heads			
			(1) Local area or other		(1) Direct expenditure on Projects or programmes			
			(2) Specify the State and district where project or programmes was under taken		(2) Overhead			
	From 2% CSR Fund					**₹ Lacs**		
1	Project Expenses for Health Project	Promoting Health care	Project of setting up primary health centres in Ahmedabad	50	50		Through SHARDA Trust: Company's Implementing Agency	
2	Promotion of Indology	National Heritage, Art & Culture	Ahmedabad, Gujarat	150	150	200	Through Implementing Agency - Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) - Towards Project Expenses	
3	Rural Development Projects in Santej Area	Rural Development Projects	Kalol, Gandhinagar	100	100	300	Through Arvind Foundation	
4	Initiatives of Enabling Sanitation Ecosystem	Promoting Sanitation	Gujarat	30	30	330	Through Arvind Foundation	
5	Initiatives of Inner Wellbeing	Promoting preventive health care and Promotion of National Heritage, Art and Culture	Gujarat	40	40	370	Through SHARDA Trust: Company's Implementing Agency	
6	Corpus Donation	Promoting Education, Promoting Skills, Promoting Health, Promoting Sanitation, Promoting National Heritage, Art and Culture and Promoting other CSR projects as per schedule VII	Interest to be used in the projects in these areas.	450	450	820	For creating a corpus for Arvind Foundation - company's own foundation created for undertaking CSR initiative.	

Details of CSR Spend during the financial year (Contd.)

1	2	3	4	5	6	7	8	
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes	Amount outlay (budget) project or Programmes wise	Amount spent on the projects or programmes	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency	Remarks
7	Administrative Expenses				43	863	4.98% of 2%	4.98%
	Total				**863**			
	Programmes supported through Funds over and above 2% CSR Funds							
1	Gyanda: Education Support Programme for Underprivileged students	Promoting Education	Shahpur, Khanpur, Shahibaug areas of Ahmedabad.		103		Through SHARDA Trust's - own & other sources	Operational Expenses - Unaudited
2	NLRDF Programmes	Promoting Health, Promoting Sanitation, Skills and Training	Gujarat		140	243	Through NLRDF's own & other sources	Operational Expenses - Unaudited
	Total Spend (₹ Lacs)				**243**	**243**		
	Grand Total				**1106**	**1106**		

Details of the Implementation Agencies:

Projects and Programmes	Theme	Implementing Agency	Registration No.
Arvind Medical Centre – Setting up Primary Health Centres	Promoting Health	Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust	Registration No. E / 10699 / Ahmedabad Dated 13th December, 1995 under Bombay Public Trust Act 1950.
Promotion of Indology	Promoting National Heritage Art and Culture	Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir	Registration No. F-63 Dated 15th December, 1956 and under Society Registration Act, 1860 vide Reg. No. 3475 Dated 7th June, 1956.
Corpus Grant	Multiple Projects	Arvind Foundation	Incorporation No. U85300GJ2015NPL084020 dated 3rd August, 2015 and Incorporated under Section 8 of the Companies Act, 2013.

Section 6

In case the Company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Not applicable. The Company has spent the required amount.

The CSR Committee confirms that the implementation and monitoring of the CSR policy is in compliance with the CSR objectives and policy of the Company.

Sd/-
Mr. Sanjay Lalbhai
Chairman and Managing Director

Sd/-
Dr. Bakul Dholakia
Chairman-CSR Committee

Annexure – C to the Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Arvind Limited
Naroda Road
Ahmedabad-380025

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arvind Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

(i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;

(v) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;

(vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI)**

(viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not applied for delisting of Equity Shares during the financial year)**

(ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable as the Company has not bought back any of the securities during the financial year)**

3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.

4. The Company has complied with following specific laws applicable to the Company:

(i) Explosives Act, 1884

(ii) Electricity Act, 2003

(iii) Public Liability Insurance Act, 1991

(iv) Information Technology Act, 2000

(v) Essential Commodities Act, 1955

(vi) Textile Committee Act, 1963

(vii) Textile (Development & Regulation) Order, 2001

(viii) Textile (Consumer Protection) Regulations, 1988

5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India and the Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

   During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- The Members at a NCLT convened Meeting held on 9thJune, 2017, approved the Scheme of Arrangement in the nature of amalgamation of Arvind Brands & Retail Limited, Arvind Garments Park Private Limited and Dholka Textile Park Private Limited with Arvind Limited under Section 230-232 of the Companies Act, 2013.
- The Company has allotted 8% - 1,000 Unsecured Listed Rated Redeemable Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash at par, aggregating ₹ 100 crores on private placement basis on 8thSeptember, 2017.
- The Company has allotted 7.79% - 1,000 Unsecured Listed Rated Redeemable Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash at par, aggregating ₹ 100 crores in series -01 and 02 of ₹ 50 crores each, on private placement basis on 29thSeptember, 2017.
- The Board of Directors of the Company at its meeting held on 8th November, 2017, approved the Composite Scheme of Arrangement involving demerger, amalgamation and restructuring of capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective shareholders and creditors under Sections 230 to 232 read with section 66 and other applicable provisions of the Companies Act, 2013, which is pending before the National Company Law Tribunal, Ahmedabad Bench.

Hitesh Buch
Proprietor
For, Hitesh Buch & Associates

Place: Ahmedabad FCS No.: 3145

Date: May 9, 2018 C P No.: 8195

To,
The Members
Arvind Limited
Naroda Road
Ahmedabad – 380025

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Hitesh Buch
Proprietor
For, Hitesh Buch & Associates

Place: Ahmedabad
FCS No.: 3145

Date: May 9, 2018
C P No.: 8195

Annexure -D to The Directors' Report For The Year 2017-2018

Information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014.

A. CONSERVATION OF ENERGY :

1. Energy Conservation Measures taken:-

Constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst employees have continued which should enable further savings going forward.

Naroda, Arvind Intex and Santej Denim unit:

Sr. No.	Work Description	Saving kW/Hr	Units Saved / Year (Kwh)
1	Day lights saved by installing lighting timer AML Sucker Muller- 5&6 at Colour kitchen (10 no's of twins fittings - saving is according to 8hrs)	0.72	6220
2	Installed LED tube lights in ZAX-91 (Total 120 nos of tube lights replaced with LED)	1.7	14688
3	Geared-motor removed as design modification at AML wet finishing -5	5.5	46200
4	Replaced 37 no's of 36W*2 twins fittings by LED tube lights at AML looms	0.65	5616
5	Replacement of 144 W street light lamp by 75 W LED Lamp in 5 lights	0.35	3024
6	Conventional 36 W electronic tube lights replaced with 18 W LED- FROM 18 in 400 Nos lights at Intex	7.2	62208
7	H plant pump replaced at RS1 Intex	7.5	64800
8	H plant pump replaced from 37 KW to 18.5 Kw at RS2 R/F Intex	9	77760
9	Installation of Auto drain Valve Instead of the Ball Valve in 4 Nos Air Dryer (Ball Valve Size - 25mm)	11.2	96941
10	Installation of auto drain Valve Instead of the Ball Valve of air compressor-1 stage coolers	11.22	96941
11	Installation of auto drain Valve Instead of the Ball Valve of air compressor-2 stage coolers	11.22	96941
12	Replacement of old Raw water Bore well Pump with Energy Efficient Pump	15.2	131328
13	Drive installation in Soft Water supply Pump	2.6	22464
14	Drive installation in Old RODM water supply pump	3.92	33868
15	Air leakage was arrested 10mm Air Line at 7.0Kg Pressure. Total Air was losing 258 CFM / Hr	41.61	359510
16	Installed VFD in water feed pump	1.8	15552
17	Replacement of 20 nos. 125 W conventional lights by 50 W LED lights in alley area (Boiler)	1.5	12960
18	Installed Transparent Roof sheet for Day Light Saving purpose at IJT and Microtech boiler area	1	8640
19	Installation of C-41 compressor and its utility (having total power consumption 767 kWH) against 04 Nos of Atlas Compressors (having 250 kW motor and Power Consumption 1000 kWH) at Santej	198	1710720
20	MS close Impeller replaced by Aluminium semi open impeller in brushing-1 at 1710 denim plant area (Santej)	1.23	10627
21	MS close Impeller replaced by Aluminium semi open impeller in brushing-2 at 1710 denim plant area (Santej)	1.23	10627
22	Replacement of conventional lighting by LED light at 1710 denim plant area (Santej)	8	69120
23	cleaning of line, cleaning of sump of ETP at 1710 denim plant area (Santej)	3	25920
24	Replacement of 28 no's 36 W conventional tube light rods by 7 nos. LED street light of 52 W at TPD Comp. room Santej	0.64	5529
25	Replacement of 100 nos. 36 W conventional tube lights rods by 18 W LED tubes at TPD TSK Santej	1.8	15552

Sr. No	Work Description	Saving kW/Hr	Units Saved / Year (Kwh)
26	Replacement of 12 nos. 175 W sodium lamp 175 by 65 W LED lights at DSSP street light Santej	1.32	11405
27	Replacement of 16 nos. 175 W sodium by 65 watts LED lamps at abeer street lighting	1.76	15206
28	Blade angle changed (15 degree to 26 degree) of 3 no's SAF and Freq. Reduced by 10 Hz. at abeer H Plant Santej	57	492480
29	Inlet J-Scray unit, winch design modified and removed winch motor at RDP Stenter-9ch	1.5	12600
30	Inlet J-Scray unit, winch design modified and removed winch motor at RDP Stenter-7ch	1.5	12600
31	Inlet J-Scray unit, winch design modified and removed winch motor at Mercerizer-4	0.75	6300
32	Inlet J-Scray unit, winch design modified and removed winch motor at Singeing	0.75	6300
33	Foam traveller design modified at CDR Monfort	0.75	6300
34	Foam traveller design modified at RDP Monfort	0.75	6300
35	Replacement of 186 nos. 36 W conventional tube lights by 18 W LED Tube lights at RDP inspection & dispatch	3.35	28926
36	Removal of 8 nos. exhaust fans (having 2.2kW motors) and installed 48 nos. wind ventilator	17.6	152064
37	Aerzen Blower at ETP area	8	69120
38	Aerzen Blower Pulley replacement at ETP area	6	51840
39	Installation of VFD in Thermax boiler BFP motor	2	17280
40	Replacement of IE-2 grade motor by IE-3 grade energy efficient motor	21.64	186969
	Total yearly Electrical Energy saved year (2017-18)	**472.71 Kw/Hr.**	**4078931.52 Kwh/Year**
	Total yearly financial saving year (2017-18) in ₹	**22434123.36 ₹/Yr.**	

Santej Units - Electricity Conservation:

Sr. No.	Initiatives	Energy savings (Kwh/Day)
1	200 W LED flood lights in place of 400 W HPMV lights	144 Kwh/Day
2	Self-driven energy-efficient turbo ventilation exhaust fans instead of electrical operated options	1600 Kwh/Day
3	VFD at energy efficient pump for water supply	960 Kwh/Day
4	Solar Rooftop Plant at rewind area	5000 Kwh/Day
5	950 tube lights replaced by energy efficient LED lights at Santej plant	415 Kwh/Day

Ankur Textiles:

1. Use of 760 nos. of LED tube fittings in place of conventional florescent tube light fittings resulted in saving of 170700 units per year.
2. By alternative working of Aerators at Sewage Treatment and Effluent Treatment Plants and installation of invertors at STP, saved ₹ 346300 per year. This is first time in the history of Industries.
3. Installation of variable frequency drives on Boiler ID fan motors and saved about 35000 units per year.
4. Replaced Air compressor pulley from 14" to 10" and saved 241500 units per year.
5. Monitoring of power consumption and production data to sustain lowest possible kwh/kg through minimum operation of machines and aligning maintenance schedule and production programme.
6. Monitoring of airline leakages to reduce the compressor working hour and to save power.
7. Replaced 67 numbers of High Bay fitting having 250 and 400 watts by 120 watts. Saved 99000 units per year.
8. Proper preventive maintenance of all machines including utilities.
9. Economical operation of humidification plants looking to the atmospheric condition in all seasons which reduces the electrical energy units.
10. Installation of power capacitors in electrical distribution network for unity power factor hence reduced transmission losses and subsequent rebates obtained from grid supplier.

11. Diverted in open access power and took benefit of low cost.
12. Installation of new meters and ct pt to monitor section wise power consumption.
13. Temperature controller installed on cooling tower of compressor.
14. Installation of inverter drives in all warping machines.
15. Regular checking and repairing of water leakages for reduction in energy consumption.
16. Replacement of existing fans by energy efficient fans in pneumatic fan section of Humidification plants.

Water & Steam (Coal) Conservation:-

Water and steam (coal) conservation efforts at Arvind have continued in various forms – these have helped drive both water usage and steam consumption down as well as improved the availability of water from careful harvesting. Some key actions are highlighted below:

Naroda:

Sr. No.	Action Taken	Water saved
1	Water consumption optimization by WF, Monfort rubber water recovery.	120 KL/Day
2	Condensate water recovery increased by 43KL compared to earlier year which is 53.75% increase.	43 KL/Day
3	Reuse of RO reject water.	280 KL/Day
4	Water saving by supply network water pressure optimization.	250 KL/Day
	Total water saving during year 2017-18	**693 KL/Day**

Santej Units :

Sr. No.	Initiatives	Savings (Ltr/Day)
1	Steam condensate adopted to reduce water/steam consumption.	80000 Ltr/Day
2	Water reuse measures adopted to reduce water consumption on processing machines.	600000 Ltr/Day
3	Proper maintenance & management of steam Trap.	10000 Ltr/Day

Ankur Textiles:

1. In view of saving of natural resources, we started Sewage Treatment plant at Ankur and as of today, we take 1500 KL raw sewage from AMC, treat it and use it as process water. (65% of our process Water)
2. Installed and started Pressure transude in water supply system and linked with invertor drive pump to maintain optimum water supply pressure. With this, saved about 40000 KL of water per year.
3. Reuse of condensate water at Boiler, saved 674 M Kcal of Heat Energy per year.
4. Almost 120 KL per day machine cooling water as hot process water is reused in processing area.
5. Regular checking for wasteful use of water followed by remedial action.
6. Steam condensate recycling in various areas adopted in order to reduce water and steam consumption.
7. Installation of pressure reducing valve on steam line of 6 nos. of Comby Jigger machines and reduced steam consumption by 8% of those machines and saved 349 M Kcal of thermal energy per year.
8. Replaced 36 nos. of thermodynamic traps by Bucket type traps. Saved 296 M Kcal of heat energy per year.
9. Installed one stenter machine having 1470 Million Kilo Kacl per year thermal energy saving per year.
10. Installed 5 nos. of Steam Cutoff Switches on Drying range machines which saved 1397 M Kcal of Heat Energy per year.

2. Additional Investment and proposals if any, being implemented for reduction of consumption of energy:-

There are several new proposals in place to further reduce energy/water consumption as below:

Naroda, Arvind Intex and Santej Denim unit:

Sr. No	Project Proposal Description	Type - Return / Non-Return	Type of saving Energy /Fuel	Working justification	Investment Cost ₹ (in Lakh)	ROI Return on investment (Per annum) ₹ (in Lakh)	Payback period (In Years)	Remarks
1	Old bore well submersible pump replacement with energy efficient	Return	Elect Energy	Pump costing to ₹ 5 lakhs each where 1 no. needs to be replaced. 9Kw per bore well expected benefit. (90Kw motor capacity) Saving: 9kw*24hrs*350days*5.5/ unit*1 bore well	5.0	4.2	1.2	01 no. replaced with energy efficient one.
2	Compressor relocation at Textile Park :Run combination of Compressor C-55 & C-41 instead of C-55 & C-61	Return	Elect Energy	Total requirement of compressed air at TP is @10000CFM. Shifting of C-41 compressor from Naroda to TP where savings are expected by stopping existing running C-55 higher rated capacity compressor.	65.0	91.0	0.7	Shifting done & implement in Nov'17.
	Total				**70.0**	**95.2**	**0.7**	

Santej Units:

Electricity: Reduction in Power consumption

1	LED lights in place of T8 or incandescent lamps (4000 Nos)
2	Energy efficient motors in place of regular (IE3 in place of old)
3	Installation of new submersible pumps and VFD control systems for water delivery pumps
4	Renewable energy - Solar roof based systems for lighting (10 KW)
5	PNLD for Air Compressor drains
6	Replacement of Air Lines with low friction air pipes

Water: Reduction in water consumption

1	Recycling & reuse of process water
2	Sucker Muller Dye house water recycling

Steam Conservation: Reduction in steam/coal consumption

1	Insulation paint on hot water/steam lines and sides of dry cans
2	Condensate recycling to boiler
3	Compressor waste heat recovery to heat water
4	Improvement of condensate recovery at sizing
5	Installation of water preheater system at Thermopack boiler & use of hot water at boiler feed

Other Projects: Metering

1	Central data monitoring for steam / water / energy

Ankur Textiles:

Invested ₹ 158 lakhs for Energy Conservation and saving of natural resources.

3. **Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods:-**

   Better Efficiency, Optimum Fuel-Utilization and available Heat Energy, Reduction in Energy Bill, Reduction in Down Time, Higher Productivity and Reduction in Cost of Production. These measures will also help to create a better environment and result in water conservation.

B. TECHNOLOGY ABSORPTION:

I. Efforts made towards technology absorption:-

Denim Business-Naroda Road:

The Denim business environment is becoming more and more challenging and competitive, thus in current scenario, it becomes the key to survival. We follow strategy of Design, Innovation and Sustainability and research is being done in this dimension to keep business predictable, sustainable and profitable and to de-risk our product portfolio. Out of the box innovation is also becoming a major stake holder in current innovation projects.

- The non-woven fabric modified as per apparel application and treated with oxidative dyes to achieve denim sensibility.
- The use of break through spray technology in indigo dyeing, thus created new dimension for design and sustainability.
- The use of various performance fiber in denim, thus, opened up scope for using denim fabric in differentiated market.
- The dyeing of polyester fabric with Indigo has created new avenue for denim beyond cotton.
- The development denim fabric with 100% post-consumer recycled fiber has helped to achieve new height in sustainability.
- Natural fibers like Wool, Silk, Bamboo and Hemp introduced in denim. All these fiber exhibit their unique property in denim along with their sustainability quotient.
- 360 degree stretch denim developed for both men and women with various blends, thus, added performance in fashion with accurate body fit.
- The development of more variants of Khadi Denim to maintain its acceptance in international market.

Advanced Materials Division – Santej:

- Development of woven and non-woven filtration fabrics for chemical, pharmaceutical, mining, power, cement and steel industries. Development of different belting fabrics for conveyor belt and transmission belt.
  - Arvind's technical marketing and product development team works with customers to provide complete solution.
  - Have developed different kinds of mesh fabrics for belt filter.
  - Have also developed fabric for spindle tape.
  - Development of nonwoven fabric for liquid filtration.
  - Development of nonwoven fabric for belting application.
- Development of different kinds of coated fabrics for print media and other applications.
  - Arvind leverages its spinning, weaving, processing as well as coating and expertise to supply fabrics in this segment.
  - Have developed digital canvas for print media.
  - Development of water proof breathable fabric for rain wear.
  - Development of coated fabric for Tent application with special properties like flame retardant, water proof, water repellent and antifungal.
- Have developed Latex treated Nonwoven fabrics for squeezing roller.

Shirting Business- Santej:

- Natural softener from plant extract - for Moisture Management Finish & Normal Finish.
- Application of Sulfur through Foam Coating.
- Same tone Wash done Reactive.
- Filament Dyeing & Lycra Intermingling for Stretch Fabrics.
- Process Amalgamation: Reduction clearing and Reactive soaping together:

  By using this process the reactive washing off process, reduction clearing between the polyester disperse dyeing and the cotton reactive dyeing done together.
- PVA free Product: PVA containing chemicals replaced in Sizing, Printing and fabric processing across Santej resulting in reduced frequency of Scale formation at MVRE & MEE.

Arvind Composites:

I. Product : Glass Fiber + Carbon Fiber Hybrid Shaft

Client : Cofimco

Manufacturing Process: Pultrusion

Product Dimension: Tubes Ø 80 mm x 7.5 mm Thickness & Ø 60 mm x 8.0 mm Thickness

Pultrusion with only Glass Fibre Reinforcement is a proven technology and widely used too. Whereas, Pultrusion with only Carbon Fibre Reinforcement is relatively new manufacturing technology which is being utilized only for speciality hi-tech applications. But Pultrusion with combined reinforcement of both Glass & Carbon Fibre Hybrid is one of the latest technological developments where performance and cost have been balanced for specific applications. And therefore, need sufficient expertise for such technology adoption.

22 numbers samples of assorted size of each type of Glass/Carbon Hybrid Tube have been successfully developed and dispatched to Client's Mother Plant at Italy for rigorous testing. Before dispatch, products were tested at In-house Laboratory and have been found meeting specifications. Full scale testing is underway at Italy. We have been collecting feedback from Client @ regular intervals and it is very encouraging. So far, all samples sent, have passed rigorous tests to which they were subjected. The last test is now going on and based on performance of products observed during previous tests, it is anticipated that samples subjected to this last test will also pass successfully.

II. Product : FRP Radomes (Thin Wall Profile)

Target Client: Telecommunication Industry

Manufacturing Process: Pultrusion

Product Dimension: Each Client has their own Model Product one or more

Thin Wall FRP Pultrusion is a speciality Technology right starting from Tool Design and so far on a Global Scale, only very few manufacturers have been able to successfully adopt and muster this Technology.

At Arvind, so far, we have developed 3 different type of Radome Profile for 3 different Clients. One of the clients has since approved the product and a short pilot production run (500 Radomes) has been completed. For the other two clients sample products have since been developed and submitted to clients for evaluation by them. Bulk supply will commence after approval. These products will be import substitution which clients so far used to import form China.

III. Product :Glass/Epoxy Pultruded Profiles for Electrical Application

Target Client: Electrical Industry (Transformer Manufacturers, Induction Furnace Manufacturers, Switchgear Manufacturers etc.)

Manufacturing Process: Pultrusion

Product Dimension/Profile: Each Company has their own design and dimensions. Development is being taken up based on few common product/profile Tools which are available with us at present.

Glass/Epoxy Pultrusion is a proven and well accepted Technology which has not been started @ Arvind Composites as yet. But as Arvind Composites are expanding and widening its product range, it has been decided to include Glass/Epoxy Pultruded profiles for Electrical Application in itsproduct range. Initial trials have been conducted and results are encouraging. More trials have to be taken to check Electrical Properties of Laminates to conform to NEMA Standard [LI 1-1998(R2011) Grade G10 & G11]. Tests need to be conducted after every trial for checking properties and there might be need to change Matrix Recipe suitably to get desired property values if any shortfall is observed in any of the tests conducted.

IV. Product : Composite Pressure Tubes & Pressure Vessels for Water Filtration System

Target Client: Arvind Envisol

Manufacturing Process: Filament Winding

Product Dimension: As per requirement and specification provided by Client

Filament Winding is well established manufacturing process for producing Pipes and Tanks or Tank Shells. So far this process has not been practiced at Arvind Composites for manufacturing any article whatsoever. Technology is indigenously available and hence, no need to import Technology. Internal expertise available is sufficient to set up the project. Plant & Machinery required for the project have been ordered. Delivery of all Equipments are expected to be completed by end of May 2018. After installation and commissioning of all Equipments, development trials expected to commence in 3rd week of June 2018.

V. Product: Sports Goods made from Carbon Fibre e.g. Tennis Racket, Badminton Racket, Cricket Bat, etc.

Target Client: Distributors/ Dealers of Sports Goods across Pan India

Manufacturing Process: Using Carbon Fibre Prepreg by Hot Compression Molding

Product Dimension: As per International Standard

So far Carbon Fibre Sports Goods are not manufactured in India and total requirement of this particular Sector for high end Products are met through imports. External Consultant has been hired for implementing the project. Key Manpower will be trained by Equipment Supplier to run plant/production. Once commissioned, Articles produced will be import substitutes. Adequate Quality checking arrangement will be set up in addition to existing facilities available for comprehensive checking of each Article so that International Standard Quality is maintained. This measure will be helpful to create Brand Image also.

II. Benefits derived as a result of the above efforts:

Product improvement and development, cost reduction, import substitution, sustainable and environment friendly products, entry into big brands and new market segments and enhancement of image of Arvind as a leader in innovation.

III. Information regarding technology imported during the three years:

Technology imported:	1. Hot melt Lamination with scattering unit. 2. For manufacturing Carbon Fiber Sports Goods. 3. Rota Spray, Spray technology for indigo dyeing. 4. Filament-Lycra Intermingling Machine. 5. PTFE Membrane Lamination. 6. Fong's Goller, pretreatment and cold-pad- batch dyeing range. 7. Hansa Mixer, stable foam applicator.
Year of Import:	1. 2017-18 2. 2017-18 3. 2017-18 4. 2016-17 5. 2016-17 6. 2015-16 7. 2015-16
Has technology been fully absorbed? :	1. Hot melt Lamination application under progress. 2. Plant & Machinery ordered for the project are expected to arrive at site by 1st week of June 2018. Erection & Commissioning of Plant & Machinery are expected to be completed by end of June, 2018. Trials are expected to start by 1st week of July 2018. 3. Trials are going on to establish the technology. 4. Nonwoven fabrics for Hot-gas filtration application absorbed. 5. PTFE Membrane lamination application absorbed. 6. This technology is fully functioning and catering bulk order successfully. 7. Few products are established. Trials are going on to explore the technology further.

IV. Expenditure on R & D:

The Company has separate in- House Research & Development Centre at Naroda, Santej, Khatraj & Pune locations. All Centers are involved into new products development, new process development etc. and out of four locations, Naroda, Santej & Khatraj are duly recognized and approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The details of Capital and Revenue Expenditure incurred on Research and Development by all Centers are as under:-

	Particulars	**₹ in crores**	
		Year ended	
		March 31,2018	**March 31,2017**
(a)	**Capital Expenditure**		
	Naroda Centre	0.03	1.98
	Santej Centre	1.40	0.70
	Khatraj Centre	1.64	0.36
	Pune Centre	0.00	----
	Sub Total	**3.07**	**3.04**
(b)	**Revenue Expenditure**		
	Naroda Centre	5.53	4.56
	Santej Centre	29.11	27.17
	Khatraj Centre	3.58	2.98
	Pune Centre	1.60	1.15
	Sub Total	**39.82**	**35.86**
(c)	**Total R & D Expenditure**	**42.89**	**38.90**
(d)	**Total R & D Expenditure as a percentage of total turnover**	**0.67%**	**0.65%**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

	Particulars	₹ in crores	
		2017-18	2016-17
	Total foreign exchange used	498.21	497.63
	Total foreign exchange earned	2618.10	2350.67

Annexure – E to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2018

(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014)

I. REGISTRATION & OTHER DETAILS:

i	CIN	L17119GJ1931PLC000093
ii	Registration Date	1st June, 1931
iii	Name of the Company	Arvind Limited
iv	Category/ Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	Naroda Road, Ahmedabad - 380025. Phone No.: 079 - 30138000
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 5th Floor, 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C.G. Road, Ellisbridge, Ahmedabad - 380006 Phone Nos.: 079 - 26465179/86/87 Fax No.: 079 - 26465179 e-mail id: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

Sr. No.	Name & Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Fabrics	13131	73.04
2	Garments	14101	18.66

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	The Anup Engineering Limited Behind 66 KV ELEC. Sub-Station, Odhav Road, Ahmedabad -382415, Gujarat, India.	U99999GJ1962PLC001170	Subsidiary	93.54	2(87)
2	Arvind Lifestyle Brands Limited Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U64201GJ1995PLC024598	Subsidiary	100	2(87)
3	Syntel Telecom Limited Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U30006GJ1985PLC008289	Subsidiary	100	2(87)
4	Arvind PD Composites Private Limited Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2011PTC066160	Subsidiary	51	2(87)
5	Arvind Envisol Limited Arvind Mill Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U29100GJ2008PLC053226	Subsidiary	100	2(87)
6	Arvind Goodhill Suit Manufacturing Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17121GJ2012PTC071968	Subsidiary	51	2(87)

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7	Arvind OG Nonwovens Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2013PTC073807	Subsidiary	74	2(87)
8	Arvind Internet Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U72400GJ2013PLC074576	Subsidiary	100	2(87)
9	Arvind Beauty Brands Retail Private Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52100GJ2015PTC082996	Subsidiary	100	2(87)
10	Arvind Foundation (Incorporated under Section 8 of the Companies Act, 2013) Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U85300GJ2015NPL084020	Subsidiary	100	2(87)
11	Arvind Fashions Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52399GJ2016PLC085595	Subsidiary	89.69	2(87)
12	Arvind Ruf & Tuf Private Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52609GJ2016PTC093051	Subsidiary	100	2(87)
13	Arvind Premium Retail Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52390GJ2016PLC085946	Subsidiary	51	2(87)
14	Arvind True Blue Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52100GJ2015PLC085165	Subsidiary	87.50	2(87)
15	Arvind Transformational Solutions Private Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad 380025 Gujarat, India.	U25111GJ2017PTC096807	Subsidiary	100	2(87)
16	Arvind Smart Textiles Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025 Gujarat, India.	U17299GJ2017PLC100201	Subsidiary	100	2(87)
17	Arya Omnitalk Wireless Solutions Private Limited Arvind Mills Limited, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U31100GJ1995PTC024599	Subsidiary	50.06	2(87)
18	Arvind Worldwide Inc. 130 West, 42nd Street, Suit 603, 6th Floor, New York, NY 10036, USA.	NA	Subsidiary	100	2(87)
19	Arvind Textile Mills Limited Plot #221, Bir Uttam Mir Shawkat Road (Gulshan-Tejgaon Link Road), Tejgaon I/A, Dhaka - 1215, Bangladesh.	NA	Subsidiary	100	2(87)
20	Arvind Niloy Exports Private Limited Nitol Niloy Tower, 3rd Floor, 69, Nikunja North New Airport Road, Dhaka - 1229, Bangladesh.	NA	Subsidiary	70	2(87)
21	Arvind Lifestyle Apparel Manufacturing PLC Shed No. 5, Bole Lemi Industrial Zone, Woreda 11, Bole Sub-city, Addis Ababa, Ethiopia.	NA	Subsidiary	100	2(87)
22	Westech Advanced Materials Limited 2200, HSBC Building, 885, West Georgia Street, Vancouver BC V6C 3E8, Canada.	NA	Subsidiary	51	2(87)

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
23	Arvind Enterprise (FZE) SAIF Zone, Sharjah, UAE.	NA	Subsidiary	100	2(87)
24	Arvind Envisol PLC Shed #5, Bole Lemi Industrial Park, Addis Abbaba, Ethiopia.	NA	Subsidiary	100	2(87)
25	Brillaire Inc. 1203, Leewood Drive, Oakville, Ontario, Canada L6M 3B3.	NA	Subsidiary	100	2(87)
26	Calvin Klein Arvind Fashion Private Limited (Formerly Premium Garments Wholesale Trading Private Limited) Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52190GJ2011PTC084513	Subsidiary	50	2(87)
27	Tommy Hilfiger Arvind Fashion Private Limited The Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U18101GJ2003PTC046421	Subsidiary	50	2(87)
28	Arya Omnitalk Radio Trunking Services Private Limited Unit No. A-202, 2nd Floor, Summer Court, Magarpatta City, Pune - 411013, Maharashtra, India.	U64120PN2003PTC018154	Associate (Joint Venture)	50	2(6)
29	Arudrama Developments Private Limited 1134, 1st Floor, 100 Ft. Road, HAL 2nd Stage, Bangalore - 560008, Karnataka, India.	U45201KA1995PTC017371	Associate (Joint Venture)	50	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAK UP AS % OF TOTAL EQUITY):

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	351208	0	351208	0.14	76595	0	76595	0.03	-0.11
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	110922549	0	110922549	42.93	110923549	0	110923549	42.89	-0.04
d) Banks/ FIs	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL : (A)(1)	**111273757**	**0**	**111273757**	**43.07**	**111000144**	**0**	**111000144**	**42.92**	**-0.15**
(2) Foreign									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FIs	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL : (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**111273757**	**0**	**111273757**	**43.07**	**111000144**	**0**	**111000144**	**42.92**	**-0.15**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	28236347	11513	28247860	10.93	38043984	11513	38055497	14.71	3.78
b) Banks/ FIs	11215497	8129	11223626	4.34	8697810	8129	8705939	3.37	-0.97
C) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	300	0	300	0.00	200	0	200	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
(i-i) Alternate Investment Funds	0	0	0	0.00	42837	0	42837	0.02	0.02
(i-ii) Foreign Portfolio Investor	62698548	21957	62720505	24.28	59964037	21957	59985994	23.19	-1.09
SUB TOTAL : (B)(1)	**102150692**	**41599**	**102192291**	**39.55**	**106748868**	**41599**	**106790467**	**41.29**	**1.74**
(2) Non Institutions									
a) Bodies corporates									
i) Indian	8510336	0	8510336	3.29	5526774	0	5526774	2.14	-1.15
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	21879194	2986103	24865297	9.62	22597125	2861661	25458786	9.84	0.22
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	7469303	44926	7514229	2.91	5777574	44926	5822500	2.25	-0.66
c) Others (specify)									
(c-i) NRIs	1233508	164570	1398078	0.54	1035346	162750	1198096	0.46	-0.08
(c-ii) OCBs	2900	0	2900	0.00	2900	0	2900	0.00	0.00
(c-iii) Trusts	652679	0	652679	0.25	1063394	0	1063394	0.41	0.16
(c-iv) Clearing Members	606234	0	606234	0.23	519385	0	519385	0.20	-0.03
(c-v) Hindu Undivided Family	1341818	0	1341818	0.52	1234623	0	1234623	0.48	-0.04
(c-vi) Foreign Portfolio Investor (Individual)	1450	0	1450	0.00	0	0	0	0.00	0.00
SUB TOTAL : (B)(2)	**41697422**	**3195599**	**44893021**	**17.38**	**37757121**	**3069337**	**40826458**	**15.79**	**-1.59**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**143848114**	**3237198**	**147085312**	**56.93**	**144505989**	**3110936**	**147616925**	**57.08**	**0.15**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**255121871**	**3237198**	**258359069**	**100.00**	**255506133**	**3110936**	**258617069**	**100.00**	**0.00**

Note : The Company has allotted 258000 Equity Shares of ₹ 10/- each under the Employee Stock Option Scheme 2008 to the employees pursuant to exercise of stock options granted to them.

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/ encumbered to total shares	
1	Aura Securities Private Limited	95561810	36.99	0.62	95561810	36.95	2.26	-0.04
2	AML Employee Welfare Trust	6327317	2.45	1.35	6327317	2.45	2.09	0.00
3	Atul Limited	4127471	1.60	0.00	4127471	1. 60	0.00	0.00
4	Aagam Holdings Private Limited	1876258	0.73	0.00	1876258	0.73	0.00	0.00
5	Amazon Investments Private Limited	1152962	0.45	0.00	1152962	0.45	0.00	0.00
6	Aura Business Ventures LLP (Formerly Avadh Material And Equipment Suppliers LLP)	810000	0.31	0.00	810000	0.31	0.00	0.00
7	Lalbhai Realty Finance Private Limited	455000	0.18	0.18	455000	0.18	0.18	0.00
8	Aeon Investments Private Limited	179244	0.07	0.00	179244	0.07	0.00	0.00
9	Samvegbhai Arvindbhai Lalbhai	173797	0.07	0.00	0	0.00	0.00	-0.07
10	Adore Investments Private Limited	132296	0.05	0.00	132296	0.05	0.00	0.00
11	Anusandhan Investments Limited	115000	0.04	0.00	115000	0.04	0.00	0.00
12	Amardeep Holdings Private Limited	94250	0.04	0.00	94250	0.04	0.00	0.00
13	Aayojan Resources Private Ltd	84505	0.03	0.00	85505	0.03	0.00	0.00
14	Samvegbhai Arvindbhai	46347	0.02	0.00	0	0.00	0.00	-0.02
15	Anamikaben Samveghbhai Lalbhai	40032	0.02	0.00	0	0.00	0.00	-0.02
16	Hansaben Niranjanbhai Lalbhai	38052	0.01	0.00	38052	0.01	0.00	0.00
17	Saumya Samvegbhai Lalbhai	20000	0.01	0.00	0	0.00	0.00	-0.01
18	Swati S Lalbhai	9712	0.00	0.00	9712	0.00	0.00	0.00
19	Badlani Manini Rajiv	7152	0.00	0.00	7152	0.00	0.00	0.00
20	Adhinami Investments Private Limited	6000	0.00	0.00	6000	0.00	0.00	0.00
21	Sunil Siddharth Lalbhai	5437	0.00	0.00	5437	0.00	0.00	0.00
22	Taral S Lalbhai	4074	0.00	0.00	4074	0.00	0.00	0.00
23	Punit Sanjaybhai	3714	0.00	0.00	3714	0.00	0.00	0.00
24	Sanjaybhai Shrenikbhai Lalbhai	1564	0.00	0.00	1564	0.00	0.00	0.00
25	Vimla S Lalbhai	970	0.00	0.00	4590	0.00	0.00	0.00
26	Jayshreeben Sanjaybhai Lalbhai	345	0.00	0.00	345	0.00	0.00	0.00
27	Akshita Holdings Private Limited	136	0.00	0.00	136	0.00	0.00	0.00
28	Aura Merchandise Pvt. Ltd.	100	0.00	0.00	100	0.00	0.00	0.00
29	Aura Securities Pvt. Ltd.	100	0.00	0.00	100	0.00	0.00	0.00
30	Aura Business Enterprise Private Limited (Formerly Fast Credit Consulting Pvt. Ltd.)	100	0.00	0.00	100	0.00	0.00	0.00
31	Kalpana Shripal Morakhia	12	0.00	0.00	12	0.00	0.00	0.00
32	Astha Lalbhai	0	0.00	0.00	1925	0.00	0.00	0.00
33	Sunil Siddharth	0	0.00	0.00	18	0.00	0.00	0.00
	Total	**111273757**	**43.07**	**2.15**	**111000144**	**42.92**	**4.52**	**-0.15**

(iii) Change in Promoters' Shareholding (Specify if there is no Change)

Sr. No.	Shareholders Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	**Aayojan Resources Private Ltd.**				
	At the beginning of the year	84505	0.03	--	--
	Purchase - 23.02.2018	165	0.00	84670	0.03
	Purchase - 16.03.2018	835	0.00	85505	0.03
	At the end of the year	--	--	85505	0.03
2	**Badlani Manini Rajiv**				
	At the beginning of the year	7152	0.00	--	--
	Purchase - 07.04.2017	500	0.00	7652	0.00
	Sale - 05.05.2017	(1000)	(0.00)	6652	0.00
	Purchase - 19.05.2017	400	0.00	7052	0.00
	Purchase - 26.05.2017	500	0.00	7552	0.00
	Purchase - 09.06.2017	400	0.00	7952	0.00
	Purchase - 30.06.2017	50	0.00	8002	0.00
	Sale - 15.09.2017	(500)	(0.00)	7502	0.00
	Purchase - 29.09.2017	500	0.00	8002	0.00
	Sale - 10.11.2017	(1600)	(0.00)	6402	0.00
	Purchase - 17.11.2017	500	0.00	6902	0.00
	Sale - 19.01.2018	(500)	(0.00)	6402	0.00
	Purchase - 26.01.2018	500	0.00	6902	0.00
	Purchase - 16.02.2018	250	0.00	7152	0.00
	At the end of the year	--	--	7152	0.00
3	**Vimla S Lalbhai**				
	At the beginning of the year	970	0.00	--	--
	Others - 30.06.2017	3620	0.00	4590	0.00
	At the end of the year	--	--	4590	0.00
4	**Astha Lalbhai**				
	At the beginning of the year	0	0.00	--	--
	Others - 30.06.2017	1925	0.00	1925	0.00
	At the end of the year	--	--	1925	0.00
5	**Samvegbhai Arvindbhai Lalbhai**				
	At the beginning of the year	173797	0.07	--	--
	Sale - 07.04.2017	(26000)	(0.01)	147797	0.06
	Sale - 14.04.2017	(60144)	(0.02)	87653	0.03
	Sale - 21.04.2017	(18500)	(0.01)	69153	0.03
	Sale - 28.04.2017	(69153)	(0.03)	0	0.00
	At the end of the year	--	--	0	0.00
6	**Samvegbhai Arvindbhai**				
	At the beginning of the year	46347	0.02	--	--
	Sale - 21.04.2017	(46347)	(0.02)	0	0.00
	At the end of the year	--	--	0	0.00
7	**Anamikaben Samveghbhai Lalbhai**				
	At the beginning of the year	40032	0.02	--	--
	Sale - 07.04.2017	(40032)	(0.02)	0	0.00
	At the end of the year	--	--	0	0.00
8	**Saumya Samvegbhai Lalbhai**				
	At the beginning of the year	20000	0.01	--	--
	Sale - 21.04.2017	(20000)	(0.01)	0	0.00
	At the end of the year	--	--	0	0.00
9	**Sunil Siddharth**				
	At the beginning of the year	0	0.00	--	--
	Others - 30.06.2017	18	0.00	18	0.00
	At the end of the year	--	--	18	0.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs):

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**LIFE INSURANCE CORPORATION OF INDIA**	10928439	4.23	--	--
	Sale - 02.06.2017	(718473)	(0.28)	10209966	3.95
	Sale - 09.06.2017	(1252967)	(0.48)	8956999	3.46
	Sale - 16.06.2017	(528560)	(0.20)	8428439	3.26
	At the end of the year	--	--	8428439	3.26
2	**HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND**	820000	0.32	--	--
	Sale - 12.05.2017	(92000)	(0.04)	728000	0.28
	Sale - 19.05.2017	(46000)	(0.02)	682000	0.26
	Sale - 26.05.2017	(48000)	(0.02)	634000	0.25
	Purchase - 23.06.2017	4000	0.00	638000	0.25
	Sale - 30.06.2017	(458000)	(0.18)	180000	0.07
	Purchase - 07.07.2017	20000	0.01	200000	0.08
	Purchase - 28.07.2017	236000	0.09	436000	0.17
	Purchase - 04.08.2017	80000	0.03	516000	0.20
	Purchase - 22.09.2017	52000	0.02	568000	0.22
	Purchase - 29.09.2017	10000	0.00	578000	0.22
	Purchase - 01.12.2017	52000	0.02	630000	0.24
	Purchase - 15.12.2017	72000	0.03	702000	0.27
	Purchase - 12.01.2018	1160000	0.45	1862000	0.72
	Purchase - 19.01.2018	1640000	0.63	3502000	1.35
	Purchase - 26.01.2018	381000	0.15	3883000	1.5
	Purchase - 02.02.2018	60000	0.02	3943000	1.52
	Purchase - 09.02.2018	104000	0.04	4047000	1.56
	Sale - 16.02.2018	(18000)	(0.01)	4029000	1.56
	Purchase - 23.02.2018	676000	0.26	4705000	1.82
	Purchase - 02.03.2018	664000	0.26	5369000	2.08
	Purchase - 09.03.2018	72000	0.03	5441000	2.10
	Purchase - 16.03.2018	2248000	0.87	7689000	2.97
	Purchase - 23.03.2018	490000	0.19	8179000	3.16
	Purchase - 31.03.2018	200000	0.08	8379000	3.24
	At the end of the year	--	--	8379000	3.24
3	**FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA PLUS**	6540771	2.53	--	--
	Purchase - 26.05.2017	200000	0.08	6740771	2.61
	Purchase - 07.07.2017	277217	0.11	7017988	2.71
	Purchase - 14.07.2017	122783	0.05	7140771	2.76
	Purchase - 28.07.2017	20000	0.01	7160771	2.77
	Sale - 11.08.2017	(200000)	(0.08)	6960771	2.69
	Sale - 08.09.2017	(100000)	(0.04)	6860771	2.65
	Sale - 22.09.2017	(344640)	(0.13)	6516131	2.52
	Sale - 20.10.2017	(106360)	(0.04)	6409771	2.48
	Sale - 27.10.2017	(449000)	(0.17)	5960771	2.30
	Sale - 03.11.2017	(200000)	(0.08)	5760771	2.23
	Sale - 10.11.2017	(520000)	(0.20)	5240771	2.03
	Sale - 17.11.2017	(220649)	(0.09)	5020122	1.94
	Purchase - 09.02.2018	200000	0.08	5220122	2.02
	Purchase - 09 .02.2018	94469	0.04	5314591	2.06
	Purchase - 16.03.2018	5531	0.00	5320122	2.06
	Purchase - 23.03.2018	1886776	0.73	7206898	2.79
	Purchase - 31.03.2018	50000	0.02	7256898	2.81
	At the end of the year	--	--	7256898	2.81

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	**RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND**	3353100	1.30	--	--
	Sale - 07.04.2017	(4000)	(0.00)	3349100	1.30
	Purchase - 21.04.2017	644000	0.25	3993100	1.54
	Sale - 12.05.2017	(420000)	(0.16)	3573100	1.38
	Sale - 19.05.2017	(302000)	(0.12)	3271100	1.26
	Sale - 26.05.2017	(194000)	(0.08)	3077100	1.19
	Sale - 02.06.2017	(4000)	(0.00)	3073100	1.19
	Purchase - 09.06.2017	24000	0.01	3097100	1.20
	Purchase - 16.06.2017	24000	0.01	3121100	1.21
	Purchase - 30.06.2017	46000	0.02	3167100	1.22
	Purchase - 07.07.2017	534000	0.21	3701100	1.43
	Purchase - 28.07.2017	2000	0.00	3703100	1.43
	Purchase - 04.08.2017	124000	0.05	3827100	1.48
	Purchase - 11.08.2017	194000	0.08	4021100	1.55
	Purchase - 08.09.2017	94000	0.04	4115100	1.59
	Purchase - 22.09.2017	118000	0.05	4233100	1.64
	Sale - 13.10.2017	(600000)	(0.23)	3633100	1.40
	Purchase - 20.10.2017	440000	0.17	4073100	1.57
	Purchase - 03.11.2017	174000	0.07	4247100	1.64
	Purchase - 10.11.2017	296000	0.11	4543100	1.76
	Purchase - 24.11.2017	10000	0.00	4553100	1.76
	Sale - 01.12.2017	(60000)	(0.02)	4493100	1.74
	Sale - 08.12.2017	(10000)	(0.00)	4483100	1.73
	Sale – 19.01.2018	(274000)	(0.11)	4209100	1.63
	Purchase - 26.01.2018	6000	0.00	4215100	1.63
	Purchase - 02.02.2018	58000	0.02	4273100	1.65
	Purchase - 09.02.2018	10000	0.00	4283100	1.66
	Purchase - 23.02.2018	34000	0.01	4317100	1.67
	Sale - 09.03.2018	(44000)	(0.02)	4273100	1.65
	Purchase - 16.03.2018	1174000	0.45	5447100	2.11
	Purchase - 23.03.2018	894000	0.35	6341100	2.45
	Sale - 31.03.2018	(52000)	(0.02)	6289100	2.43
	At the end of the year	--	--	6289100	2.43
5	**KOTAK SELECT FOCUS FUND**	6316916	2.45	--	--
	Purchase - 07.04.2017	20656	0.01	6337572	2.45
	Purchase - 14.04.2017	100000	0.04	6437572	2.49
	Purchase - 21.04.2017	150000	0.06	6587572	2.55
	Sale - 11.08.2017	(45387)	(0.02)	6542185	2.53
	Sale - 18.08.2017	(191260)	(0.07)	6350925	2.46
	Sale - 25.08.2017	(114643)	(0.04)	6236282	2.41
	Sale - 22.09.2017	(196000)	(0.08)	6040282	2.34
	Sale - 29.09.2017	(29000)	(0.01)	6011282	2.32
	At the end of the year	--	--	6011282	2.32
6	**KOTAK FUNDS - INDIA MIDCAP FUND**	0	0.00	--	--
	Purchase - 09.06.2017	600000	0.23	600000	0.23
	Purchase - 16.06.2017	80000	0.03	680000	0.26
	Purchase - 30.06.2017	70000	0.03	750000	0.29
	Purchase - 04.08.2017	63722	0.02	813722	0.31
	Purchase - 11.08.2017	165000	0.06	978722	0.38
	Purchase - 18.08.2017	145441	0.06	1124163	0.43
	Purchase - 29.09.2017	25000	0.01	1149163	0.44

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Purchase - 20.10.2017	56842	0.02	1206005	0.47
	Purchase - 27.01.2017	157373	0.06	1363378	0.53
	Purchase - 03.11.2017	70000	0.03	1433378	0.55
	Purchase - 10.11.2017	400000	0.15	1833378	0.71
	Purchase - 17.11.2017	185000	0.07	2018378	0.78
	Purchase - 24.11.2017	50000	0.02	2068378	0.80
	Purchase - 01.12.2017	40500	0.02	2108878	0.82
	Purchase - 08.12.2017	500000	0.19	2608878	1.01
	Purchase - 15.12.2017	3588	0.00	2612466	1.01
	Purchase - 22.12.2017	103816	0.04	2716282	1.05
	Purchase - 05.01.2018	300000	0.12	3016282	1.17
	Purchase - 26.01.2018	100000	0.04	3116282	1.20
	Purchase - 02.02.2018	335000	0.13	3451282	1.33
	Purchase - 09.02.2018	396490	0.15	3847772	1.49
	Purchase - 16.02.2018	200000	0.08	4047772	1.57
	Purchase - 02.03.2018	297934	0.12	4345706	1.68
	Purchase - 09.03.2018	100000	0.04	4445706	1.72
	Purchase - 23.03.2018	801998	0.31	5247704	2.03
	At the end of the year	--	--	5247704	2.03
7	**SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP**	4851512	1.88	--	--
	Sale - 07.04.2017	(76000)	(0.03)	4775512	1.85
	Sale - 02.06.2017	(36861)	(0.01)	4738651	1.83
	Sale - 09.06.2017	(25000)	(0.01)	4713651	1.82
	Sale - 23.06.2017	(19060)	(0.01)	4694591	1.82
	Sale - 30.06.2017	(67000)	(0.03)	4627591	1.79
	Sale - 07.07.2017	(45000)	(0.02)	4582591	1.77
	Purchase - 15.09.2017	528787	0.20	5111378	1.98
	Sale - 22.09.2017	(45065)	(0.02)	5066313	1.96
	Sale - 29.09.2017	(46000)	(0.02)	5020313	1.94
	Sale - 10.11.2017	(91781)	(0.04)	4928532	1.91
	Sale - 15.12.2017	(632)	(0.00)	4927900	1.91
	At the end of the year	--	--	4927900	1.91
8	**MULTIPLES PRIVATE EQUITY FII I**	8067600	3.12	--	--
	Sale - 07.04.2017	(369215)	(0.14)	7698385	2.98
	Sale - 14.04.2017	(77894)	(0.03)	7620491	2.95
	Sale - 21.04.2017	(1188388)	(0.46)	6432103	2.49
	Sale - 28.04.2017	(807620)	(0.31)	5624483	2.17
	Sale - 19.05.2017	(221024)	(0.09)	5403459	2.09
	Sale - 26.05.2017	(233340)	(0.09)	5170119	2.00
	Sale - 02.06.2017	(227827)	(0.09)	4942292	1.91
	Sale - 01.12.2017	(62144)	(0.02)	4880148	1.89
	Sale - 15.12.2017	(160081)	(0.06)	4720067	1.83
	Sale - 12.01.2018	(149400)	(0.06)	4570667	1.77
	At the end of the year	--	--	4570667	1.77
9	**INDIA CAPITAL FUND LIMITED**	2510500	0.97	--	--
	Purchase - 02.03.2018	260000	0.10	2770500	1.07
	At the end of the year	--	--	2770500	1.07
10	**DB INTERNATIONAL (ASIA) LTD**	1194928	0.46	--	--
	Purchase - 07.04.2017	110530	0.04	1305458	0.50
	Purchase - 14.04.2017	46705	0.02	1352163	0.52

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Purchase - 21.04.2017	71325	0.03	1423488	0.55
	Purchase - 05.05.2017	23389	0.01	1446877	0.56
	Purchase - 26.05.2017	28646	0.01	1475523	0.57
	Purchase - 02.06.2017	363888	0.14	1839411	0.71
	Sale - 09.06.2017	(1100)	(0.00)	1838311	0.71
	Purchase - 16.06.2017	118419	0.05	1956730	0.76
	Purchase - 30.06.2017	25221	0.01	1981951	0.77
	Purchase - 07.07.2017	19043	0.01	2000994	0.77
	Purchase - 14.07.2017	232031	0.09	2233025	0.86
	Purchase - 28.07.2017	6471	0.00	2239496	0.87
	Purchase - 04.08.2017	51293	0.02	2290789	0.89
	Purchase - 25.08.2017	61645	0.02	2352434	0.91
	Purchase - 08.09.2017	36141	0.01	2388575	0.92
	Purchase - 15.09.2017	12809	0.00	2401384	0.93
	Sale - 22.09.2017	(11353)	(0.00)	2390031	0.92
	Purchase - 06.11.2017	4440	0.00	2394471	0.93
	Purchase - 27.11.2017	88768	0.03	2483239	0.96
	Sale - 10.12.2017	(436842)	(0.17)	2046397	0.79
	Purchase - 17.12.2017	327757	0.13	2374154	0.92
	Purchase - 24.12.2017	11607	0.00	2385761	0.92
	Purchase - 08.12.2017	5788	0.00	2391549	0.92
	Sale - 15.12.2017	(25769)	(0.01)	2365780	0.91
	Purchase - 05.01.2018	27992	0.01	2393772	0.93
	Sale - 19.01.2018	(29574)	(0.01)	2364198	0.91
	Purchase - 02.02.2018	68252	0.03	2432450	0.94
	Purchase - 09.03.2018	127842	0.05	2560292	0.99
	At the end of the year	--	--	2560292	0.99

Notes:

1. The above information is based on the weekly beneficiary position received from Depositories.
2. Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For Each of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Sanjay Lalbhai - Chairman and Managing Director**				
	At the beginning of the year	1564	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	1564	0.00
2	**Mr. Punit Lalbhai - Executive Director**				
	At the beginning of the year	3714	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	3714	0.00
3	**Dr. Bakul Dholakia - Independent Director**				
	At the beginning of the year	14700	0.01	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	14700	0.01
4	**Ms. Renuka Ramnath - Independent Director**				
	At the beginning of the year	295	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	295	0.00
5	**Mr. Nilesh Shah - Independent Director**				
	At the beginning of the year	211	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	211	0.00

Note: The following Directors and KMPs did not hold any shares of the Company during the year.

- Mr. Jayesh Shah - Whole Time Director & Chief Financial Officer
- Mr. Kulin Lalbhai - Executive Director
- Mr. Dileep Choksi - Independent Director
- Mr. Vallabh Bhanshali - Independent Director
- Mr. Samir Mehta - Independent Director
- Mr. R. V. Bhimani - Company Secretary

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	782.63	513.51	0	1296.14
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	5.15	0	0	5.15
Total (i+ii+iii)	**787.78**	**513.51**	**0**	**1301.29**
Change in Indebtedness during the financial year				
Additions	998.07	596.67	0	1594.74
Reduction	91.93	230.58	0	322.51
Net Change	906.14	366.09	0	1272.23
Indebtedness at the end of the financial year				
i) Principal Amount	1682.54	879.60	0	2562.14
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	11.38	0	0	11.38
Total (i+ii+iii)	**1693.92**	**879.60**	**0**	**2573.52**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Wholetime Directors and/ or Manager

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
1	**Gross salary**	**Mr. Sanjay Lalbhai Chairman and Managing Director**	**Mr. Punit Lalbhai Wholetime Director**	**Mr. Kulin Lalbhai Wholetime Director**	**Mr. Jayesh Shah Wholetime Director and CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	30937731	14740300	14755791	20798599	81232421
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	1005948	39600	58880	39600	1144028
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	--	--	--	--	--
2	Stock option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission	41783000	22981000	22981000	27159000	114904000
	as % of profit					
	others (specify)	--	--	--	--	--
5	Others, please specify					
	NPS, PF, Gratuity and Super Annuation	2401458	1159838	1159838	2246337	6967471
	Total (A)	**76128137**	**38920738**	**38955509**	**50243536**	**204247920**
	Ceiling as per the Act	10% of the net profits of the company.				

B. **Remuneration to other Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
1	**Independent Directors**	**Dr. Bakul Dholakia**	**Ms. Renuka Ramnath**	**Mr. Dileep Choksi**	**Mr. Vallabh Bhanshali**	**Mr. Samir Mehta**	**Mr. Nilesh Shah**	
	(a) Fee for attending board/ committee meetings	80000	40000	70000	50000	60000	80000	380000
	(b) Commission	750000	650000	750000	550000	550000	750000	4000000
	(c) Others, please specify	--	--	--	--	--	--	--
	Total (1)	**830000**	**690000**	**820000**	**600000**	**610000**	**830000**	**4380000**
2	**Other Non-Executive Directors**							
	(a) Fee for attending board/ committee meetings	--	--	--	--	--	--	--
	(b) Commission	--	--	--	--	--	--	--
	(c) Others, please specify	--	--	--	--	--	--	--
	Total (2)	--	--	--	--	--	--	--
	Total (B) = (1) + (2)	**830000**	**690000**	**820000**	**600000**	**610000**	**830000**	**4380000**
	Ceiling as per the Act	**1% of the Net Profits of the Company**						
	Total Managerial Remuneration							**208627920**
	Overall Ceiling as per the Act	**11% of the Net Profits of the Company**						

C. **Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
1	Gross Salary	**Mr. R.V. Bhimani Company Secretary**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2424720	2424720
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	38050	38050
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--
2	Stock Option	--	--
3	Sweat Equity	--	--
4	Commission	--	--
	as % of profit	--	--
	others, specify	--	--
5	Others, please specify	--	--
	NPS, PF, Gratuity and Super Annuation	379265	379265
	Total	**2842035**	**2842035**

VII. PENALTIES/ PUNISHMENT/ COMPPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ended 31st March, 2018.

Annexure- F to the Directors' Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

	Particulars	Status		
			Number of Times	
i)	The ratio of the remuneration of each Director to median remuneration of the employees of the Company for FY 2017-18		**If Total remuneration of the Director is considered**	**If total remuneration of the Director excluding Variable pay and commission is considered**
		Bakul Dholakia	2.59	0.25
		Renuka Ramnath	2.15	0.12
		Dileep Choksi	2.56	0.22
		Vallabh Bhansali	1.87	0.16
		Samir Mehta	1.90	0.19
		Nilesh Shah	2.59	0.25
		Sanjay Lalbhai	237.36	107.09
		Jayesh Shah	156.66	71.98
		Punit Lalbhai	121.35	49.70
		Kulin Lalbhai	121.46	49.81
ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	**Directors**		**%**
		Bakul Dholakia		-5%
		Renuka Ramnath		-4%
		Dileep Choksi		-4%
		Vallabh Bhansali		2%
		Samir Mehta		2%
		Nilesh Shah		7%
		Chairman and Managing Director		
		Sanjay Lalbhai		-6.00%
		Whole Time Director and Chief Financial Officer		
		Jayesh Shah		3.00%
		Executive Directors		
		Punit Lalbhai		44.00%
		Kulin Lalbhai		44.00%
		Company Secretary		
		Ramnik Bhimani		9.00%
iii)	The percentage increase in the median remuneration of employees in the financial year	9.00%		
iv)	The number of permanent employees on the rolls of the Company	29065		
v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase for Key Managerial Personnel is 11.00 % and for other employees was about 9.00 %. There is no exceptional increase in remuneration of Key Managerial Personnel except two Executive Directors' salary increased by 44%.		
vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.		

CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March, 2018.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at Arvind Limited ("Arvind") is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporation, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We have evolved guidelines and best practices over the years to ensure timely and accurate disclosure of information regarding our financials, performance, leadership and governance of the Company.

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The majority of our Board, 6 out of 10, are independent members. Given below is the report on Corporate Governance at Arvind.

2. BOARD OF DIRECTORS

2.1 Composition of the Board:

The Board has 10 Directors, comprising of Chairman and Managing Director, Wholetime Director and Chief Financial Officer, 2 Executive Directors and 6 Non-Executive Directors. The Non-Executive Directors who are also Independent Directors are leading professionals from varied fields who bring in independent judgment to the Board's discussions and deliberations.

The following is the Composition of the Board as at 31st March, 2018:

Sr. No.	Name of Director	Executive/Non-executive/ Independent Director	No. of Directorships held (Including Arvind Ltd.)*	Committee(s) position (Including Arvind Ltd.)**	
				Member	Chairman
1	Mr. Sanjay S. Lalbhai	Chairman & Managing Director	8	1	1
2	Mr. Punit S. Lalbhai	Executive Director	10	0	0
3	Mr. Kulin S. Lalbhai	Executive Director	6	1	0
4	Mr. Jayesh K. Shah	Wholetime Director and Chief Financial Officer	14	4	0
5	Dr. Bakul Dholakia	Independent Director	4	2	2
6	Ms. Renuka Ramnath	Independent Director	16	2	2
7	Mr. Dileep Choksi	Independent Director	12	3	5
8	Mr. Vallabh Bhanshali	Independent Director	8	0	0
9	Mr. Samir Mehta	Independent Director	4	1	0
10	Mr. Nilesh Shah	Independent Director	4	4	0

*All the Companies have been considered excluding Companies incorporated under Section 8 of the Companies Act, 2013 (earlier Section 25 of the Companies Act, 1956) and Companies incorporated outside India.

**Only Audit Committee and Stakeholders' Relationship Committee have been considered as per Regulation 26 of the SEBI (LODR) Regulations, 2015.

2.2 Directors' Profile:

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process.

The brief profile of the Company's Board of Directors are as under:

MR. SANJAY S. LALBHAI (DIN: 00008329)

(CHAIRMAN AND MANAGING DIRECTOR)

Mr. Sanjay Lalbhai is the Chairman and Managing Director of Arvind Ltd., a 1.3 Billion Dollar Indian conglomerate. It was under his leadership that Arvind has become one of the largest manufacturers of woven textiles in India and one of the largest denim fabric manufacturers in the world. He was also responsible for acquiring India's first denim brand – Flying Machine – in 1981 and for guiding the process of building Arvind's current impressive apparel brand portfolio. He serves on the Board of Adani Ports & Special Economic Zone Ltd. – one of India's largest Port companies. He also serves on the board of several premiere educational and research institutes. He is the President of Ahmedabad Education Society, Ahmedabad University and CEPT University and is a member of the Council of Management of the Physical Research Laboratory. He is also the Chairman of Council of Administration of Ahmedabad Textile Industry Research Association (ATIRA).

Mr. Lalbhai believes that addressing societal concerns and creating long lasting benefit to society is integral to the business strategy and a duty of every business leader. He provides strategic leadership to Arvind's CSR initiatives as Trustee to SHARDA Trust, the CSR arm of the company.

MR. PUNIT LALBHAI (DIN: 05125502)

(EXECUTIVE DIRECTOR)

Mr. Punit Lalbhai is the Executive Director of Arvind Limited. He is currently working on building new businesses for the company such as Advanced Materials, Engineering & Agribusiness.

Mr. Punit Lalbhai has an MBA from INSEAD, France. He is also deeply involved in sustainability conservation. He has done his Masters in Environmental Science from Yale University, USA. He has a Bachelor's degree in Conservation Biology from University of California.

MR. KULIN LALBHAI (DIN: 05206878)

(EXECUTIVE DIRECTOR)

Mr. Kulin Lalbhai is the Executive Director of Arvind Limited. He is driving new initiatives in the consumer businesses of the group. He is also spearheading Arvind's foray into e-commerce space. He also plays an active role in the overall corporate strategy for the group with particular focus on B2C business.

Mr. Kulin Lalbhai holds an MBA from the Harvard Business School and a B.Sc. in Electrical Engineering from the Stanford University. Prior to his current role, he has also worked with McKinsey & Co.'s Mumbai office.

MR. JAYESH SHAH (DIN: 00008349)

(WHOLETIME DIRECTOR AND CHIEF FINANCIAL OFFICER)

Mr. Jayesh K. Shah is the Director and Chief Financial Officer of Arvind Limited, a flagship company of the Lalbhai Group, having an annual turnover of US $ 1103 million. He was working with the group in its various business divisions since 1985 and in the year 2002, he became Director on the Board. Mr. Shah has distinguished academic career and has extensive administrative, financial regulatory and managerial expertise with his vast experience in the field.

He started his career in Garment division of the Lalbhai Group and then textile division and also looked after all the financial aspects of the group companies, viz., Textiles, branded garments, electronics and telecom. He was also actively involved in merger, acquisition, expansion, diversification, project funding and Euro issue of the company. Being a dynamic professional, he has always been exploring new business opportunities and challenges. He successfully undertook financial restructuring of the company during the period 2000 to 2002.

He is also a director in e-infochips Limited. Mr. Shah is a Member of the Governing Council of Ahmedabad Management Association.

Mr. Shah is Associate member of ICAI and a Commerce Graduate from Gujarat University.

DR. BAKUL H. DHOLAKIA (DIN: 00005754)

(INDEPENDENT DIRECTOR)

Dr. Bakul Dholakia is the **former Director of IIM, Ahmedabad.** He was also the Director General of International Management Institute, Delhi. Prior to joining IMI, he was the Director of Adani Institute of Infrastructure Management & Gujarat Adani Institute of Medical Sciences, Bhuj. Dr. Dholakia is a Gold Medalist from Baroda University and holds a Doctorate in Economics. He has 47 years of professional experience including 33 years at IIM, Ahmedabad. During the course of his long tenure at IIM Ahmedabad, Dr. Dholakia occupied the Reserve Bank of India Chair from 1992 to 1999, served as the Dean from 1998 to 2001 and as the Director of the Institute from 2002 to 2007. He had received Best Professor Award for his teaching in Postgraduate Programme at IIMA. He has guided 20 Ph.D. students specializing in Economics, Finance, Business Policy and Public Systems at IIMA. He has been a consultant to various national and international organizations.

In 2007, Dr. Dholakia was awarded **Padma Shri** by the Government of India in recognition of his distinguished services in the field of education. In 2008, Dr. Dholakia was conferred the coveted **Bharat Asmita National Award** for his contribution to management education and teaching by the Hon'ble Chief Justice of India. In 2017, Dr. Dholakia received the prestigious **AIMA Award for Excellence in Academic Leadership** for his outstanding contribution to management education in India.

Dr. Dholakia has been a major guiding force behind the numerous initiatives and expansion of activities at IIMA contributing to its enhanced international image and global recognition. His achievements in institution building have been nationally and internationally acclaimed. Dr. Dholakia had been a Board Member of Reserve Bank of India Western Area Board from 1993 to 2001. In recognition of his efforts to improve the quality of management education, the Government of India had appointed Dr. Dholakia as the **Chairman of the National Board of Accreditation** for Technical Education in India (2005 to 2008). He has also served as External Director on the Board of several public & private sector companies. He has an extensive experience of conducting executive development programmes for top management of leading companies and also for senior bureaucrats in India and abroad. He has also served as a member of the Jury for various Corporate Excellence Awards and Selection Committees for CEOs.

Over the last two decades, Dr. Dholakia has worked on numerous government committees, the recent ones being the Rangarajan Committee on Pricing and Taxation of Petroleum Products (2006) and the Expert Group on Pension Fund constituted by the Government of India (2009). The Competition Commission of India has appointed Dr. Bakul Dholakia as a Member of the Eminent Persons Advisory Group (EPAG), which serves as a think tank to give broad inputs and advice on larger issues impacting markets and competition. Dr. Dholakia is the author of 12 books, 28 monographs and more than 50 research papers published in professional journals in India and abroad.

MS. RENUKA RAMNATH (DIN: 00147182)

(INDEPENDENT DIRECTOR)

Ms. Renuka Ramnath is the Founder, Managing Director & CEO of Multiples Alternate Asset Management which manages circa $ 1 billion of Indian and International capital.

In India, Private Equity ('PE') funds were typically set-up by financial institutions. Ms. Renuka Ramnath is one of the earliest PE professionals in India to set the trend to establish an independent private equity fund when she founded Multiples in 2009. Multiples is a sector agnostic private equity fund focused on growth and buy-outs in Indian companies. Several global pension funds across Europe, US and Asia along with seven Indian Public Sector Banks and LIC have committed capital to Multiples.

Today, Multiples has the distinction of being one the select Independent private equity platforms in India to be backed by Institutional investors both Indian as well as International.

Ms. Renuka Ramnath looks to bring together her tremendous experience, long-standing credibility and enormous relationships to build Multiples as a platform to channelize long-term capital to create valuable enterprises and successful entrepreneurs. She draws motivation from the fact that supporting entrepreneurs to build sustainable businesses has the potential to generate employment, to create ripple effects in the Indian economy and to facilitate the greater process of nation building.

Pioneer in Indian Private Equity-2000-2009

Ms. Renuka Ramnath took over the reins of ICICI Venture (a subsidiary of ICICI Bank) when it managed sub $70 mm of largely proprietary capital. In a span of less than 10 years, she led ICICI Venture to become India's largest Private Equity Fund managing over $ 2 billion of third party capital.

The transformation of ICICI Venture from a bank's investment arm to a traditional private equity fund managing substantial amounts of third party capital is unique in many ways. Ms. Renuka Ramnath convinced Indian Banks to allocate capital to private equity for the first time – thus opening up a new LP community in India.

Similarly, Ms. Renuka Ramnath successfully secured commitments from global LP community to ICICI Venture. Resultantly, all four funds raised by her from 2003-2008 have been the then largest domestic funds raised in the Indian market.

Ms. Renuka Ramnath has raised and managed third party funds adhering to highest standards of professionalism, governance and transparency. ICICI Venture was twice (in 2007 and 2008) given the award as Best Private Equity Firm in India by Private Equity International.

Having built a franchise backed by blue-chip investors, Ms. Renuka Ramnath led several pioneering transactions in the Indian private equity space including the first leveraged buy-out and the first management buy-out. She has the experience of having invested and divested across multiple economic cycles. One of her strengths has been the identification of sectors and opportunities ahead of the curve and the ability to develop innovative transaction structures.

Ms. Renuka Ramnath is today one of the few professionals in India to have a full-cycle private equity track record of raising, managing and returning cash with superior returns to investors. She has played a pivotal role in developing the PE market in India, having contributed to this evolution in many different ways over the last decade.

Leading Business Woman in Financial Services – 1986-2000

Ms. Renuka Ramnath joined the ICICI Group as a management trainee in 1986. In her career spanning nearly two and a half decades in the Indian financial sector, Ms. Renuka Ramnath has been involved with building several businesses from scratch in the ICICI Group which include Investment Banking, Structured Finance and e-Commerce in the 1990s and Private Equity in 2000; much before each of these terms became ubiquitous in Indian marketplace.

Time and again, Ms. Renuka Ramnath has demonstrated her ability to identify and conceptualize new business opportunities, create high quality teams and quickly build these businesses to scale. As a result, she has featured in many prestigious listings, including the Top 25 Most Powerful Women in Business (Business Today, India), India's most Powerful CEO's (Economic Times), in the Top 25 Non-Bank Women in Finance (US Banker's global list), in the Top 50 for Achievement in Business: Asia's Women in the Mix (Forbes) and in the Top 25 women in Asian Asset Management (Asian Investor).

Ms. Renuka Ramnath holds a Bachelor of Engineering from VJTI, University of Mumbai and an MBA from the University of Mumbai. She has also completed the AMP from the Harvard Business School.

MR. DILEEP CHOKSI (DIN: 00016322)

(INDEPENDENT DIRECTOR)

Mr. Dileep C. Choksi is a Chartered Accountant by profession and has been in practice for over 40 years. His areas of specialization include business succession, tax advisory and litigation, structuring of collaborations and joint ventures and corporate restructuring, turnaround and change management strategies. He also advises some of India's largest business houses on various strategic matters, including family succession and on wills and trusts. Mr. Choksi was the former Joint Managing Partner of Deloitte in India till 2008, before the setting up C.C. Chokshi Advisors Pvt. Ltd. of which he is the Chief Mentor.

Mr. Choksi is on the Board of well-known companies including as a member of their committees.

Mr. Choksi is a member of the Society of Trust and Estate Practitioners (STEP). He is also a trustee of the A.D. Shroff Memorial Trust and member of Council of Forum of Free Enterprise.

Mr. Choksi has contributed various papers on Professional matters relating to Tax and Business reorganisation. He has been a speaker at various seminars and conferences of professional interests organized by the Reserve Bank of India, the Institute of Chartered Accountants, Bombay Chartered Accountants' Society, etc.

Mr. Choksi contributed in the preparation of Kanga and Palkhivala's The Law and Practice of Income Tax (Eighth Edition) – the last edition written by late Mr. N.A. Palkhivala and Mr. B.A. Palkhivala.

MR. VALLABH BHANSHALI (DIN: 00184775)

(INDEPENDENT DIRECTOR)

Mr. Vallabh Bhanshali is a well-known thought leader and investment banker. He is the Co-founder of ENAM group, a reputed home grown investment banking and long term investor groups of the country. ENAM is known for their knowledge and ethics led track record and have inspired innumerable others in their own trade and outside.

Under his leadership, ENAM executed some of the most innovative and pioneering capital market and advisory transactions in the country. ENAM has played a significant role in the development of leading business houses such as Infosys, Reliance, Sterlite, Zee, Thermax, etc. and even Govt. companies such as NTPC, PTC, PFC, etc.

He has keen interest in several subjects outside his core activity such as behavioral science, economic & national development and scientific spirituality. He is widely recognized across business, media, social and spiritual circles for his work, talks, interviews and innovative ideas. Amongst his many honours is a doctorate from Teerthankar Mahavir University. He is chartered accountant and has a degree in law.

He had anchored a popular TV show 'Kaun Hai Bharat Bhagya Vidhata' which was focused on reviving volunteerism and patriotism in the country.

He is the founder and chief mentor of Desh Apnayen Sahayog Foundation which is focused on instilling a sense of active citizenship amongst school and college students. He is also the founder Director of FLAME University - India's innovative Liberal Arts University.

He has recently accepted the position of President at FJEI (Federation of Jain Educational Institutes) with education institutes, schools and colleges founded by Jains are members. His vision is to use this platform to help the 2500 plus institutions to upgrade, transform and induct courses which attuned to the future and will make an impact on the country.

Satya Vigyan Foundation, another of his creation is focused on bringing to light India's unmatched heritage and knowledge in a modern metaphor. He was instrumental in completing and distributing a much acclaimed film- History of Yoga and more such films are in the works. He inspired a course on Samyakttva or right knowledge as the foundation of spiritual progress which is receiving great response from Jains across the country.

He is a trustee and its former chairman of the Global Vipassana Foundation. He was a Trustee of the Bombay Stock Exchange. He has served on several policy making & advisory committees of the Central Government and other regulatory bodies. He is on the Board of Directors of many reputed companies.

MR. SAMIR MEHTA (DIN: 00061903)

(INDEPENDENT DIRECTOR)

Mr. Samir Mehta is the Chairman of ₹ 17000 Crore + (USD 2.78 billion) Torrent Group and Chairman of Torrent Pharmaceuticals Limited and Torrent Power Limited. After his post-graduation in management, Mr. Mehta delved into the nascent businesses of Torrent Group in 1986 and over the years has ably guided its well strategized growth with his analytical and professional approach.

Under his leadership, Torrent Pharma took several strategic initiatives, including forays into new therapies and geographies, large investments in product development infrastructure and capabilities, building state-of-the-art manufacturing facilities and inorganic growth through acquisitions, thus establishing Torrent as one of India's fast growing and well respected Pharma majors. His emphasis on organization design, execution and operational efficiencies has built a strong and globally competitive business platform in Torrent Pharma.

Mr. Mehta has also guided the Group's entry and growth of the Power business. Torrent Power has systematically improved its performance on all efficiency parameters and ranks amongst the best run power utilities in the country. Mr. Mehta's emphasis on efficiency and quality has led the Company to demonstrate exemplary operational capabilities and high customer orientation, setting new benchmarks in the sector and attracting many accolades.

Equally conscious of his responsibilities towards society, Mr. Mehta has practiced the conduct of business in a socially responsible way, thus giving a new dimension to the traditional meaning of CSR. He has over emphasized environment responsibility in industrial operations and creation of local livelihoods in the influence areas of Torrent establishments. His belief that improving community health and primary education of the underprivileged class are powerful instruments for social empowerment and upliftment, has driven much of Group's CSR activities.

A fine blend of business acumen and entrepreneurial optimism, Mr. Mehta has positively influenced all spheres of the Group with his contemporary outlook and innovative ideas. Torrent Group, having a diverse workforce, has earned a reputation for being employee-centric due to Mr. Mehta's emphasis on fairness and humaneness.

MR. NILESH SHAH (DIN: 01711720)

(INDEPENDENT DIRECTOR)

Mr. Nilesh Shah is the Managing Director (MD) of Kotak Mahindra Asset Management Co. Ltd. He has over 25 years of experience in capital markets and market related investments, having managed funds across equity, fixed income securities and real estate for local and global investors. In his previous assignments, Mr. Nilesh Shah has held leadership roles with Axis Capital, ICICI Prudential Asset Management, Franklin Templeton and ICICI securities. Mr. Nilesh Shah is the recipient of the inaugural Business Standard Fund Manager of the year award – Debt in 2004. Kotak, Franklin Templeton and ICICI Prudential Mutual Fund has received many awards including the best fund house of the year award under his leadership. Mr. Nilesh Shah is a gold medalist chartered accountant and a merit ranking cost accountant. His hobbies includes reading and educating investors on financial planning. Mr. Nilesh Shah has co-authored book on Financial Planning called "A Direct Take".

2.3 Board Agenda:

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board Member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board Members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and later places at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

Invitees & Proceedings:

Apart from the Board Members, the Company Secretary, the Heads of Manufacturing and Marketing are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the matters being discussed by the Board. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director and other senior executives make presentations on capex proposals & progress, operational health & safety and other business issues.

Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of agenda and other documents and recording of the minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management.

2.4 Meetings and Attendance:

During the year, the Board of Directors met 5 times on 11th May, 2017, 4th August, 2017, 15th September, 2017, 8th November, 2017 and 31st January, 2018. The gap between two Board Meetings was within the maximum time gap prescribed in SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

Sr. No.	Name of Director	Number of Board Meetings held during the period when the Director was on the Board	Number of Board Meetings attended	Whether present at the previous AGM
1	Mr. Sanjay S. Lalbhai	5	5	Yes
2	Mr. Punit S. Lalbhai	5	5	Yes
3	Mr. Kulin S. Lalbhai	5	5	Yes
4	Mr. Jayesh K. Shah	5	5	Yes
5	Dr. Bakul Dholakia	5	2	No
6	Ms. Renuka Ramnath	5	3	No
7	Mr. Dileep Choksi	5	3	Yes
8	Mr. Vallabh Bhanshali	5	4	No
9	Mr. Samir Mehta	5	5	No
10	Mr. Nilesh Shah	5	3	No

2.5 Independent Directors:

Independent Directors play an important role in the governance processes of the Board. They bring to bear their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different points of view and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies.

The Independent Directors have confirmed that they meet with the criteria of independence laid down under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

During the year under review, the Independent Directors met on January 31, 2018, interalia:

- To evaluate the performance of Non Independent Directors;
- To evaluate the performance of the Board of Directors as a whole;
- To evaluate the performance of Chairman of the Company, taking into account the views of the Executive Directors on the same;
- To evaluate the quality, content and timelines of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

They expressed satisfaction at the robustness of the evaluation process, the Board’s freedom to express views on the business transacted at the Meetings and the openness with which the Management discussed various subject matters on the agenda of meetings.

2.6 Disclosure of relationships between the Directors inter-se:

Except between Mr. Sanjay Lalbhai (Chairman & Managing Director) and his two sons viz. Mr. Punit Lalbhai (Executive Director) and Mr. Kulin Lalbhai (Executive Director), there is no relationship between the Directors inter-se.

2.7 Number of shares and convertible instruments held by Non-Executive Directors:

- Dr. Bakul Dholakia, Non-Executive Independent Director of the Company is holding 14700 Equity Shares equivalent to 0.01% of the total paid up Capital of the Company.
- Ms. Renuka Ramnath, Non-Executive Independent Director of the Company is holding 295 Equity Shares equivalent to 0.00% of the total paid up Capital of the Company.
- Mr. Nilesh Shah, Non-Executive Independent Director of the Company is holding 211 Equity Shares equivalent to 0.00% of the total paid up Capital of the Company.
- During the year under review, the Company has not issued any Convertible Instruments.

2.8 Familiarisation Programme for Independent Director:

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Chairman & Managing Director providing information relating to the Company, Denim / Shirtings / Branded Garments Business Divisions, industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of familiarisation program imparted to Independent Directors is also posted on the Company’s Website at http://arvind.com/sites/default/files/field_policy_file/FamiliarisationProgramsofIDs.pdf.

2.9 Code of Conduct for Directors and Senior Management Personnel:

In terms of provisions of SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Chairman & Managing Director of the Company has given a declaration to the Company that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code.

2.10 Prohibition of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

The code viz. “Code of Conduct for Prohibition of Insider Trading” and the “Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information” allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company’s shares. It also prohibits the purchase or sale of Company’s shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Head-Legal & Secretarial is responsible for implementation of the Code.

All Directors, designated employees and connected persons have affirmed compliance with the code.

2.11 Committees of the Board:

The Board of Directors has constituted 5 Committees of the Board viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Management Committee
- Corporate Social Responsibility Committee

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board Meeting, minutes of these Committees are placed before the Directors for their perusal and noting.

3. AUDIT COMMITTEE

The Audit Committee of the Company comprises of 4 members out of which 3 members are Non-Executive-Independent Directors. Mr. Dileep Choksi, an Independent Director, Chairman of the Committee. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management. The Audit Committee met 4 times during the year. The representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

3.1 Terms of reference of the committee inter alia, include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
   a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
   b) Changes, if any, in accounting policies and practices and reasons for the same;
   c) Major accounting entries involving estimates based on the exercise of judgment by management;
   d) Significant adjustments made in the financial statements arising out of audit findings;
   e) Compliance with listing and other legal requirements relating to financial statements;
   f) Disclosure of any related party transactions;
   g) Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

3.2 The Composition of the Committee as at 31st March, 2018 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 4 Audit Committee Meetings were held on 11th May, 2017, 2nd August, 2017, 8th November, 2017 and 31st January, 2018. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Mr. Dileep Choksi	Chairman	4	3
2	Mr. Jayesh K. Shah	Member	4	3
3	Dr. Bakul Dholakia	Member	4	2
4	Mr. Nilesh Shah	Member	4	4

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the company comprises of 3 Directors, all of whom are Non-Executive-Independent Directors. Dr. Bakul Dholakia, an Independent Director, acts as Chairman of the Committee. The Nomination and Remuneration Committee met 1 time during the year.

4.1 The terms of reference of the Committee inter alia, include the following:

Nomination of Directors / Key Managerial Personnel / Senior Management*

1. To evaluate and recommend the composition of the Board of Directors;
2. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Committee;
3. To consider and recommend to the Board, appointment and removal of directors, other persons in senior management and key managerial personnel (KMP);
4. Determining processes for evaluating the effectiveness of individual directors and the Board as a whole and evaluating the performance of individual Directors;
5. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
6. To formulate the criteria for determining qualifications, positive attributes and independence of a Director;
7. To review HR Policies and Initiatives.

Remuneration of Directors / Key Managerial Personnel / Senior Management*/ other Employees

1. Evolve the principles, criteria and basis of Remuneration Policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, senior management and other employees of the Company and to review the same from time to time;
2. The Committee shall, while formulating the policy, ensure the following :
   (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
   (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (c) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting

short and long-term performance objectives appropriate to the working of the Company and its goals.

* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

4.2 The Composition of the Committee as at 31st March, 2018 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 Nomination and Remuneration Committee meeting was held on 11th May, 2017. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Dr. Bakul Dholakia	Chairman	1	1
2	Ms. Renuka Ramnath	Member	1	1
3	Mr. Dileep Choksi	Member	1	1

4.3 Nomination & Remuneration Policy:

1. Purpose of this Policy:

Arvind Limited ("Arvind" or the "Company") has adopted this Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (the "Policy") as required by the provisions of Section 178 of the Companies Act, 2013 (the "Act") and the provisions of SEBI (LODR) Regulations, 2015.

The purpose of this Policy is to establish and govern the procedure applicable:

(a) To evaluate the performance of the members of the Board.

(b) To ensure that remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(c) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully and the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

2. Definitions:

Independent Director means a director referred to in Section 149(6) of the Act and the SEBI (LODR) Regulations, 2015, as amended from time to time.

Key Managerial Personnel (the "KMP") shall mean "Key Managerial Personnel" as defined in Section 2(51) of the Act.

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Act and the SEBI (LODR) Regulations, 2015.

Remuneration means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Senior Management means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads.

Words and expressions used and not defined in this Policy, but defined in the Act or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the SEBI (LODR) Regulations, 2015 or the Accounting Standards shall have the meanings assigned to them in these regulations.

3. Composition of the Committee:

The composition of the Committee is / shall be in compliance with the Act, Rules made thereunder and the SEBI (LODR) Regulations, 2015, as amended from time to time.

4. Role of the Committee:

The Committee shall:

a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;

b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;

c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;

d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;

e) To devise a Policy on Board diversity.

5. Criteria for Determining the following:

5.1 Qualifications for appointment of Directors (including Independent Directors):

a) Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;

b) Their financial or business literacy/skills;

c) Their textile industry experience;

d) Other appropriate qualification/experience to meet the objectives of the Company;

e) As per the applicable provisions of Companies Act, 2013, Rules made thereunder and SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

5.2 Positive attributes of Directors (including Independent Directors):

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder and SEBI (LODR) Regulations, 2015, as amended from time to time.

5.3 Independence Standards:

The following would be the independence review procedures and criteria to assist the Committee for evaluating the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. "Affiliate" shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon and the SEBI (LODR) Regulations, 2015. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relating to a director's independence.

Independence Review Procedures

1. Annual Review

Independence of the independent director will be determined by the Board on an annual basis upon the declarations made by such Directors as per the provisions of the Companies Act, 2013 read with Rules thereon and the SEBI (LODR) Regulations, 2015.

2. Individual Director's Independence Determination

If a director is considered for appointment on the Board between annual general meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any director is not independent even if he or she satisfies the criteria set forth by the provisions of the Companies Act, 2013 read with Rules thereon and the SEBI (LODR) Regulations, 2015.

3. **Notice of Change of Independent Status**

Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

5.4 **Criteria for appointment of KMP/Senior Management:**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and provide transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

5.5 **Term:**

The Term of the Directors including Managing Director/ Whole-time Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the SEBI (LODR) Regulations, 2015, as amended from time to time.

The term of the KMP (other than the Managing / Whole-time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

5.6 **Evaluation:**

The Committee will carry out an evaluation of every director's performance.

The Committee shall evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

5.7 **Removal:**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

4.4 Evaluation of the Board's Performance:

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

4.5 Remuneration of Directors:

Remuneration of Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

The Nomination and Remuneration Committee and the Board of Directors at their meetings held on 12th May, 2016 and shareholders at their Annual General Meeting held on 4th August, 2016 have approved remuneration payable to Mr. Sanjay S. Lalbhai, Chairman and Managing Director of the Company for a period of five years from 1st April, 2017 to 31st March, 2022. The Company has entered into an agreement with him laying down his tenure, remuneration and other terms.

The Nomination and Remuneration Committee and the Board of Directors at their meetings held on 11th May, 2017 and shareholders at their Annual General Meeting held on 4th August, 2017 have approved remuneration payable to Mr. Punit S. Lalbhai and Mr. Kulin S. Lalbhai – Executive Directors of the Company for a period of five years from 1st August, 2017 to 31st July, 2022. The Company has entered into agreements with them laying down their tenure, remuneration and other terms.

The Nomination and Remuneration Committee and the Board of Directors at their meetings held on 15th May, 2014 and shareholders at their Annual General Meeting held on 30th July, 2014 have approved remuneration payable to Mr. Jayesh K. Shah, Whole-time Director and Chief Financial Officer of the Company for a period of five years from 1st October, 2014 to 30th September, 2019. The Company has entered into an agreement with him laying down his tenure, remuneration and other terms.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders in General Meeting. Non-Executive Directors are paid Sitting Fees of ₹10,000/- for every meeting of Board of Directors or Committee attended by them. Apart from this, Non-Executive Directors (other than Managing Director and Whole Time Director(s)) are entitled for commission within the limit of 1% of the net profits of the Company per annum.

Details of remuneration to all Directors for the Financial Year 2017-18 are as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Retirement & Leave Benefits (₹)	Sitting Fees (₹)	Commission/ Bonus (₹)	Stock Option
1	Mr. Sanjay S. Lalbhai	10416000	20226163	2299057.50	-	36949000	-
2	Mr. Punit S. Lalbhai	4140000	10540563	1681805.17	-	20322000	-
3	Mr. Kulin S. Lalbhai	4140000	10540563	1626192.20	-	20322000	-
4	Mr. Jayesh K. Shah	6948000	13838163	1790382.34	-	24386000	-
5	Dr. Bakul Dholakia	-	-	-	80000	750000	-
6	Ms. Renuka Ramnath	-	-	-	40000	650000	-
7	Mr. Dileep Choksi	-	-	-	70000	750000	-
8	Mr. Vallabh Bhanshali	-	-	-	50000	550000	-
9	Mr. Samir Mehta	-	-	-	60000	550000	-
10	Mr. Nilesh Shah	-	-	-	80000	750000	-

None of the Directors of the company / Key managerial Personnel had any pecuniary relationship with the Company during the year.

Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:

The details of stock options granted to the eligible employees and directors under Arvind Limited – Employee Stock Option Scheme 2008 (ESOP-2008) are provided in the Directors' Report of the Company.

Please refer point No. 7 - Employee Stock Option Scheme in Directors' Report.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has 3 Members comprising of 1 Non-Executive Director and 2 Executive Directors.

5.1 Terms of reference of the Committee inter alia, include the following:

1. To specifically look into the redressal of Investors' Grievances pertaining to:
   - Transfer of shares and debentures;
   - Non-receipt of declared dividends, interests and redemption proceeds of debentures;
   - Dematerialization of shares and debentures;
   - Replacement of lost, stolen, mutilated share and debenture certificates;
   - Non-receipt of rights, bonus, split share and debenture certificates;
   - Non-receipt of balance sheet.
2. To look into other related issues towards strengthening investors' relations.
3. To consider and approve issuance of share / debenture certificates including duplicate share/debenture certificates.
4. To look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.

5.2 The Composition of the Committee as at 31st March, 2018 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 3 Stakeholders Relationship Committee Meetings were held on 4th August, 2017, 8th November, 2017 and 31st January, 2018. The Attendance of Members at meetings was under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1	Dr. Bakul Dholakia	Chairman	3	1
2	Mr. Sanjay S. Lalbhai	Member	3	3
3	Mr. Jayesh K. Shah	Member	3	3

5.3 Name and Designation of Compliance Officer:

R. V. Bhimani

Company Secretary

Arvind Limited

5.4 Details of Complaints / Queries received and redressed during 1st April, 2017 to 31st March, 2018:

Number of shareholders' complaints pending at the beginning of the year : 1

Number of shareholders' complaints received during the year : 32

Number of shareholders' complaints redressed during the year : 33

Number of shareholders' complaints pending at the end of the year : Nil

All the complaints/ queries have been redressed to the satisfaction of the complainants and no shareholders' complaint/ query was pending at the end of the year.

6. MANAGEMENT COMMITTEE

The Management Committee consists of 4 Directors, all of whom are Executive Directors.

6.1 Role:

The Management Committee's primary role is to look after the day-to-day business activities of the Company within Board approved direction/ framework. The Committee meets frequently, as and when need arises, to transact matters within the purview of its terms of reference.

6.2. The Composition of the Committee as at 31st March, 2018 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 21 Management Committee Meetings were held on various dates. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1.	Mr. Sanjay S. Lalbhai	Member	21	18
2.	Mr. Punit S. Lalbhai*	Member	20	18
3.	Mr. Kulin S. Lalbhai*	Member	20	12
4.	Mr. Jayesh K. Shah	Member	21	18

*Mr. Punit S. Lalbhai and Mr. Kulin S. Lalbhai, Executive Directors of the Company have been appointed as Members of the Management Committee with effect from 11th May, 2017.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has 4 Members comprising of 1 Non-Executive Independent Director and 3 Executive Directors.

7.1 Terms of reference of the Committee inter alia, include the following:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;

(b) To finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act, 2013;

(c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a);

(d) Monitor the Corporate Social Responsibility Policy of the company from time to time;

(e) Review the CSR Report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board Report.

7.2 Composition of the Committee as at 31st March, 2018 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 2 Meetings were held on 11th May, 2017 and 8th November, 2017.

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1.	Dr. Bakul Dholakia	Chairman	2	1
2.	Mr. Sanjay S. Lalbhai	Member	2	2
3.	Mr. Punit S. Lalbhai	Member	2	2
4.	Mr. Jayesh K. Shah	Member	2	2

8 INFORMATION ON GENERAL BODY MEETINGS

8.1 The last 3 Annual General Meetings of the Company were held as under:

Date	Time	Venue
4th August, 2017	09:30 a.m.	J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015
4th August, 2016	09:30 a.m.	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380006
6th August, 2015	09:30 a.m.	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380006

8.2 Special Resolutions passed in the last 3 Annual General Meetings:

2016-17

1. Special Resolution for re-appointment of Mr. Punit Lalbhai as Executive Director of the Company for a period of 5 years from 1st August, 2017 to 31st July, 2022 and remuneration payable to him.
2. Special Resolution for re-appointment of Mr. Kulin Lalbhai as Executive Director of the Company for a period of 5 years from 1st August, 2017 to 31st July, 2022 and remuneration payable to him.
3. Special Resolution for approval of offer or invitation to subscribe to Non-convertible Debentures on private placement basis upto ₹ 500 crores.

2015-16

1. Special Resolution for reappointment of Mr. Sanjay Lalbhai as Chairman and Managing Director of the Company for a period of five year from 1st April, 2017 to 31st March, 2022 and remuneration payable to him.
2. Special Resolution for approval of offer or invitation to subscribe to Non-convertible Debentures on private placement basis upto ₹ 500 crores.

2014-15

1. Special Resolution for payment of commission to the Non-executive Director(s) of the Company for a period of five years from 1st April, 2015 to 31st March, 2020.
2. Special Resolution for Adoption of new set of Articles of Association of the Company.

8.3 Extraordinary General Meeting (EGM):

During the last 3 years, there was no Extra Ordinary General Meeting held.

8.4 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

No resolution has been passed through the exercise of Postal Ballot during the previous year.

9. MEANS OF COMMUNICATION

9.1 The Quarterly, half-yearly and yearly financial Results are published in the Financial Express - All India Editions and Financial Express - Gujarati Edition of Ahmedabad and are also posted on the Company's website at www.arvind.com.

9.2 Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Moreover, the Company's website hosts a special page giving information which investors usually seek.

9.3 Presentations made to institutional investors/analysts are posted on the Company's website at www.arvind.com.

10. GENERAL SHAREHOLDER INFORMATION

10.1 Annual General Meeting:

Date	30th August, 2018
Time	9:30 a.m.
Venue	J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

10.2 Financial Calendar (Tentative):

The Financial Year of the Company is for a period of 12 months from 1st April to 31st March.

First quarter results	:	First week of August, 2018
Second quarter results	:	Last week of October, 2018
Third quarter results	:	Last week of January, 2019
Fourth quarter results / Year end results	:	In the Middle of May, 2019

10.3 Book Closure: 24th August, 2018 to 30th August, 2018 (Both Days inclusive)

10.4 Dividend Payment Date : 4th September, 2018

10.5 Listing on Stock Exchanges:

- **Equity Shares**

Sr. No.	Name of the Stock Exchange	Code	Address
1	BSE Ltd.	500101	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
2	National Stock Exchange of India Ltd.	ARVIND	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

- **Non-Convertible Debentures**

The Unsecured Listed Rated Redeemable Non-Convertible Debentures issued on Private Placement basis by the Company are listed on the Wholesale Debt Market (WDM) of BSE Limited.

Scrip Code:

956873: ARVIND-8%-8-9-21-PVT

956950: AL-7.79%-29-9-20-PVT

956951: AL-7.79%-29-9-22-PVT

Debenture Trustee (for privately placed debentures):

Axis Trustee Services Limited

2nd Floor - E, Axis House,

Bombay Dyeing Mills Compound,

Pandurang Budhkar Marg,

Worli, Mumbai – 400025.

Tel. No.: 022 - 26593535

Fax No.: 022 - 26533297

Website: www.axistrustee.com

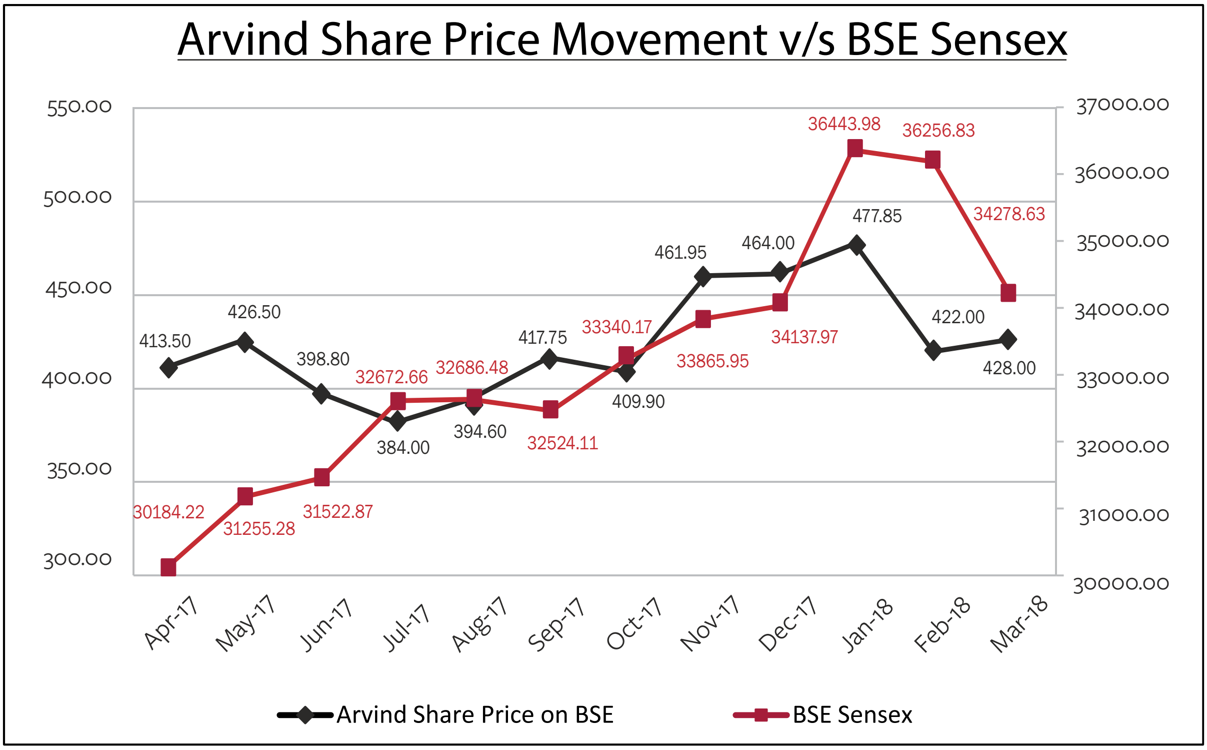
The Company has paid Annual Listing Fees for the year 2018-2019 to the above Stock Exchanges.

10.6 Market Price Data:

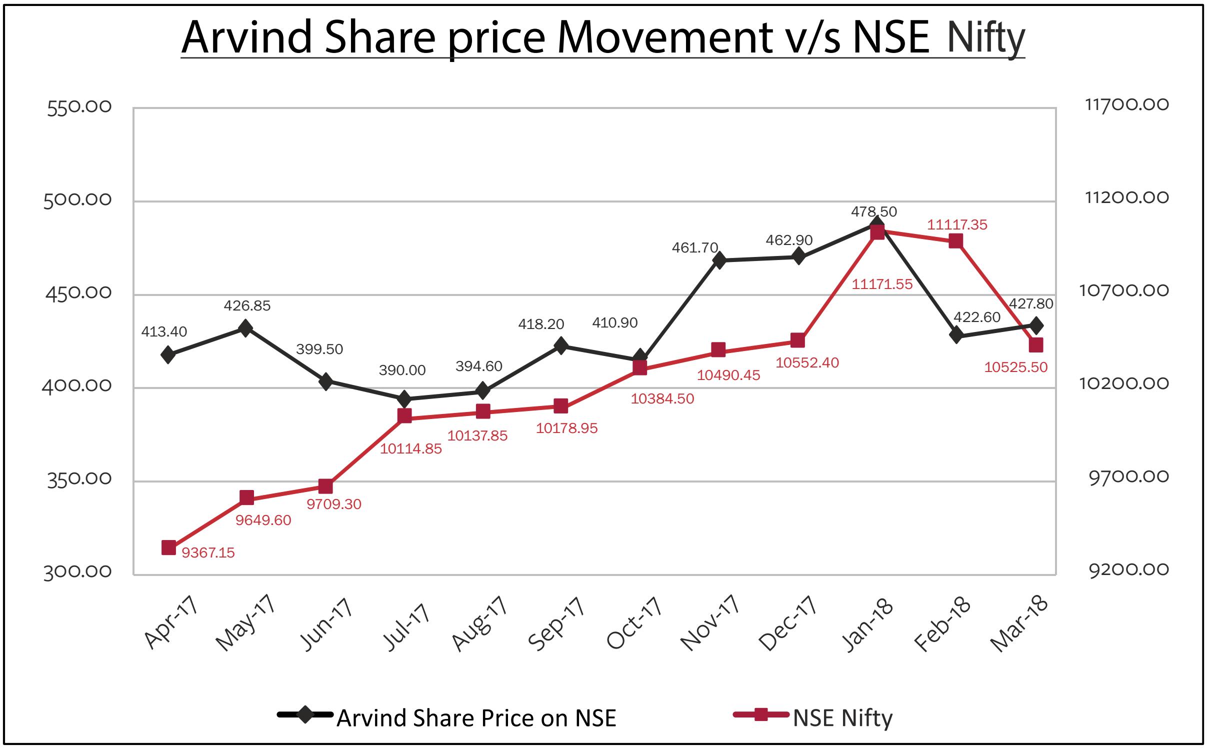
The market price data and volume of the company's share traded in the BSE Limited and the National Stock Exchange of India Limited during the Financial Year 2017-18 were as under:

Month	Share price BSE		BSE Sensex		Volumes	Share price NSE		NSE (NIFTY)		Volumes
	High (₹)	Low (₹)	High	Low	No. of shares	High (₹)	Low (₹)	High	Low	No. of shares
Apr-17	413.50	381.30	30184.22	29241.48	2830302	413.40	380.65	9367.15	9075.15	26370598
May-17	426.50	364.10	31255.28	29804.12	4270355	426.85	364.00	9649.60	9269.90	40673750
Jun-17	398.80	353.80	31522.87	30680.66	2856844	399.50	353.25	9709.30	9448.75	25606549
Jul-17	384.00	360.00	32672.66	31017.11	1590597	390.00	360.00	10114.85	9543.55	17015868
Aug-17	394.60	358.00	32686.48	31128.02	2444510	394.60	356.95	10137.85	9685.55	30614893
Sep-17	417.75	358.65	32524.11	31081.83	2657583	418.20	358.45	10178.95	9687.55	34031039
Oct-17	409.90	364.25	33340.17	31440.48	2347131	410.90	363.50	10384.50	9831.05	25399183
Nov-17	461.95	397.00	33865.95	32683.59	5019244	461.70	400.50	10490.45	10094.00	61419581
Dec-17	464.00	402.00	34137.97	32565.16	2907720	462.90	400.05	10552.40	10033.35	33790675
Jan-18	477.85	406.00	36443.98	33703.37	5697141	478.50	405.60	11171.55	10404.65	35273716
Feb-18	422.00	360.00	36256.83	33482.81	2149953	422.60	361.05	11117.35	10276.30	34224637
Mar-18	428.00	370.10	34278.63	32483.84	4585055	427.80	371.20	10525.50	9951.90	30850302

Performance in comparison to broad-based indices viz. BSE Sensex



Performance in comparison to broad-based indices viz. NSE Index



10.7 Registrar And Transfer Agent:

Link Intime India Private Limited
5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1),
Beside Gala Business Centre, Near St. Xavier's College Corner,
Off. C. G. Road, Ellisbridge, Ahmedabad-380006.
Phone Nos. 079-26465179/86/87
Fax No. 079-26465179
E-mail: ahmedabad@linkintime.co.in

10.8 Share Transfer System:

(I) Delegation of Share Transfer Formalities:

Since the Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. However, shares in the physical form are processed by the Registrar and Share Transfer Agent. However, to expedite the transfers, the Board has delegated share transfer formalities to certain officers of the Company and Registrar and Share Transfer Agent, who attend to them at least 3 times in a month. Physical transfers are affected within the statutory period of one month. The Board has designated the Company Secretary as the Compliance Officer.

(II) Share Transfer Details for the period from 1st April, 2017 to 31st March, 2018:

Transactions	**Physical**
Number of Transfers	420
Average Number of Transfers per month	35
Number of Shares Transferred	31136
Average Number of shares Transferred per month	2595
No. of Pending Share Transfers	Nil

(III) Investors' Grievances:

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Link Intime India Private Limited is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

10.9 Shareholding Pattern as on 31st March, 2018:

Sr. No.	Catagory	No. of Shares held	Percentage of Shareholding
1	**Holding of Promoter & Promoter Group**		
	Promoters		
	Aura Securities Private Limited	95561810	36.95
	Sanjaybhai Shrenikbhai Lalbhai	1564	0.00
	Punit Sanjaybhai Lalbhai	3714	0.00
	Jayshreeben Sanjaybhai Lalbhai	345	0.00
	Promoter Group		
	Kalpanaben Shripalbhai Morakhia	12	0.00
	AML Employees' Welfare Trust	6327317	2.45
	Aura Merchandise Private Limited	100	0.00
	Lalbhai Realty Finance Private Limited	455000	0.18
	Aura Securities Private Limited	100	0.00
	Aura Business Enterprise Private Limited	100	0.00
	Aura Business Ventures LLP (Formerly Avadh Material And Equipment Suppliers LLP)	810000	0.31
	Hansaben Niranjanbhai Lalbhai	38052	0.01
	Badlani Manini Rajiv	7152	0.00
	Adore Investments Private Limited	132296	0.05
	Aeon Investments Private Limited	179244	0.07
	Amardeep Holdings Private Limited	94250	0.04
	Amazon Investments Private Limited	1152962	0.45
	Sunil Siddharth Lalbhai	5437	0.00
	Swati S Lalbhai	9712	0.00
	Vimla S Lalbhai	4590	0.00
	Taral S Lalbhai	4074	0.00
	Astha Lalbhai	1925	0.00
	Sunil Siddharth Lalbhai	18	0.00
	Aayojan Resources Private Limited	85505	0.03
	Adhinami Investment Private Limited	6000	0.00
	Anusandhan Investments Limited	115000	0.04
	Akshita Holdings Private Limited	136	0.00

Sr. No.	Catagory	No. of Shares held	Percentage of Shareholding
	Atul Limited	4127471	1.60
	Aagam Holdings Private Limited	1876258	0.73
	Total Promoter Group holding	**111000144**	**42.92**
2	Mutual Funds, Alternate Investment Funds and UTI	38098334	14.73
3	Financial Institutions, Banks, Insurance Companies & Central/State Government	8706139	3.37
4	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs, Foreign Banks	61184090	23.66
5	Bodies Corporate	5526774	2.14
6	Individuals	31281286	12.10
7	Trusts	1063394	0.41
8	Hindu Undivided Family	1234623	0.48
9	Clearing Members	519385	0.20
10	Overseas Bodies Corporates	2900	0.00
	Total Non-Promoter holding	**147616925**	**57.08**
	GRAND TOTAL	**258617069**	**100.00**

- The names of 'Relatives of above Individuals' are as per disclosures made as on 31st March, 2018 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

10.10 Distribution of shareholding as on 31st March, 2018:

Sr. No.	Shares Range			Number of Shareholders	Total Shares for the Range	Percentage of Total Shares
1	1	to	500	180319	13940070	5.39
2	501	to	1000	4920	3871607	1.50
3	1001	to	2000	2350	3566886	1.38
4	2001	to	3000	740	1886504	0.73
5	3001	to	4000	419	1464923	0.57
6	4001	to	5000	293	1372448	0.53
7	5001	to	10000	413	2992621	1.16
8	10001	to	**********	457	229522010	88.75
	Total			**189911**	**258617069**	**100.00**

10.11 Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31st March, 2018, 25,55,06,133 shares representing 98.8% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form.

Demat ISIN:

Equity Shares fully paid: INE034A01011

10.12 Outstanding GDRs / ADRs / Warrants or any convertible instruments and conversion date and likely impact on equity:
Not Applicable

10.13 Commodity price risk or foreign exchange risk and hedging activities:

Company is exposed to foreign exchange risk on account of import and export transactions entered. Also it is a sizable user of various commodities including cotton which exposes it to the price risk on account of procurement of commodities. The company is proactively mitigating these risks by entering into commensurate hedging transactions with banks and / or Commodity Exchanges as per applicable guidelines.

10.14 Plant Locations:

- Lifestyle Fabrics - Denim, Arvind Limited, Naroda Road, Ahmedabad - 380025, Gujarat, India
- Lifestyle Fabrics - Voiles, Ankur Textiles, Outside Raipur Gate, Ahmedabad - 380022, Gujarat, India
- Lifestyle Fabrics - Shirting, Khakis and Knitwear, Arvind Limited, PO Khatrej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat, India
- Lifestyle Apparel - Knits, Arvind Limited, PO Khatrej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat, India
- Lifestyle Apparel - Jeans, Arvind Limited, #26/2, 27/2, Kenchenahalli, Mysore Road, Near Bangalore University, Bangalore - 560059, Karnataka, India
- Lifestyle Apparel - Shirts, Arvind Limited, # 63/9, Dodda Thogur Village, Electronic City, Hosur Road, Bangalore - 560100, Karnataka, India
- Arvind Intex (Division of Arvind limited), Rajpur Road, Gomtipur, Ahmedabad - 380021, Gujarat, India
- Arvind Polycot, Khatrej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat, India
- Arvind Cotspin, D-64, MIDC, Gokul Shirgaon, Tal. Karveer, Kolhapur - 416234, Maharashtra, India

10.15 Unclaimed Dividend:

(1) Unclaimed dividends upto and including the financial years 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who has not encashed their dividend warrants relating to any financial year upto 1993-94 are requested to claim the amounts from the Registrar of Companies, Gujarat, ROC Bhavan, Near Ankur Bus Stand, Naranpura, Ahmedabad-380 013 in the prescribed form. Investors may write to the Secretarial Department of the Company or the Registrars and Transfer Agent for a copy of the form.

(2) Dividends on equity shares for the financial years 1994-95 to 1997-98, 2004-05 and 2005-06 remaining unclaimed for 7 years from their due dates have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.

(3) The Company did not declare any dividends on equity shares for the financial years 1998-99 to 2003-04 and 2006-07 to 2010-11.

(4) The dividends on equity shares for the following years remaining unclaimed for 7 years from the dates of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amounts are as under:

Financial Year	Date of Declaration	Due for transfer to IEPF*
2011-12	28th September, 2012	3rd November, 2019
2012-13	29th July, 2013	3rd September, 2020
2013-14	30th July, 2014	4th September, 2021
2014-15	6th August, 2015	11th September, 2022
2015-16	4th August, 2016	9th September, 2023
2016-17	4th August, 2017	9th September, 2024

* Actual dates of transfer to IEPF may vary.

Members who have so far not enchased their dividend warrants in the respect of the above years are requested to claim their dividend from the Company. Such members may write to the Company's Registrar and Transfer Agent, Link Intime India Private Limited for payment of unclaimed dividend amount.

10.16 Nomination Facility:

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form SH-13 for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form.

10.17 Address for correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrar and Transfer Agent of the Company:

Arvind Limited Secretarial Department Naroda Road, Ahmedabad - 380 025. Phone Nos: 079-30138000/30138108-09 Fax No.: 079-30138668 E-mail: investor@arvind.in Website: www.arvind.com	Link Intime India Private Limited 5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off. C. G. Road, Ellisbridge, Ahmedabad - 380 006. Phone No. 079-26465179/86/87 Fax No. 079-26465179 E-mail: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

11. OTHER DISCLOSURES

11.1 There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries etc. that had potential conflict with the company's interest. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's Website at http://arvind.com/sites/default/files/field_policy_file/RelatedPartyTransactionsPolicy.pdf.

11.2 Transactions with related parties are disclosed in detail in Note No. 35 in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.

11.3 There are no pecuniary relationships or transactions of Non-executive Directors vis-à-vis the Company which has potential conflict with the interests of the company at large.

11.4 No Strictures or penalties have been imposed on the company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.

11.5 During the year ended 31st March, 2018, the Company has two Material Unlisted Subsidiary Company as defined in Regulation 16 of the SEBI (LODR) Regulations, 2015. The Company has formed the policy for determining material subsidiary as required by Regulation 16 of the SEBI (LODR) Regulations, 2015 and the same is disclosed on the Company's website.

The web link is http://arvind.com/sites/default/files/field_policy_file/PolicyonMaterialSubsidiaries.pdf.

The Audited Annual Financial Statements of Subsidiary Companies are tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Audit Committee / Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

11.6 Vigil Mechanism:

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has a Whistleblower Policy (WB Policy) that provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Pursuant thereto, a dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organization.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud / misconduct on:

Website for Complaints: www.in.kpmg.com/ethicshelpline/Arvind

Toll Free No.: 1800 200 8301

Dedicated Email ID: arvind@ethicshelpline.in

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee and the Board.

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

11.7 The minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Listing Regulations is complied with to the extent possible.

11.8 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

During the year, the Company has fully complied with the mandatory requirements as stipulated under SEBI (LODR) Regulations, 2015.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in

Regulation 27(1) of the SEBI (LODR) Regulations, 2015, is provided below:

a. **The Board:** The Chairman of the Company is Executive Director.

b. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website www.arvind.com and same are not being sent to the shareholders.

c. **Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.

d. **Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Chairman and Managing Director of the Company.

e. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on 9th May, 2018 and the same was approved.

For and on behalf of the Board

Place: Ahmedabad

Date: May 9, 2018

SANJAY S. LALBHAI

Chairman & Managing Director

TO

THE MEMBERS OF

ARVIND LIMITED

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated August 4, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **ARVIND LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kartikeya Raval
Partner
(Membership No.106189)

Place: Ahmedabad
Date: May 9, 2018

CEO / CFO certifcation

The Board of Directors
Arvind Limited
Ahmedabad

Re: Financial Statements for the year 2017-18 – Certification by CEO and CFO

We, Sanjay Lalbhai, Chairman & Managing Director and Jayesh Shah, Whole time Director & Chief Financial Officer of Arvind Limited certify that:

A. We have reviewed financial statements and the cash flow statement for the financial year ending 31st March, 2018 and that to the best of our knowledge and belief :
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee:
   1. significant changes in internal control over financial reporting during the year;
   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Ahmedabad
May 9, 2018

Sanjay Lalbhai
Chairman & Managing Director

Jayesh Shah
Whole time Director & CFO

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is available on the Company's website at www.arvind.com.

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March, 2018.

Ahmedabad
May 9, 2018

Sanjay Lalbhai
Chairman & Managing Director

Management Discussion and Analysis

Disclaimer

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate," "believe," "estimate," "intend," "will," and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results, performances or achievements, risks and opportunities could differ materially from those expressed or implied in these forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements as these are relevant at a particular point of time & adequate restrain should be applied in their use for any decision making or formation of an opinion.

The following discussion and analysis should be read in conjunction with the Company's financial statements included herein and the notes thereto.

Overview of the Economy

The cyclical upswing that is underway since mid-2016 continued to strengthen global economy in 2017. Global GDP growth is estimated to have increased from 2.4% in 2016 to 3% in 2017 - the highest growth rate in six years. With growth increasing in more than half of the world's economies, it is the broadest synchronized growth since 2010. Global growth is projected to edge up to 3.1% in 2018, as the cyclical momentum continues.

India had many reasons to cheer in 2017 as the economy made a great comeback in the later part of the year riding on domestic demand with strong private consumption and push on public infrastructure spending. The country weathered the aftermath of demonetisation and the disruption post GST roll-out to register strong GDP growth. India regained the title of fastest growing major economy in the world by registering 7.2% growth in GDP (y-o-y) in the December Quarter of 2017, after lagging behind China for year. This helped in registering a GDP growth of 6.7% for 2017 and the momentum is expected to continue with GDP growth projected at 7.2% for 2018 [UN estimate].

The Indian stock market scaled new heights during the year with Sensex crossing the 33,000 mark aided by global liquidity and increase in cash inflow to organised channels after demonetisation. India also improved its ranking by 30 places in the World Bank's Ease of Doing Business list. This is the highest jump from previous year among 190 countries in the list. Riding on the optimism, Moody's upgraded India's sovereign rating after 14 years to Baa2 with a positive economic outlook.

The country witnessed many far-reaching reforms during the year to tackle the situation – launch of GST, bank recapitalisation programme, adoption of the Insolvency and Bankruptcy Code, further liberalisation of FDI. However, many lines are still to be ironed out. With demonetisation and subsequent implementation of GST, the cash-dependent unorganised sector that makes up ~40% of India's GDP is estimated to have shrunk resulting in unprecedented job losses and wage decline in the sector.

Also, despite the revived growth, private investment continue to be sluggish in India. Fresh investment announcements by Indian companies declined to a 13-year low of ₹ 77,000 crores in the December quarter, as per Centre for Monitoring Indian Economy (CMIE). Low capacity utilization, high leverage and increasing stalled projects are driving the slow-down in investments. Prevalence of higher NPAs has resulted in slow-down in bank lending for fresh projects and despite making long strides in ease of doing business index, lack of clearances and problems with raw materials and land acquisition are contributing to stalling of projects.

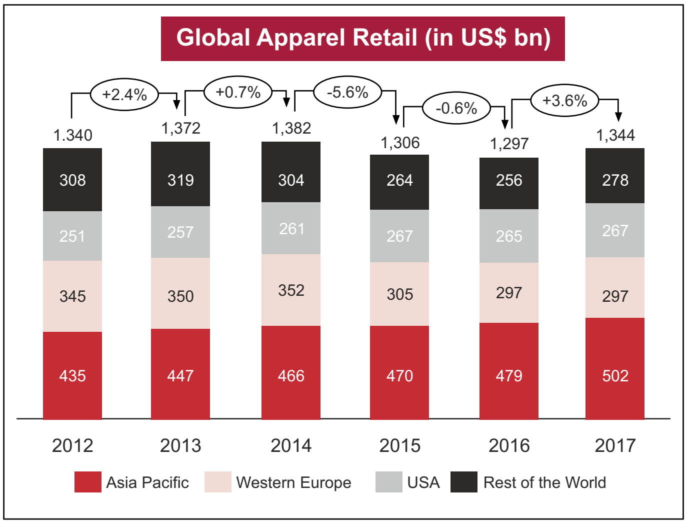
Exports grew at 9.8% in FY2017-18, the highest growth in six years. However, it is the lowest as a proportion of GDP since 2003-04. With a higher rise in imports, overall trade deficit almost doubled to $87 Billion during Apr-Feb FY17-18, compared to the previous year. With the ongoing global trade recovery, exports can strongly contribute to the growth story; however, this calls for focus on better infrastructure, affordable capital and improved labour productivity.

On a positive note, strong private consumption and services are expected to continue to support economic activity. The private investment is expected to revive as the corporate sector adjusts to the GST regime and as infrastructure spending increases.

Global Apparel Market

In 2017, the world apparel market grew by 3.6% driven by ~5% growth in Asia Pac and 8% growth in Rest of the World markets. China and India have led the growth chart with both countries registering strong growth in 2017. On the other hand, Western Europe and USA, the two large apparel markets continue to struggle and grew less than 1% in 2017. After improving steadily in 2017, global fashion industry is expected to continue its recovery in 2018 to register ~5% growth on the back of continued strong performance in Asia Pacific.

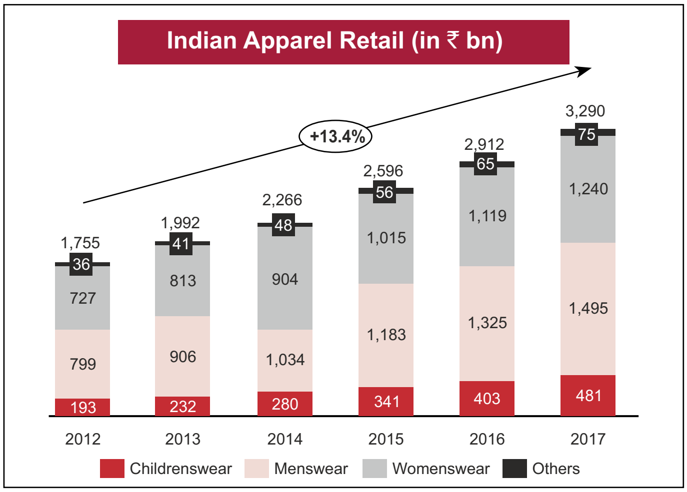
Global fashion industry is undergoing a massive shift due to the changing customer preferences. Large scale adoption of digital technology is changing the paradigm in terms of consumer expectations. There is increasing focus on convenience, quality, variety and personalisation. Most of the global brands are already facing challenges on account of fast fashion trends. Changing customer preferences are compelling them to relook at their supply chain strategy to better compete in the market space. Brands now need to ensure that their merchandising, logistics and suppliers are more integrated than before to reduce the lead time of sourcing.



(Source: Euromonitor)

Indian apparel market picked up growth in the beginning of the year as the impact of demonetisation subsided. However, the euphoria was short lived as implementation of GST impacted the growth in the industry. Unorganised sector was impacted disproportionately owing to slower adoption of the new regime. This also marked a gradual movement away from the unbranded and unorganised market towards the branded and organised apparel, a trend which we believe will continue.

Despite the challenges posed by demonetisation, Indian apparel industry delivered strong growth in 2016 by registering a growth of 14% in value terms, in line with the average growth in the last five years. Children's wear was the fastest growing segment, followed by Menswear.



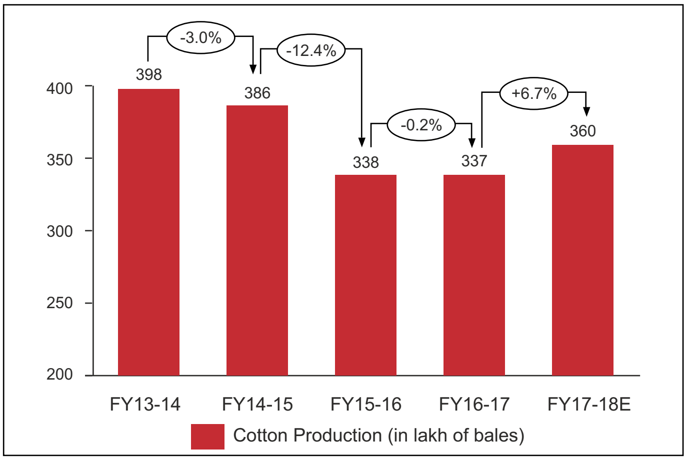
(Source: Euromonitor)

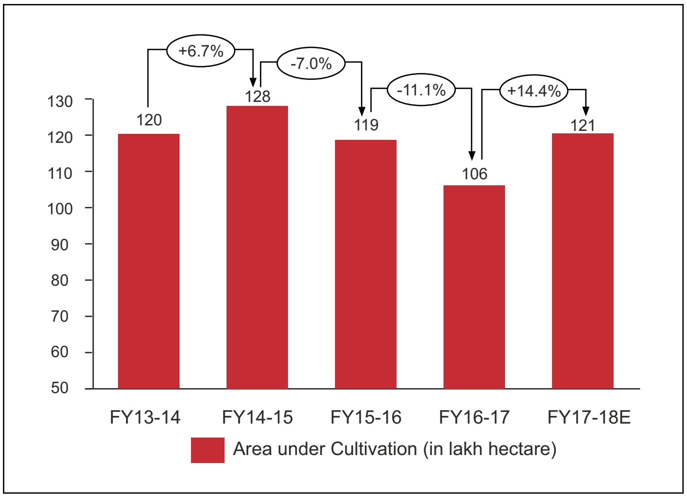
Internet retailing continues to be one of the fastest growing channel in the market. Most leading brands in the market are now using omni-channel strategy to provide a seamless experience to their customers. The biggest impact of online retailing is on tier 2 and 3 towns where e-commerce has enabled customers to buy online, even if the brand doesn't have a retail presence in their cities. We expect online retailing to continue witnessing a strong growth in the near future and will possibly achieve double digit share in total apparel sales over the next five years.

Indian Textile Market Outlook

Textiles and apparel sector plays a major role in the country's economy by providing direct and indirect employment to more than 100 million people. The industry went through a bad patch in 2017 as it reeled under the impact of GST roll out and the reduction of export incentives. The textile exports fell sharply during the year. While GST led disruption is gradually getting back to normal, reduction in export incentives has had a deeper impact on reducing the export competitiveness of the country.

Indian textile industry continues to be dominated by cotton, accounting for nearly 3/4th of the total fibre consumption in the country. Cotton production in the country has been estimated to be 360 lakh bales in 2017-18, up from 337 lakh bales produced last year. With last year's inventory and relatively lower imports, total supply of cotton is likely to be 410 lakhs bales in FY17-18 vis-à-vis a supply of 401 lakhs bales in FY16-17.





Cotton prices remained volatile through the year impacting the profitability of the industry. With higher prices for seed cotton in the market, area under cotton cultivation is seeing a sharp jump this season with 121 lakh hectares under cotton, a 14% increase compared to previous year. However, Government of India has announced the MSP to be at least 50% higher than the cost of production which could lead to strengthening of cotton price. Also, decreasing parity for imported cotton is likely to drive year-end inventory to a relatively tight position of less than 30 lakh bales and can keep the cotton prices at elevated levels.

India remains the second largest exporter of Textile and Clothing (T&C) with a global share of ~5%. Overall T&C exports in key Asian geographies have come down over the last few years primarily driven by lower exports for both China and India. Driven by rising labour cost and concerns over pollution, China has been losing its competitiveness in the global market. China's declining market share has provided an opportunity for other key textile exporters to scale up, primarily through the garmenting route. Bangladesh's exports have been growing rapidly and the country is currently the third largest textile exporter globally.

After falling 5% in previous year, Indian textile export grew by ~1% in FY17-18 primarily led by Cotton textiles. While the outlook remains positive, there are a few short term challenges facing the sector today.

Government reduced the duty incentives on textile exports w.e.f. October 2017. Sharp reduction in incentives has impacted the garmenting sector quite negatively and exports saw a double digit decline across both knitted and woven garments since October. Indian currency also remained strong through the year, impacting the cost competitiveness of Indian textile players vis-à-vis global peers.

Domestic textile market was also weak post the implementation of GST. The trade channel, which was not subjected to tax earlier, took time to adjust to the new tax regime, resulting in a sharp fall in domestic demand. While we believe that the medium term demand drivers remain intact, it will take a couple of quarters for the demand to normalise. Over time, we believe growing Indian economy and higher disposable income will lead to strong domestic demand which augurs well for textile industry.

Given the challenging environment, Arvind continues to pursue the strategy of being more vertically integrated so as to shorten the supply chain and become more strategic to the customers. We are investing in garmenting facilities globally, as we believe that an integrated offering will not only help us in have better visibility but also create more stickiness with our customers. As announced earlier, Arvind has set up garmenting factories in Ethiopia to take advantage of lower labour cost, duty savings and lower shipment time to the US and Europe markets. In addition, we are also setting up garmenting facility in Jharkhand to further expand our capacities.

We are also investing in differentiated products to be more relevant to the changing market needs. Customer choices are increasingly shifting towards performance oriented apparels. For instance, sports and sports inspired apparel accounts for 37% in the US markets today necessitating the need to move beyond cotton based fabric. We are at the forefront of this change and investing into these functional textiles using Man Made fibres and blends.

Advanced Material Division

Arvind's Advanced Material Division primarily consists of four solution verticals: Human Protection (fire resistant fabrics and garments, work wear, etc), Industrial products (Filtration, Conveyor Belt Fabric, Coated Products etc), Advance Composites (Glass Fabrics and Structural Composites) and Automotive Fabrics (in JV with Adient).

Demand for these advanced materials in the country has been increasing at a CAGR of 10%+ riding on increasing industrialisation and higher corporate focus on safety. Despite growing at a rapid pace, per capital consumption of these products is still significantly lower than the developed world indicating huge growth potential for the industry. The export market is also looking attractive for Indian players owing to better cost competitiveness compared to the global players. Export constitutes 40-50% of total Advance Material revenue. Arvind continues to invest in this rapidly growing business and expect it be a key driver of growth for the company in the years to come.

Result Review

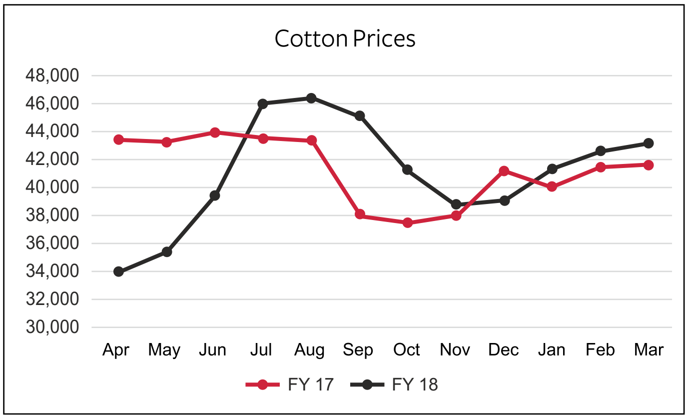
Total revenue of the company grew 17% in FY18 primarily owing to strong growth in brands and retail business and consolidation of Tommy Hilfiger and Calvin Klein JV in the revenue. Operating Earnings (excluding other income) before Interest Depreciation and Taxes (EBITDA) increased marginally by 2.7% primarily due to fall in EBITDA of our textile business which was partially compensated by higher EBITDA in our brands and retail business. Consolidated PBT was down 7% and PAT at ₹ 309 crores was down 1.6% as compared to previous year.

₹ in Crores

Particulars	For the year ended			
	March 31, 2018		March 31, 2017	
	Amount	**% of sales**	**Amount**	**% of sales**
Revenue from Operations	10,826		9,258	
Other Income	62		82	
Total Revenue	**10,889**		**9,339**	
Cost of Material Consumed	2,796	26%	2,557	27%
Purchase of Stock in Trade	2,389	22%	2,011	22%
Change in inventory	75	1%	-363	-4%
Project Expenses	14	0%	13	0%
Employee	1,265	12%	1,096	12%
Power & Fuel	542	5%	495	5%
Stores Consumption	505	5%	473	5%
Other Expenses	2,276	21%	2,035	22%
EBITDA	**1,027**	**9%**	**1,021**	**11%**
EBITDA w/o Other Income	**965**	**9%**	**940**	**10%**
Depreciation	359	3%	297	3%
Finance Cost	258	2%	288	3%
Share of profit/(loss) of Joint Venture	3		2	
Profit before Exceptional Items and Tax	**413**	**4%**	**438**	**5%**
Exceptional Items	-23		-18	
Profit before Taxes	**390**	**4%**	**420**	**4%**
Tax Expenses	75		99	
Profit after Tax	**316**	**3%**	**321**	**3%**
Minority Interest	6		6	
Net Profit	**309**	**3%**	**315**	**3%**

Revenue: Total revenue of the company grew by 16.9% in FY18 primarily on the back of strong growth in our brands and retail business (up 31%) which was aided by consolidation of Tommy Hilfiger and Calvin Klein JV in our revenue. Denim revenue was up by 3% despite challenges on account of GST implementation. While the domestic market was weak as trade channel was slow to adjust to the new tax regime, exports were strong and compensated for the lower domestic sales. Woven revenue also registered a weak growth of ~4% to reach ₹ 2,306 crores. Knits business performed well during the year and saw a 31% growth to achieve ₹ 422 crores, as our continued focus on new product categories started bearing fruit. Garment business continued to deliver strong numbers and registered a growth of 15%. Other income aggregating to ₹ 62 crores mainly consist of interest income, sale of scrap and rent income.

Cost of Material consumed: Cotton, which is the key raw material for our textile business, continued to display high price volatility during the year. However average cotton prices for the full year was only marginally higher (up ~3%) than previous year. For the full FY18, raw material cost in absolute terms was up by ~9%. As a percentage of sales, the raw material cost was down by 1.7%, primarily due to business mix change.



The direct materials costs which largely consists of cost of Dyes & Chemicals and Spare parts consumed increased by ~6% to ₹ 505 crores. Power & Fuel cost for the year was also up by ~10% and stood at ₹ 542 crores. Our employee cost increased by ~15% to ₹ 1,265 crores in the year under review, primarily due to labour intensive nature of our fast growing garmenting business. As a proportion to revenue, employee costs were down 11 bps. Other expenses for the year was up ~12% and stood at ₹ 2,276 crores. As a percentage of revenue, the other expenses were at 20.9%, a fall of 89 bps vis-à-vis the previous year.

Operating Margin: For the year under review, EBITDA margins were down 123 bps, primarily due to scale up of our garmenting business and continued strengthening of Indian rupee against US Dollar. Reduction in export incentives for our garmenting business also impacted margins negatively. In absolute terms, our EBITDA was up 2.7% y-o-y to ₹ 965 crores.

Finance Cost: Finance cost for the year stood at ₹ 258 crores, a ~10% decrease from the previous year. Finance cost came down as we reduced our debt post stake dilution in our brands business. Lower average interest rates vis-à-vis previous year also impacted our finance cost positively.

Depreciation: Depreciation for the year was up 21% as we capitalised more units under our garmenting business. As a percentage of revenue depreciation was at 3.3%, up 12 bps from last year.

Profit before Taxes: While our absolute EBITDA was up marginally, Profit before taxes and exceptional items for FY18 fell by 5.6% and stood at ₹ 413 crores due to higher depreciation in the year under review. Our PBT margin for the year was 3.8%, a fall of 0.9% from the previous year.

Net Profit: Profit after taxes and minority interest for the year stood at ₹ 309 crores, down 1.6% vis-à-vis the previous year. Our net margin for the year stood at 2.8%.

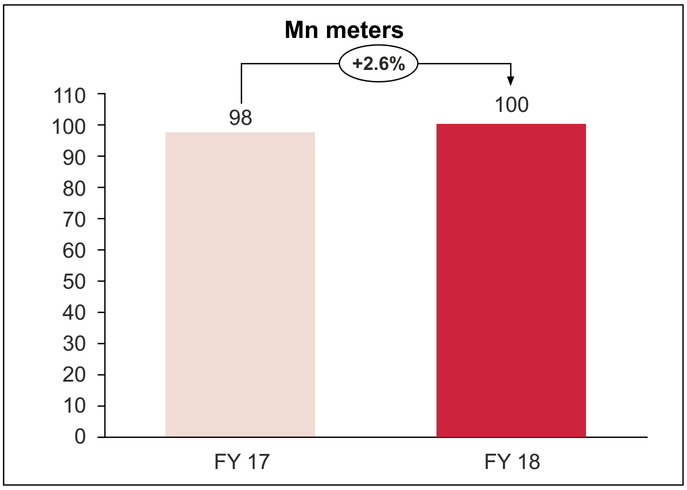
Working Capital: Current assets at the end of the year were up by 35.7% while the current liabilities were higher by 29.9%. Working capital requirements in the business went up post GST implementation as trade channel struggled to cope up with new tax regime.

Debt: Our total debt at the end of FY18 stood at ₹ 3,323 crores. Our debt went up during the year in line with the increase in the working capital requirements in the business and delayed GST refunds.

Business Review and Developments

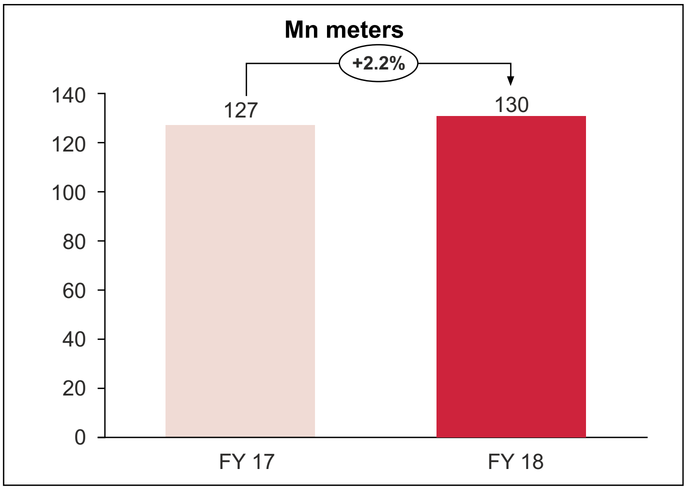
Denim

Denim fabric business saw an increase in volume to 100 Mn meters from 98 Mn meters last year as volumes normalised post the impact of demonetisation. However, industry faced another challenge in the form of GST implementation. Domestic trade volumes fell sharply as the industry was ill-prepared to migrate to the new tax regime. Exports, however, were strong and compensated for the weak domestic volumes. Revenue for the year was up by ~3% to ₹ 1,907 crores in line with the volume increase as the average realisation per meter remained broadly stable.



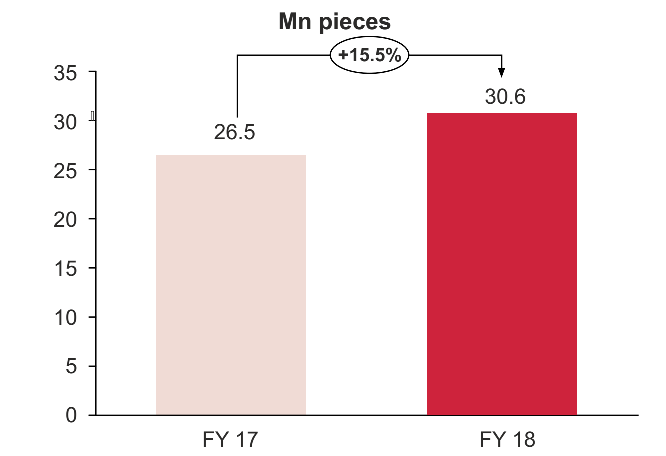
Woven

Woven volumes were up marginally (+2.2%) to 130 mn meter with strong growth in our export business. Domestic volumes were weak, however, given the impact of new tax regime. Revenue grew in line with the volumes to reach ₹ 2,306 crores as average realisation per meter remained stable. Our focus on retail business has shown results and the business registered a 23% growth. We have been increasing our distribution network and product range to cater to this fast growing market.



Garment

Garmenting is an integral part of our verticalisation strategy and continues to grow strongly. During the year under review, garment volumes were up 15% to 30.6 Mn pieces. Our expansion in Ethiopia has added meaningfully to our capacity and we expect to maintain a strong growth momentum in the coming years. In addition, we are setting up a garment unit in Jharkhand to expand our capacities further. Our suit manufacturing Joint Venture Company, Arvind Goodhill Suit Manufacturing Pvt. Ltd., has grown its revenue by more than 50% to ₹ 96 crores.



Note: Volume data excludes garmenting of essentials

Branded Apparel

Our Brands and retail business delivered good growth in the year under review despite the disruption caused by GST implementation. Our power brands US Polo, Arrow, Flying Machine and Tommy Hilfiger continue to deliver healthy growth (up 15% yoy). Speciality Retail segment also continued to do well on the back of strong performance of Unlimited and Sephora. Our value retail offering, Unlimited saw a sharp improvement in profitability and delivered positive EBITDA. Our beauty business Sephora delivered strong growth on the back of high LTL growth as well as increased distribution. The other key retail brand GAP has turned a corner with domestic sourcing of apparels, driving strong improvement in profitability. Our growth brands such as Nautica, Aeropostale and Ed Hardy - continue to scale up and are likely to drive the next phase of growth. As the business has reached a profitable scale and is self-sufficient to take care of its growth need, company has decided to demerge the brands and retail business from Arvind Limited and list it separately. The process of demerger is currently underway and is expected to be completed in the next few months.

Engineering

Our Engineering business is engaged in engineering and fabrication business. It is one of the largest heavy fabrication player in India. Our product basket includes critical process equipment like Heat Exchangers, Pressure Vessels, Reactors, Columns/Towers and Centrifuges. The business delivered strong growth (up 25%) in the year under review and achieved a turnover of ₹ 224 crores. It continued to maintain strong profitability and registered an EBITDA of ₹ 54 crores and Profit after Tax of ₹ 39 crores (up 15%). Given the business has reached a size where it doesn't depend on the parent entity for its growth requirement, the Company has decided to demerge the Engineering business as a separately listed company. The process for demerger is underway and is expected to be completed in the next few months.

Arvind Envisol Limited

Arvind Envisol is a specialized company for the supply of water and waste water treatment plants for Industrial process, Waste water & Zero Liquid Discharge Solutions. It provides world's most cost-effective environmental solutions to protect our scarce natural resources. The company registered a revenue of ₹ 172 crores in FY18, growing by ~56% over the previous year on the back of strong increase in its order book. We expect to continue maintaining a strong growth momentum in the current year as well.

Demerger

Your company has an established track-record of growing newer businesses and making them financially independent over time. We believe that our branded apparel business and engineering business have grown to a sustainable scale and are ready for independent paths. As announced earlier we are demerging these two businesses from Arvind Ltd. and are looking to independently list them. The process of demerger and its subsequent listing is underway and is expected to be completed by Sep/Oct 2018.

Outlook

Arvind Ltd. will predominately consist of textile business and advanced material business after the demerger. We aim to build the future of this business on four large pillars of growth. We will continue to grow our asset light garment business model as part of our vertical integration strategy. We are investing heavily on the garment business and it is expected to be a key part of our growth story. We are also focussing on new age, high performance fabrics which allows us an entry into a fast growing newer product segment. We are seeing new growth opportunities in advanced material division and the segment continues to grow at a rapid pace. And last but not the least we are working to build Arvind as a retail brand that will help us capture the lucrative fabric retail market in the country. On the back of these four pillars, we are aiming to grow the business in double digits, a significant improvement over the mid-single digit growth registered in recent years.

In our B2C business of brands and retail, we have been growing through a portfolio of strong international brands and speciality retail stores that has presence across multiple channels, price points and consumer segments. We are rapidly expanding our distribution footprint further across our brands, which is likely to be a major growth driver in the future. Our speciality retail business is doing well and we are investing to grow this business at a significant pace in the current year. We aim to achieve annual growth of more than 20% for the next 3-4 years. As the revenue grows, we expect our EBITDA margins also to improve and achieve double digit margins over the same period.

Our Engineering business has grown at a phenomenal rate over the last few years. We aim to grow our revenue at a CAGR of 20-25% over the next 4-5 years while maintaining profitability. Our engineering business does not have any debt on its books and is self-sufficient to take care of any growth capital requirement the business may have.

We believe that we are at a cusp of multi-year new growth cycle for all our businesses given the size of opportunity. Overall we expect to maintain a positive momentum across all the three businesses.

Business Responsibility Report

Introduction

Arvind Limited, established in the year 1931, is the flagship company of the Lalbhai Group is one of the largest textiles manufacturer and exporter in India. The Company's principal businesses are manufacturing and marketing of denim fabric, shirting fabric, woven and knitted fabric and garments. The company has the rights to market International brands such as Arrow, Izod, US Polo and Tommy Hilfiger in India. The Company owns popular brands such as Mainstream, Excalibur and Flying Machine. The production units are located in Gujarat, Maharashtra and Karnataka.

Section A: General Information about the company

Corporate Identity Number (CIN) of the Company: L17119GJ1931PLC000093

Name of the Company: Arvind Limited

Registered address: Naroda Road, Ahmedabad-380025, Gujarat, INDIA

Website: www.arvind.com

E-mail id: sustainability@arvind.in

Financial Year reported: FY 2017-18

Sector(s) that the Company is engaged in (industrial activity code-wise): Textile Manufacturing

Code : 131

List three key products/services that the Company manufactures/provides (as in balance sheet):

Fabrics, Apparel, Retail

Total number of locations where business activity is undertaken by the Company:

Business activity is undertaken by the Company out of two locations; India & Ethiopia

Markets served by the Company – Local/State/National/International: National & International

Section B: Financial details of the company

Paid up Capital (INR): ₹ 258.62 Crores

Total Turnover (INR) : ₹ 6423.34 Crores

Total profit after taxes (INR) : ₹ 250.04 Crores

Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : The Company's total spending on CSR for the year ended March 31,2018 was ₹ 8.63 Crores which is 3.45% of the PAT.

List of activities in which expenditure in 4 above has been incurred: Refer to Section 5 of Annexure B to the Directors' Report on Page No. 28.

Section C: Other Details

Any Subsidiary Company/ Companies:

Yes, the Company has 27 subsidiary companies (including step down subsidiaries) as on 31st March 2018.

Do the Subsidiary Company participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): No, subsidiary companies do not participate in BR initiatives as of now.

Do any other entity (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

None of the entities that we work with have taken up BR initiative during previous financial year.

Section D: BR Information

1. **(a) Details of Director/Directors responsible for BR**

   Name: Mr. Jayesh Shah

   DIN: 00008349

   Designation: Whole Time Director & CFO

   Telephone Number: 079-30138000

   Email id: jayesh.shah@arvind.in

2. **(b) Details of the BR head**

   Name: Mr. Abhishek Bansal

   Designation: Head of Sustainability

   Telephone Number: 9712909648

   Email id: abhishek.bansal@arvind.in

National Voluntary Guidelines		Arvind's Policies
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct for Directors and SMP, Related Party Transactions Policy, Whistleblower Policy
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Environment Policy, Quality Policy
P3	Businesses should promote the well-being of all employees	Safety Policy, Prevention of Sexual Harassment Agreement, Freedom of Association (Code of Conduct), Maternity Policy
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	Whistleblower Policy and code of conduct.
P5	Businesses should respect and promote human rights	Code of Conduct, Whistleblower Policy
P6	Business should respect, protect and make efforts to restore the environment	Environment Policy, Chemical Management Policy and Spill Management Policy
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of Conduct
P8	Businesses should support inclusive growth and equitable development	CSR Policy, Maternity Policy
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Code of Conduct, Quality Policy

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

	Principle-wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for:	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)	Various national and international laws as well as international conventions are captured in the policies articulated by Arvind Limited such as GRI guidelines and International Standards such as ISO 14001, ISO 50001, OHSAS 18001 and SA 8000.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	N	N	N	N	N	N	N	N	N
6	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y

9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	We have not carried out independent audit of the working of this policy.								

3. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within three months, 3-6 months, annually, more than 1 year:

Quarterly

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The last Corporate Sustainability Report of Arvind Limited had been published in the year 2017 and uploaded on its website. This report is available at: http://www.arvind.com/pdf/ArvindSR.pdf

The current Sustainability Report for FY 2017-18 is in progress.

Section E: Principle-wise Performance

Principle 1 - Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? (Yes/No). Does it extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/Others?

Arvind's Code of Conduct (ACoC), (link of the policy) covers company and all its subsidiaries, collectively called as Arvind. It extend to our Group and value-chain partners like suppliers and service providers, distributors, sales representatives, contractors, channel partners, consultants, intermediaries and agents; our joint-venture partners or other business associates; our financial stakeholders; governments of the countries in which we operate.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved? If so, provide details thereof, in about 50 words or so.

The Company has a robust system of Complaints Handling. As per the process, complaints are received through a third party service agency. Such complaints are routed to the Whistle Blower Committee appointed by the Audit Committee. Its members include the Executive Director and Head of Internal Audit. The complaints are investigated and the investigation results are reported to the Audit Committee, along with action taken. The Company has received 19 complaints from employees and business partners during the year, out of which 13 have been addressed.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Environment and social concern holds a canter stage in the innovation and development of our products, few products are:

- Waterless Wash in Denim Laundry process
- Products made with BCI and Organic cotton
- Dynamic Rinsing
- Water re-claim by filtration

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(i) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Conscious Wash: Conscious Washing is assessed using EIM (Environmental Impact Measuring) software which acts as a tool that helps to build sustainable process by allowing the user to compare different processes and asses their subsequent results in the following categories such as:

1. Water consumption
2. Energy consumption
3. Chemical used
4. Workers health

These categories are evaluated based on EIM score as mentioned below:

a) 0-33, Low Impact

b) 34-66, Medium impact

c) 67-100, High impact

Possible efforts are made to ensure EIM Score in Low to medium Range. Total water saved through conscious wash is 19830 kiloliter or 11 liter per garment.

BCI:

BCI usage in our products has played significant role in social and environmental front. BCI has helped less usage of pesticides, less of water, usages of Natural Manure. This has helped less of input cost and more or similar output as end crop product. Less cost and more output helped upgrade social life and less usage of pesticides & saving of water lead to environmental savings.

- To reduce impact of water and pesticide use on human and environmental health
- To Improve soil health and biodiversity
- To Promote decent work for farming communities and cotton farm workers
- To demonstrate the inherent benefits of BCI, particularly the financial profitability for farmers

Total 21% BCI has been used in the production in the financial year.

NEO Dyeing:

Also, NEO Dyeing has played a major role across savings of Dyes/ Chemicals and water yet stay fit to fashion and trends of Denim. Reduction of water (big way) is a key to NEO Success.

Waterless Wash: Water less washing can be attained by following anyone of the following step (Levis Waterless Washing Rules):

- Remove Desize step
- Using Ozone instead of powerful bleach
- Low liquor ratio for stonewash
- Using Foam dye
- Water free stone wash
- Foam bleach
- Using Spray softener
- Low liquor ratio for stonewash
- Sky Bleach / Rags Bleach
- Using Soft rigid technique
- Combine fixing and softener
- Ozone Mist
- Combine enzyme and softener
- Low liquor ratio bleach
- Low liquor ratio reactive garment dye
- Water free stonewash

Among the mentioned step remove desize steps, Low liquor ratio for stone wash, Combine fixing and softener are widely practiced. Around 5002 kiloliter of water saved due to waterless wash.

Few other projects:

			Parameters	
		water	**Power**	**Steam**
Sustainable Process	Dynamic Rinsing	6 lit/kg	0.07 Kwh/kg	0.5 kg/kg
	ECRU Process	18 lit/kg	NA	5 kg/kg
	Water re-claim by filtration	50 m3/day	NA	NA

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

We are working towards the supply chain and source sustainable cotton from the farms to produce fabric. Around 20% of our cotton is sustainable and we are scaling this up now.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, we engage with farmers to produce BCI cotton through contract farming at Akola region and procure raw material from them. We ensure an uninterrupted supply chain, while remaining watchful that the cotton farmers, the community and the mother Earth reap the benefits as well. To make cotton farming sustainable and responsible, we need to understand and address the challenges across all three bottom lines:

Economic

The challenge is to safeguard farmers' interest while ensuring the supply.

Social

The need of the hour is to find more effective and efficient methods of farming, enhancing farm yield and reducing social evils like child labour, forced labour, etc.

Environmental

The task on hand is to find environmental friendly processes, to meet the continuously increasing demand.

The Better Cotton Initiatives seeks to grow responsible cotton through carefully controlled application of water and use of approved fertilizers and pesticides; thereby, dramatically reducing the environment footprint of cotton farming. Arvind is one of the largest implementation partners of BCI in India. We see great merit in BCI as an intermediate step towards responsible farming because of advantages like:

- Reduced cost of production
- More profit per acre
- Better nutrient, pest & disease management
- Enhanced water efficiency
- Improved soil health
- Healthier and more inclusive community
- Better work ethics for farm workers

To improve their capacity and capability further we have following plans at place:

- Build a reliable supply of clean cotton from India
- Enhance yield and fibre quality, ensure safe handling of chemicals
- Improve water linkages and sustainable irrigation practices
- Train, build capacity and implement BCI principles more robustly
- Work on child education, health, child labour and forced labour
- Add new dimensions and work stream to existing work in order to ensure availability and traceability of clean and contamination-free cotton in India

- Partner with external agencies for reinforcement with
  - o Lindsay Corporation for irrigation
  - o Bayer for high yield seeds variety and appropriate insecticides and pesticides
  - o John Deere for mechanised sowing and harvesting of the cotton crop

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

Yes, all the textile non-hazardous waste are sent to the recyclers and used by someone else.

	UOM	FY17-18
Total Soft waste	tonne	10041.82
Total hard waste	tonne	6433.37
Chindi	tonne	2040.336

Principle 3 - Businesses should promote the well-being of all employees

1. Total number of employees:

Staff: 4,145

Workers: 24,920

2. Total number of employees hired on temporary/contractual/casual basis:

Temporary workers: 1373

Contractual (H/K & Security) workers : 970

Total : 2343

3. Number of permanent women employees:

Staff: 340

Worker: 9026

4. Number of permanent employees with disabilities:

Total physically challenged Staff employees: 3

Male: 2

Female: 1

5. Do you have an employee association that is recognized by management?

We have worker unions at our textile mills which are duly recognized by the management.

6. What percentage of your permanent employees is members of this recognized employee association?

100% of our workers at the mills are members of the union.

7. Please indicate the number of complaints relating to: (i) Child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year; (ii) Sexual harassment; (iii) Discriminatory employment.

There were no complaints against child and forced labour as well as for discriminatory employment during the last financial year. During the financial year 2017-18, the Company has received 1 (one) complaint on sexual harassment. Arvind Internal Complaints Committee (AICCC) conducted the proceedings as defined in the Policy. The case was dealt with, as per the policy guidelines and ICC recommendations were given, in a fair and just manner.

8. What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

The employees (including workers) who got skill upgradation is 8794 and around 1995 employees have been trained in health and safety.

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders?

We recognise the fact that as a large business we have several stakeholder groups each with distinct priorities and diverse interests. We therefore developed a method for structured identification of stakeholder groups, understanding their concerns and incorporating their views in our sustainability strategy. This method was developed as part of a Sustainability Roadmap study by Ernst & Young LLP. Based on various parameters which impact the sustainability of business such as dependency, responsibility, tension and influence, we have distilled down to the following key stakeholders:

- Customers
- Investors
- Employees & Workers
- Local Community
- Media
- Government Agencies
- Suppliers

The stakeholder identification process was followed by reconstitution of our engagement mechanism. Diverse communication platforms were institutionalised for each stakeholder group, with the objective of communicating our company policies and expectations and collecting timely feedback from stakeholders. In the reporting year too, we continued to engage with all our stakeholder in a two-way dialogue, around the year and through a host of channels:

Stakeholder Group	Objective Engagement	Methodologies
Customers	Develop a sustained relationship Anticipate short and long-term expectations	• Periodic one-to-one interactions with key customers • Personal meetings by our design and technology teams with customer groups at regular intervals throughout the year • B2B customer portal has been launched during reporting period to facilitate a continuous dialogue
Investors	Understand concerns and expectations, create higher shared value	• Regular dissemination of financial performance through website, newspapers and published accounts • In-depth interactions in analyst meets and investor presentations
Employees & Workers	Understand their career ambitions, job satisfaction parameters, support career growth, training and development Share organisation's vision, short-term and long-term goals, workplace needs and expectations	• Structured interactive appraisals, career path guidance, training programmes, employee rewards and recognitions (Arvind Stores), development programmes • 'Abhivyakti', employee engagement survey was conducted during reporting period
Local Community	Maintain enduring relations with local communities	• Interactions by IR department • SHARDA Trust's activities
Media	Communicate key developments, milestone events, growth plans etc.	• Media interaction events, press conferences etc. • Media announcements of quarterly reports, annual report and major tie-ups
Government Agencies	Understand compliance and applicable regulations. Brief them on steps taken and discuss opportunities to collaborate on pressing issues	• Personal meetings • Submission of relevant compliance documents • Presence in industry forums
Suppliers	Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery, growth plans and sharing of best practices	• Periodic interactions between Arvind's buying and sourcing teams • Training programmes, quality workshops

2. Out of the above, has the Company identified the disadvantages, vulnerable and marginalized stakeholders?

No.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

   No.

Principle 5 - Businesses should respect and promote human rights

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Arvind CoC standards extend to all suppliers/contractors while their provisions also being applicable to other business partners. Not only our intentions, but also our actions are compliant with all the statutory laws and regulations.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved?**

   In the financial year, there were no human rights violation complaints relating either to child, forced and involuntary labor, discriminatory employment against the Company.

Principle 6 - Business should respect, protect and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

   Yes, the company's Environment and Chemical policy is extended to the entire group and covers suppliers and contractors. We ensure that it is implemented at all these levels.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, we have worked extensively towards the environmental issues such as Climate Change, Global Warming etc., through various water, energy and chemical initiatives which are mentioned in detail in the Sustainability Report of Arvind.

   Also, we have worked out the key material issues of the company which are contributing to the environmental challenge. Refer the Sustainability Report : http://www.arvind.com/pdf/ArvindSR.pdf

3. **Does the Company identify and assess potential environmental risks?**

   Yes, we have a proper mechanism to identify and assess the potential environmental risks on a regular basis and also do the after follow-ups for the same to ensure the proper actions to cater to those identified risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, is any environmental compliance report filed?**

   We are currently exploring the Clean Development Mechanism projects.

   We are creating a cleaner, healthier & safer workplace and have launched the 'Swachh, Swasth, Surakshit' (Clean, Healthy, Secure) programme at Naroda. This programme is still going on. We are working towards our moto of cleaner, healthier and safer workplace. We have made satisfactory progress on visual management front across the Denim Units at Ahmedabad.

5. **Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   The initiatives on clean technology, energy efficiency and renewable energy can be found in our Sustainability Report available at www.arvind.com

   We have implemented 4 MW rooftop solar in last one year and we are targeting to add another 10 MW of solar rooftop capacity during next year.

6. **Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, all the emission and waste generation of the company are below the legal permissible limits.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of financial year.**

   There are no legal notices pending for the FY17-18.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

Our long-standing commitment is to be a responsible organization. Towards the purpose, we have embraced globally best sustainability practices and have signed several international charters, principles and coalitions.

Sustainable Apparel Coalition

We are a founding member of The Sustainable Apparel Coalition (SAC). Higg Index, one of the key focus areas of SAC, helps gauge environment and social impact of the apparel industry. In the previous report, we had reported on the Higg Index 2.0 Assessments at our Denim unit at Naroda, Knits & Woven unit at Santej and Garments unit at Mysore Road, Bengaluru. During the reporting period, we expanded the assessment to total four more units in Bengaluru: Bommasandra, Electronic City, Yeshwantpur and Chitradurga.

Better Cotton Initiative

We have collaborated extensively with BCI in our quest to bring environmental and social sustainability, in the production and sourcing of our most valued raw material - Cotton. Details of our collaboration with BCI are presented in the Cotton section of this Report.

Social Accountability International – SA8000 Standard

We have adopted Social Accountability Management System as per the SA8000: 2008 Standard and have been externally audited by Bureau Veritas. The scope of our operations for this certification includes manufacture and dispatch of woven fabrics, knit fabrics and industrial fabrics.

International Organization for Standardization – ISO 9001, ISO 14001

Our operations are ISO 9001: 2008 (Quality Management Systems) and ISO 14001: 2004 (Environmental Management Systems) certified.

Global Organic Textile Standard

We have received the GOTS Standard 3.0 certification for our fabrics, fibers and yarns products. Our manufacturing activities covered within the scope of this certification includes dyeing, exporting, finishing, knitting, printing, sizing, spinning, storing, trading, weaving, wet processing and yarn dyeing.

Global Reporting Initiative

This Report represents our first attempt at presenting sustainability disclosures, using the GRI G4 Sustainability Reporting Guidelines. As we continue to integrate sustainability within our business in the future, we remain committed to publicly disclosing our sustainability performance through publishing such reports on a periodic basis.

Occupational Health and Safety Assessment Series (OHSAS 18001:2007 Certifications)

Our emphasis on continual improvement in health and safety of our workers continues to remain strong as ever. All hazards and its associated risk identified across the Santej Facility. Any risk that deems to be high in the Hazard Identification and Risk Analysis (HIRA) are prioritized and taken into management plan. Various control measures adopted to oversee safe functioning of scores of activities. This is a recognition of our adherence to health and safety by an independent agency.

WRI - India GHG program corporates, initiated by the World Bank

As part of WRI's India GHG program, Arvind has established the textile working group for GHG emissions reporting and reduction.

Water Resources Group

Arvind is a part of the WRG, funded and founded by IFC and UN and is engaged with them in improving the livelihood of cotton farmers in Maharashtra

CDP

Arvind Ltd. has reported at CDP (Carbon Disclosure Project) for two years in row now.

Carbon Pricing Leadership Coalition

Arvind is one of the five corporates in India, to be part of this global coalition of WRI - India GHG program corporates, initiated by the World Bank.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes specify the broad areas.**

   We work through above bodies for advancement of Sustainability agenda across the global textile and apparel supply chain. The areas include environmental improvements in manufacturing sector.

<u>Principle 8 - Businesses should support inclusive growth and equitable development</u>

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.**

Yes, we are working vigorously for the inclusive growth and have specified CSR projects which are under implementation targeting inclusive growth and equitable development.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The Company has its own CSR teams and helps other Foundation's teams to bring efficiency and effectiveness to the programs that other Foundations are carrying out on Company's behalf.

   This is reflected in our CSR Policy that guides our CSR Actions. The policy is available on our website http://www.arvind.com/sites/default/files/field_policy_file/CSR%20Policy.pdf

   Section 5.04 of our CSR Policy suggests that in addition to the Trusts promoted by the company i.e. SHARDA Trust, NLRDF and the recently promoted Arvind Foundation that will work as an umbrella organisation. The CSR initiatives will partner with likeminded individuals, organisations, Government, Corporate, Academic Institutions, Research, Development and Training bodies and NGOs which bring specific expertise.

   This Business Responsibility Report establishes the above statement. While some initiatives are taken up by SHARDA Trust and NLRDF, some are directly undertaken by Arvind Foundation and some initiatives are being undertaken on Company's behalf by Swasth Foundation and Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) as they bring specific expertise to carry out these initiatives.

   Pleaser refer to item no. 14 of Directors' Report for CSR initiatives of the Company.

   We plan to continue working on the initiatives further strengthening them and expanding their reach. Initiatives undertaken by SHARDA Trust, NLRDF and Arvind Foundation are given in Section 1 of Annexure B to the Directors' Report on Page No. 26.

3. **Have you done any impact assessment of your initiative?**

   We have undertaken the impact assessment of some of our initiatives like education and healthcare programs.

4. **What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

   The Company has Education, Health and Community Development initiatives that are impacting people directly.

   The Company has spent ₹ 8.63 Crores during 2017-18 to fulfill its statutory requirement of 2% CSR expenditure. In addition, through the funds of SHARDA and NLRDF, we have spent ₹ 2.43 crores on different initiatives.

   Total spending of on Corporate Social Responsibility (CSR): ₹ 11.06 Crores.

   For the details of the projects undertaken, refer to Section 5 of Annexure B to the Directors' Report on Page No. 28.

5. **Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words, or so.**

   Our community development programs have sprung from the needs of the community. Hence adoption of the program has never been a challenge for us. We have promoted collective responsibility of all stakeholders in each of our programs and ensured their active participation at levels (decision making, planning, implementation, feedback mechanism and more).

   Community partnership has been the key to the success of all our programs all these years.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   We resolve all the customer queries and complaints in timely and efficient manner. There are no long standing complaints that are pending resolution.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

   We display the information on products as mandated by law or by customer requirements.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

   Not applicable.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   Not during recently concluded financial year.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND LIMITED

Report on the Standalone Ind AS financial statements

We have audited the accompanying Standalone Ind AS financial statements of ARVIND LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 Standalone 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 Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 Standalone 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 Standalone Ind AS financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the Standalone 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 Standalone 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 Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone 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 Standalone 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 Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

(a) We draw attention to Note 20 regarding share of profit from investment in two Limited Liability Partnership ("LLPs") amounting to Rs. 0.18 crores included in the Standalone Ind AS financial statements, is based on the unaudited financial statements of such entities. Our audit report on the audited financial statements of the Company is based solely upon the management prepared unaudited financial statements.

(b) The Standalone Ind AS financial statement of the Company for the year ended March 31, 2017 has been audited by the predecessor auditor who has expressed an unmodified opinion on the Standalone Ind AS financial statement on May 11, 2017. The adjustments to the reported figures for the year ended March 31, 2017, pursuant to the Scheme of Amalgamation sanctioned by the National Company Law Tribunal vide its Order dated August 24, 2017 referred in Note 45 (I) to the Statement have been audited by us.

Our opinion on the Standalone Ind AS financial statements is not modified in respect of above matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity books of account.

dealt with by this Report are in agreement with the relevant books of account.

(d) In our opinion, the aforesaid Standalone 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

(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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS financial statements.

(ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) Following are the instances of delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Company:

Year for which the amount pertains	Amount involved (₹ In crores)	Number of days delay in depositing the amount
1986-87	(₹ 40,539)*	541 days
1995-96	(₹ 50,500)*	541 days
1996-97	₹ 0.02	541 days

*Amount in bracket represents absolute Rupees

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval
Partner
(Membership no. 106189)

Ahmedabad,
May 9, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **ARVIND LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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" ("the Guidance Note"). 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.

Auditor's 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 and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us 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, 2018, 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.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval
Partner
(Membership no. 106189)

Ahmedabad,
May 9, 2018

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars	Total No. of Cases	Area	Amount (Gross Carrying amount as at the balance sheet date)	Amount (Net Carrying amount as at the balance sheet date)	Remarks
Freehold land	42	3,85,274 Sq. Mtr.	₹ 84.57 crore	₹ 84.57 crore	The Company is in process to register title deed in its name.
Building	7	12,506 Sq. Mtr.	₹ 13.79 crore	₹ 9.35 crore	The Company is in process to register title deed in its name.
Freehold Land	40	4,13,896 Sq. Mtr.	₹ 21.11 Crores	₹ 21.11 crores	The title deeds are in the name of Arvind Brands and Retail Limited, Dholka Textile Park Private Limited and Arvind Garment Park Private Limited (erstwhile companies) which were merged with the Company under scheme of amalgamation sanctioned by National Company Law Tribunal vide its order dated 24th August 2017, with effect from 1st April 2016.
Building	9	1,329 Sq. Mtr.	₹ 1.66 Crores	₹ 1.57 1.57 Crores	

Immovable properties of land whose title deeds have been pledged as security for loans, guarantees, etc. are held in the name of the Company based on the confirmations directly received by us from lenders / parties except for the freehold land of the Khatraj amounting to Rs. 44.72 crores admeasuring 1,27,784 sq. meter which are pledged with banks and are not available with the company and have not been independently confirmed by the bank.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.

(b) The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest or whether there is an overdue amount remaining outstanding at year end.

The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, the provisions of Cause 3(v) of the Order are not applicable to the Company.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Sales Tax, Excise Duty, Service Tax, Value Added Tax, Goods and Service Tax, Custom Duty, Income tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Sales Tax, Goods and Service Tax, Service Tax, Income tax, Cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable except for Value Added Tax which are unpaid as of date and details of which are given as follows:

Name of Statute	Nature of Dues	Amount (₹ in crores)	Period to which the Amount Relates	Due Date
The Karnataka Value Added Tax Act, 2003	Value Added Tax	₹ 0.01	2012-13	20-08-2012
		₹ 0.00*	2013-14	20-07-2013
		₹ 0.00^	2015-16	20-10-2015
		₹ 0.01	2015-16	20-01-2016

* ₹ 9,240 and ^ ₹ 26,066

(c) Details of Income Tax, Excise Duty, Custom Duty, Service Tax, Sales Tax and Value Added Tax dues which have not been deposited as on March 31, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount involved and Unpaid (₹ in crores)	Period to which the Amount Relates	Forum where Dispute is pending
The Income Tax Act, 1961	Income Tax	₹ 1.33	2004-05, 2008-09, 2014-15	Commissioner of Income Tax Appeal
		₹ 3.46	2000-01, 2005-06, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	Income Tax Appellate Tribunal
	Fringe Benefit Tax	₹ 0.01	2005-06	Income Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	₹ 9.17	1999-00, 2000-01	Supreme Court
		₹ 10.97	2000-01, 2001-02, 2002-03, 2003-04	High Court
		₹ 0.47	2008-09	Assistant Commissioner
The Customs Act, 1962	Custom Duty	₹ 2.88	2012-13	Customs, Excise and Service Tax Appellate Tribunal

Name of Statute	Nature of Dues	Amount involved and Unpaid (₹ in crores)	Period to which the Amount Relates	Forum where Dispute is pending
The Finance Act, 1994	Service Tax	₹ 1.92	2004-05, 2005-06, 2006-07, 2007-08, 2013-14 2014-15, 2015-16, 2016-17	Assistant Commissioner
		₹ 0.77	2013-14, 2014-15	Principal Commissioner
		₹ 1.27	2004-05, 2005-06, 2006-07, 2007-08, 2012-13	Commissioner
		₹ 0.58	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2012-13, 2013-14, 2014-15	Customs, Excise and Service Tax Appellate Tribunal
Gujarat Value Added Tax Act, 2003	Value Added Tax	₹ 0.09	2013-14	Deputy Commissioner
		₹. 3.87	2006-07, 2007-08	Joint Commissioner (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	₹ 0.60	2005-06	Deputy Commissioner
		₹ 9.26	2002-03, 2003-04, 2004-05, 2006-07, 2007-08	Joint Commissioner (Appeal)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders. The Company has not borrowed money from Government.

(ix) In our opinion 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 (including debt instruments). The Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval
Partner
(Membership no. 106189)

Ahmedabad,
May 9, 2018

Standalone Balance Sheet as at March 31, 2018

₹ in Crores

Particulars	Notes	As at March 31, 2018	As at March 31, 2017 (Refer 45 (I))
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**3,013.27**	2,975.58
(b) Capital work-in-progress		**33.31**	30.82
(c) Investment properties	6	**43.13**	43.74
(d) Intangible assets	7	**91.50**	80.37
(e) Intangible assets under development		**26.34**	45.83
(f) Financial assets			
(i) Investments	8 (a)	**883.25**	522.96
(ii) Loans	8 (c)	**1.86**	2.45
(iii) Other financial assets	8 (f)	**30.63**	42.38
(g) Other non-current assets	9	**68.83**	67.74
Total non-current assets (A)		**4,192.12**	3,811.87
Current assets			
(a) Inventories	10	**1,307.72**	1,299.24
(b) Financial assets			
(i) Trade receivables	8 (b)	**736.61**	470.96
(ii) Cash and cash equivalents	8 (d)	**7.36**	4.44
(iii) Bank balance other than (ii) above	8 (e)	**7.00**	8.97
(iv) Loans	8 (c)	**219.39**	311.20
(v) Others financial assets	8 (f)	**96.35**	161.80
(c) Current tax assets (net)	11	**101.91**	98.43
(d) Other current assets	9	**375.61**	291.02
Total current assets (B)		**2,851.95**	2,646.06
TOTAL ASSETS (A) + (B)		**7,044.07**	6,457.93
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**258.62**	258.36
(b) Other equity	14	**2,899.61**	2,753.42
Total equity (A)		**3,158.23**	3,011.78
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	**775.98**	605.12
(ii) Other financial liabilities	15 (c)	**0.54**	1.01
(b) Long-term provisions	16	**37.29**	27.18
(c) Deferred tax liabilities (net)	29	**91.77**	128.81
(d) Government grants	17	**34.13**	30.78
Total non-current liabilities (B)		**939.71**	792.90
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	**1,661.43**	1,718.69
(ii) Trade payables	15 (b)	**948.94**	616.73
(iii) Other financial liabilities	15 (c)	**276.87**	247.74
(b) Short-term provisions	16	**7.88**	6.38
(c) Government grants	17	**5.59**	4.69
(d) Other current liabilities	18	**45.42**	59.02
Total current liabilities (C)		**2,946.13**	2,653.25
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		**7,044.07**	6,457.93

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner
(Membership no. 106189)

Place: Ahmedabad
Date: May 9, 2018

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

Standalone Statement of profit and loss for the year ended March 31, 2018

₹ in Crores

Particulars		Notes	Year ended March 31, 2018	Year ended March 31, 2017 (Refer 45 (I))
I.	**INCOME**			
	(a) Revenue from operations	19	**6,423.34**	5,980.96
	(b) Other income	20	**74.96**	103.10
	TOTAL REVENUE		**6,498.30**	6,084.06
II.	**EXPENSES**			
	(a) Cost of raw materials and accessories consumed	21	**2,600.60**	2,394.65
	(b) Purchase of stock-in-trade	22	**325.61**	248.11
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**73.61**	(98.63)
	(d) Project expenses		**9.22**	12.87
	(e) Employee benefits expense	24	**784.54**	777.25
	(f) Finance costs	25	**177.68**	221.87
	(g) Depreciation and amortisation expense	26	**208.85**	182.10
	(h) Impairment Loss	5	**-**	2.81
	(i) Other expenses	27	**2,003.86**	1,928.22
	TOTAL EXPENSES		**6,183.97**	5,669.25
III.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)**		**314.33**	414.81
IV.	Exceptional items	28	**22.72**	280.17
V.	**PROFIT BEFORE TAX (III-IV)**		**291.61**	134.64
VI.	**Tax expense**	29		
	(a) Current tax		**60.93**	49.54
	(b) Short provision related to earlier years		**1.26**	0.62
	(c) Deferred tax (Credit)/ charge		**(20.62)**	65.92
	Total tax expense		**41.57**	116.08
VII.	**PROFIT FOR THE YEAR (V-VI)**		**250.04**	18.56
VIII.	**Other comprehensive income/(Loss)**			
A.	**Items that will not be reclassified to Profit and Loss**			
	(i) Equity Instruments through Other Comprehensive Income (FVOCI)		**0.42**	47.44
	(ii) Remeasurement gain/(loss) of defined benefit plans		**(13.64)**	1.19
	(iii) Income tax related to items no (ii) above		**4.73**	(0.41)
	Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**(8.49)**	48.22
B.	**Items that will be reclassified to Profit & Loss**			
	(i) Effective portion of gain/(loss) on cash flow hedges		**(43.90)**	35.46
	(ii) Income tax related to items no (i) above		**15.18**	(12.27)
	Net other comprehensive income/(loss) that will be reclassified to profit or loss in subsequent periods		**(28.72)**	23.19
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX (VIII) = (A+B)		**(37.21)**	71.41
IX.	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (VII+VIII)**		**212.83**	89.97
X.	**Earning per equity share [nominal value per share ₹10]**	36		
	- Basic		**9.67**	0.72
	- Diluted		**9.65**	0.72

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner
(Membership no. 106189)

Place: Ahmedabad
Date: May 9, 2018

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

Standalone Statement of cash flows for the year ended March 31, 2018

₹ in Crores

	Particulars	Year ended March 31, 2018		Year ended March 31, 2017 (Refer 45(I))	
A	**Cash Flow from Operating activities**				
	Profit after taxation		**250.04**		18.56
	Adjustments to reconcile profit after tax to net cash flows:				
	Depreciation /Amortization	**208.85**		184.91	
	Interest Income	**(32.07)**		(51.43)	
	Tax Expense	**41.57**		116.08	
	Finance Costs	**177.68**		221.87	
	Dividend Income	**(5.71)**		(2.76)	
	Bad Debts Written Off	**-**		-	
	Allowances for Doubtful Debts	**0.12**		4.89	
	Sundry Debit Written off	**1.93**		0.48	
	Sundry Credit Balances written back	**(4.50)**		(5.41)	
	Provision for Non moving inventory	**27.70**		5.46	
	Foreign Exchange Loss / (Gain)	**(8.20)**		1.08	
	Fixed Assets written off	**1.40**		0.29	
	Profit on Sale of Property, Plant and Equipments	**(31.06)**		(2.86)	
	Excess Provision written back	**(10.20)**		(0.49)	
	Share based payment expense	**4.98**		6.91	
	Government grant income	**(4.88)**		(4.86)	
	Provision for Diminution in Value of Investments	**-**		0.01	
	Loss on Sale of Investments	**9.48**		262.11	
	Financial guarantee commission income	**(3.49)**		(3.89)	
			373.60		732.39
	Operating Profit before Working Capital Changes		**623.64**		750.95
	Adjustments for changes in working capital :				
	(Increase) / Decrease in Inventories	**(36.18)**		(166.01)	
	(Increase) / Decrease in trade receivables	**(259.20)**		(22.23)	
	(Increase) / Decrease in other current assets	**(83.46)**		(12.82)	
	(Increase) / Decrease in other financial assets	**31.16**		29.07	
	Increase / (Decrease) in trade payables	**337.43**		(19.36)	
	Increase / (Decrease) in other financial liabilities	**18.26**		22.76	
	Increase / (Decrease) in other current liabilities	**(13.60)**		27.50	
	Increase / (Decrease) in provisions	**(2.03)**		8.41	
	Net Changes in Working Capital		**(7.62)**		(132.68)
	Cash Generated from Operations		**616.02**		618.27
	Direct Taxes paid (Net of Tax refund)		**(62.18)**		(82.36)
	Net Cash Flow from Operating Activities		**553.84**		535.91
B	**Cash Flow from Investing Activities**				
	Purchase of tangible and intangible assets	**(273.34)**		(277.29)	
	Proceeds from disposal of tangible assets	**66.82**		11.20	
	Purchase of Investments	**(387.04)**		(447.90)	
	Proceeds from disposal of Investments	**20.37**		885.22	
	Changes in other bank balances not considered as cash and cash equivalents	**2.57**		4.65	
	Loans repaid (net)	**92.40**		230.78	
	Dividend Received	**5.00**		2.42	
	Interest Received	**32.19**		51.97	
	Net Cash Flow from/(used in) Investing Activities		**(441.03)**		461.05

Standalone Statement of cash flows for the year ended March 31, 2018 (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2018		Year ended March 31, 2017 (Refer 45(l))	
C Cash Flow from Financing Activities				
Proceeds from Issue of Share Capital	**3.00**		2.77	
Dividend Paid (including Dividend Distribution Tax)	**(73.65)**		(74.00)	
Proceeds from long term Borrowings	**524.26**		111.13	
Repayment of long term borrowings	**(333.00)**		(918.10)	
Proceeds from short term Borrowings	**2,517.05**		2,400.01	
Repayment of short term borrowings	**(2,574.31)**		(2,313.16)	
Interest Paid	**(171.45)**		(220.79)	
Net Cash Flow used in Financing Activities		**(108.10)**		(1,012.14)
Net Increase/(Decrease) in cash and cash equivalents		**4.71**		(15.18)
Cash and Cash equivalent at the beginning of the year		**2.55**		14.05
Add: Adjustment due to business combination (Note 45)		-		3.68
Cash and Cash equivalent at the end of the year		**7.26**		2.55

Reconciliation of cash and cash equivalents

Particulars	Year ended March 31, 2018	Year ended March 31, 2017 (Refer 45(l))
Cash and cash equivalents :		
Cash on Hand	**0.39**	0.61
Cheques on hand	**0.31**	-
Balances with Banks	**6.66**	3.83
Cash and cash equivalents as per Balance Sheet (Refer Note 8 (d))	**7.36**	4.44
Less: Book Overdrafts (Refer Note 15 (c))	**(0.10)**	(1.89)
Cash and cash equivalents as per Cash flow Statement	**7.26**	2.55

See accompanying notes forming part of the financial statements

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at March 31, 2017	Net cash flows	Non Cash Changes		As at March 31, 2018
				Other changes *	Fair value adjustment on interest free inter corporate deposits	
Borrowings :						
Long term borrowings	15 (a)	709.45	191.26	-	-	900.71
Short term borrowings	15 (a)	1,718.69	(57.26)	-	-	1,661.43
Interest accrued on borrowings	15 (c)	5.15	(5.15)	11.38	-	11.38
Total		**2,433.29**	**128.85**	**11.38**	**-**	**2,573.52**

* The same relates to amount charged in statement of profit and loss.

Notes:

1 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.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner
(Membership no. 106189)

Place: Ahmedabad
Date: May 9, 2018

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary
Place: Ahmedabad
Date: May 9, 2018

Standalone Statement of changes in equity for the year ended March 31, 2018

₹ in Crores

A.Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2017	258.24	0.12	258.36
For the year ended March 31, 2018	258.36	0.26	258.62

B. Other equity

Particulars	Share Application Money Pending Allotment	Reserves and Surplus								Items of Other Comprehensive Income		Total other equity
		Capital Reserve	Share based payment reserve	Capital Rede-mption Reserve	Securities premium	Amalg-amation Reserve	Debenture Redem-ption Reserve	General Reserve	Retained Earnings	Effective portion of gain or loss on cash flow hedges	Equity Ins-truments through Other Co-mprehens-ive Income (FVOCI)	
Balance as at April 1, 2016	**-**	**26.71**	**4.79**	**69.50**	**554.84**	**-**	**-**	**35.65**	**1,937.09**	**8.80**	**90.51**	**2,727.89**
Profit for the year	-	-	-	-	-	-	-	-	18.56	-	-	18.56
Other comprehensive income for the year	-	-	-	-	-	-	-	-	0.78	23.19	47.44	71.41
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**19.34**	**23.19**	**47.44**	**89.97**
Add: Addition during the year	2.17	-	-	-	2.21	-	-	-	-	-	-	4.38
Less: Utilized during the year	-	-	-	-	(1.73)	-	-	-			-	(1.73)
Add: Adjustment due to business combination (refer note 45)	-	-	-	-	-	34.20	-	-	0.14	-	(33.40)	0.94
Add: Issue of Shares under Employee Stock Option Plan	-	-	6.57	-	-	-	-	-	-	-	-	6.57
Add/(Less): Transfer from share based payment reserve	-	-		-	1.41	-	-	-	-	-	-	1.41
Add/(Less): Transfer within other equity	-	-	-	-	-	-	-	-	104.55	-	(104.55)	-
Add/(Less): Transfer to securities premium	-	-	(1.41)	-	-	-	-	-	-	-	-	(1.41)
Less: Dividend Paid during the year	-	-	-	-	-	-	-	-	(61.98)	-	-	(61.98)
Less: Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	(12.62)	-	-	(12.62)
Balance as at March 31, 2017	**2.17**	**26.71**	**9.95**	**69.50**	**556.73**	**34.20**	**-**	**35.65**	**1,986.52**	**31.99**	**-**	**2,753.42**
Balance as at April 1, 2017	**2.17**	**26.71**	**9.95**	**69.50**	**556.73**	**34.20**	**-**	**35.65**	**1,986.52**	**31.99**	**-**	**2,753.42**
Profit for the year	-	-	-	-	-	-	-	-	250.04	-	-	250.04
Other comprehensive income for the year	-	-	-	-	-			-	(8.91)	(28.72)	0.42	(37.21)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**241.13**	**(28.72)**	**0.42**	**212.83**
Add: Addition during the year	1.00	-	-	-	4.91	-	-	-	-	-	-	5.91
Less: Utilized during the year	(3.17)	-	-	-		-	-	-	-	-	-	(3.17)
Add: Issue of Shares under Employee Stock Option Plan	-	-	4.27	-	-	-	-	-	-	-	-	4.27
Add/(Less): Transfer from share based payment reserve	-	-		-	3.13	-	-	-	-	-	-	3.13
Add/(Less): Transfer within other equity	-	-	-	-	-	-	50.00	-	(50.00)	-	-	-
Add/(Less): Transfer to securities premium	-	-	(3.13)	-	-	-	-	-	-	-	-	(3.13)
Less: Dividend Paid during the year	-	-	-	-	-	-	-	-	(62.04)	-	-	(62.04)
Less: Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	(11.61)	-	-	(11.61)
Balance as at March 31, 2018	**-**	**26.71**	**11.09**	**69.50**	**564.77**	**34.20**	**50.00**	**35.65**	**2,104.00**	**3.27**	**0.42**	**2,899.61**

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Kartikeya Raval
Partner
(Membership no. 106189)
Place: Ahmedabad
Date: May 9, 2018

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

Notes to the Financial Statement for the year ended March 31, 2018

1. Corporate Information

Arvind Limited ('the Company') is one of India's leading vertically integrated textile companies with the presence of almost eight decades in this industry. It is among the largest denim manufacturers in the world. It also manufactures a range of cotton shirting, denim, knits and bottom weights (Khakis) fabrics and Jeans and Shirts Garments. The Company through its subsidiary company, Arvind Fashions Limited and its subsidiaries is marketing in India the branded apparel under various brands. The brands portfolio includes Domestic and International brands like Flying Machine, Arrow, US Polo, Izod, Elle, Cherokee etc. It also operates apparel value retail stores UNLIMITED. The Company also has the presence in Telecom business directly and through its subsidiaries and joint venture companies. Recently, The Company has made foray in to Technical Textiles on its own and in joint venture with leading global players.

The Company is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act" erstwhile Companies Act, 1956) applicable in India. Its equity shares are listed on the National Stock Exchange ("NSE") and the BSE Limited. The registered office of the Company is located at Naroda Road, Ahmedabad - 380025.

The financial statements have been considered and approved by the Board of Directors at their meeting held on May 09, 2018.

2. Statement of Compliance and Basis of Preparation:

The financial statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2018 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Amounts for the year ended March 31, 2017 were audited by the predecessor auditor.

Rounding of amounts

The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest crore as per the requirement of Schedule III, except when otherwise indicated. Figures less than ₹ 50,000 which are required to be shown separately, have been shown actual in brackets.

3. Summary of Significant Accounting Policies

3.1. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Company is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the

Notes to Standalone Financial Statement

acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Company's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

3.4. Foreign currencies

The Company's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3.5. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

Notes to Standalone Financial Statement

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

3.6. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Company adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2016, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

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

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

Depreciation

The carrying value of the property, plant and equipment as on April 1, 2014 are depreciated over remaining useful life of the assets based on independent technical evaluation carried out by external valuer.

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments which are depreciated as per schedule II of the Companies act, 2013) and Leasehold Improvements.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation on Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments) and Leasehold Improvements are provided on straight-line basis over the useful lives of the assets as estimated by management based on technical assessment of the assets, the estimated usage of the assets, nature of assets, operating condition of the assets, maintenance supports and anticipated technological changes required in the assets. The management estimates the useful lives as follows:

Particulars	Useful Life
Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments)	20 Years
Leasehold Improvements	6 Years

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

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.7. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a

Notes to Standalone Financial Statement

specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.8. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

3.9. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories are at carrying amount of the property transferred.

Depreciation on Investment property is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013

3.10. Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition
- for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the

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asset for its intended use.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 5 years or License Period whichever is lower and Patent/Knowhow is amortized over its useful validity period. Website is amortized over 5 years.

3.11. Inventories

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

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

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

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's

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recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.13. Revenue Recognition

Revenues are measured at the fair value of the consideration received or receivable, net of discounts, volume rebates etc. and excluding taxes or duties collected on behalf of the government (other than excise duty). Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Company on its own account, revenue includes excise duty.

The Company recognises a revenue when the revenue can be reliably measured and it is probable that the future economic benefits will flow to the Company. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The Company has considered specific criteria which have been met for each of the Company's activities as described below while recognising revenue:

Sale of goods

Revenue from the sale of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch, and it is probable that the economic benefits will flow to the Company and can be reliably measured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

Sale of goods – customer loyalty programme (deferred revenue)

The Company operates a loyalty points programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

Rendering of services

Revenue from services are recognized based on the services rendered in accordance with the terms of contracts on the basis of work performed.

Construction contract

Revenue in respect of projects for Construction of Plants and Systems, execution of which is spread over different accounting periods, is recognised on the basis of percentage of completion method. Percentage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract cost. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Company, some of which are of a technical nature, relating to the percentage of completion, costs to completion, expected revenue from the contract and the foreseeable losses to completion.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Interest Income

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividend Income

Dividend income from investments is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

Profit or loss on sale of Investments

Profit or Loss on sale of investments are recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

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Insurance claims

Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

3.14 Financial instruments – initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement of financial assets:

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost:

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

(b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

(d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

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Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the

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normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

3.15. Cash and cash equivalent

Cash and cash equivalent in the balance sheet includes cash on hand, at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

3.16. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in Statement of Profit or Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

3.17. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.18. Employee Benefits

(a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

(b) Post-Employment Benefits

(i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan:

The employee's gratuity fund scheme, Compensatory Pension Scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

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(c) Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

(d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.19. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions:

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

3.20. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

3.21. Dividend

The Company recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

Notes to Standalone Financial Statement

3.22. Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Company expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

3.23. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

3.24. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

3.25. Research and Development

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands and customer lists are not recognised as intangible assets.

4. Critical accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the

Notes to Standalone Financial Statement

disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

The Company has ₹ 152.38 crores (March 31, 2017: ₹ 180.38 crores) of tax credits carried forward. These credits expire in 15 years from the date of initial recognition. The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward.

Further details on taxes are disclosed in Note 29.

(b) Useful life of Property, plant and equipment and Intangible Assets

As described in Note 3.6 and 3.10 of the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(c) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(d) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 16 and 30).

(e) Defined benefit plans

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

Further details about defined benefit obligations are provided in Note 34.

Notes to Standalone Financial Statement

₹ in Crores

Note 5 : Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Furniture & fixture	Vehicles	Leasehold Improve-ments	Office Equipment	Computer, server & network	Total
Gross Carrying Amount										
As at April 1, 2016	**963.52**	**263.34**	**452.88**	**1,132.30**	**49.65**	**29.36**	**30.92**	**19.74**	**18.11**	**2,959.82**
Additions	21.96	-	38.25	114.79	22.03	9.85	15.13	5.92	7.74	235.67
Transfer from Investment Property	75.57	-	-	-	-	-	-	-	-	75.57
Additions due to Business Combination (refer note 4 and 5 below)	21.11	-	0.91	-	0.05	0.04	-	0.04	0.01	22.16
Other Adjustment	-	-	-	2.08	-	-	-	-	-	2.08
Deductions	0.98	-	1.17	3.02	0.31	3.84	0.76	0.04	0.04	10.16
As at April 1, 2017	**1,081.18**	**263.34**	**490.87**	**1,246.15**	**71.42**	**35.41**	**45.29**	**25.66**	**25.82**	**3,285.14**
Additions	37.07	-	12.95	143.17	4.56	10.22	1.21	3.39	6.26	218.83
Additions due to Business Combination (refer note 4 and 5 below)	-	-	13.74	22.34	-	-	-	-	-	36.08
Deductions	18.15	1.15	0.90	11.76	3.76	4.85	8.54	1.01	0.26	50.38
As at March 31, 2018	**1,100.10**	**262.19**	**516.66**	**1,399.90**	**72.22**	**40.78**	**37.96**	**28.04**	**31.82**	**3,489.67**
Accumulated Depreciation and Impairment										
As at April 1, 2016	**-**	**-**	**19.43**	**102.84**	**5.69**	**3.19**	**4.28**	**4.16**	**5.11**	**144.70**
Depreciation for the year	-	-	21.40	112.78	6.98	4.19	7.23	4.96	6.04	163.58
Impairment for the year	-	-	-	-	1.33	-	1.43	0.02	0.03	2.81
Deductions	-	-	0.01	0.59	0.04	0.73	0.12	0.03	0.01	1.53
As at April 1, 2017	**-**	**-**	**40.82**	**215.03**	**13.96**	**6.65**	**12.82**	**9.11**	**11.17**	**309.56**
Depreciation for the year	-	-	22.40	124.08	8.48	4.82	11.29	5.62	6.14	182.83
Deductions	-	-	-	3.29	2.70	1.37	7.68	0.82	0.13	15.99
As at March 31, 2018	**-**	**-**	**63.22**	**335.82**	**19.74**	**10.10**	**16.43**	**13.91**	**17.18**	**476.40**
Net Carrying Amount										
As at March 31, 2018	**1,100.10**	**262.19**	**453.44**	**1,064.08**	**52.48**	**30.68**	**21.53**	**14.13**	**14.64**	**3,013.27**
As at April 1, 2017	1,081.18	263.34	450.05	1,031.12	57.46	28.76	32.47	16.55	14.65	2,975.58

Notes :

1. Freehold Land amounting to ₹ 84.57 crores in respect of which registration are pending in the favour of the Company and Land amounting to ₹ 21.11 crores in respect of which title deeds are in the name of merged companies. (Refer note 45 (I))
2. Buildings includes ₹ 2.45 crores (Previous year ₹ 0.79 crores) in respect of ownership flats in Co-Operative Housing Society and ₹ 500/- (Previous year ₹ 500/-) in respect of shares held in Co-Operative Housing Society.
3. Details of Borrowing Cost and Exchange Differences Capitalised:

Particulars	Other Adjustments			
	For the year		Transfer from Capital Work in Progress	
	2017-18	2016-17	**2017-18**	2016-17
Borrowing Cost	-	0.99	-	0.65
Exchange Differences	-	0.36	-	0.08
Total	**-**	1.35	**-**	0.73

4. The Company has acquired business of Aditexfab LLP w.e.f. June 1, 2017 at a consideration of ₹ 34.50 crores. Of total assets acquired, addition in property, plant and equipment amounting to ₹ 36.08 crores. The Company is in the process of determining the fair value for the purpose of Purchase price allocation to the assets/liabilities acquired and the same is expected to be completed within 12 months from the date of acquisition. Accordingly, depreciation on the assets in the books of accounts has been taken based on management estimates. For details refer note no. 45 (III).
5. Refer note 45 for the Scheme of Business Combination.
6. Additions in Plant and Machinery includes ₹ 3.07 Crores which are purchased for the Research and Development purpose. For details refer note 46.
7. For Properties pledged as security, refer Note 15 (a).

Notes to Standalone Financial Statements

₹ in Crores

Note 6 : Investment Properties

Investment property	Land	Building	Total
Gross Carrying Amount			
As at April 1, 2016	**97.01**	**21.90**	**118.91**
Additions due to Business Combination (refer note 45 (I) and (III))	-	1.66	1.66
Transfer to Property, Plant and Equipments	75.57	-	75.57
As at April 1, 2017	**21.44**	**23.56**	**45.00**
Additions	-	-	-
Deductions	-	-	-
As at March 31, 2018	**21.44**	**23.56**	**45.00**
Accumulated Depreciation			
As at April 1, 2016	**-**	**0.63**	**0.63**
Depreciation for the year	-	0.62	0.62
Adjustment Due to Business Combination (refer note 45 (I) and (III))	-	0.01	0.01
As at April 1, 2017	**-**	**1.26**	**1.26**
Depreciation for the year	-	0.61	0.61
As at March 31, 2018	**-**	**1.87**	**1.87**
Net Carrying Amount			
As at March 31, 2018	**21.44**	**21.69**	**43.13**
As at April 01, 2017	21.44	22.30	43.74

Notes:

(1) Buildings of investment property includes ₹ 9.35 crores in respect of which registration are pending in the favour of the Company and ₹ 1.57 crores in respect of which title deeds are in the name of merged companies. (Refer note 45 (I))

(2) Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income derived from Investment properties	**1.92**	1.35
Less: Direct operating expenses (including repairs and maintenance)	**(0.01)**	(0.15)
Profit arising from investment properties before depreciation	**1.91**	1.20
Less : Depreciation	**0.61**	0.63
Profit arising from investment properties	**1.30**	0.57

(3) The fair value of the properties are based on internal evaluation by the management.

Fair value of the Investment properties are as under

Fair value	Land	Building	Total
Balance as at April 1, 2017	24.20	25.45	49.65
Add : Fair value difference for the year	0.58	1.68	2.26
Balance as at March 31 2018	**24.78**	**27.13**	**51.91**

Notes to Standalone Financial Statements

₹ in Crores

Note 7 : Intangible assets

Particulars	Computer Software	Patent & Technical Know How	Website (Refer note (i))	Total
Gross Carrying Amount				
As at April 1, 2016	**25.48**	**1.00**	**6.55**	**33.03**
Additions	18.99	23.80	41.17	83.96
Deductions	1.28	-	-	1.28
As at April 1, 2017	**43.19**	**24.80**	**47.72**	**115.71**
Additions	4.39	-	32.16	36.55
Deductions	0.36	-	-	0.36
As at March 31, 2018	**47.22**	**24.80**	**79.88**	**151.90**
Accumulated Depreciation				
As at April 1, 2016	**15.71**	**0.44**	**2.02**	**18.17**
Amortisation for the year	5.63	4.91	7.91	18.45
Deductions	1.28	-	-	1.28
As at April 1, 2017	**20.06**	**5.35**	**9.93**	**35.34**
Amortisation for the year	6.87	4.89	13.65	25.41
Deductions	0.35	-	-	0.35
As at March 31, 2018	**26.58**	**10.24**	**23.58**	**60.40**
Net Carrying Amount				
As at March 31, 2018	**20.64**	**14.56**	**56.30**	**91.50**
As at April 1, 2017	23.13	19.45	37.79	80.37

Note : (i) Website consist of Capitalised development cost being an internally generated intangible assets.

Notes to Standalone Financial Statements

₹ in Crores

Note 8 : Financial assets

8 (a) Investments

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit As at March 31, 2018	No. of Shares/unit As at March 31, 2017	Amount As at March 31, 2018	Amount As at March 31, 2017
(a) Investment in equity shares (fully paid up):					
I. Subsidiaries - measured at cost (unquoted) :					
The Anup Engineering Limited	10	**1,27,20,880**	1,27,20,880	**6.56**	6.56
Syntel Telecom Limited	10	**50,000**	50,000	**0.05**	0.05
Arvind Envisol Limited* (Formerly known as 'Arvind Accel Limited')	10	**2,10,000**	2,10,000	**8.20**	8.20
Arvind Worldwide Inc., Delaware (Shares without par value)		**502**	502	**0.08**	0.07
Arvind Worldwide(M) Inc., Mauritius	100 USD	**54,840**	54,840	**0.01**	0.01
Less: Provision for Impairment				**(0.01)**	(0.01)
				-	-
Arvind Spinning Limited (Shares without par value)		**8,24,099**	8,24,099	**0.08**	0.08
Less: Provision for Impairment				**(0.08)**	(0.08)
				-	-
Arvind Overseas (M) Inc., Mauritius	100 Mau	**23,85,171**	23,85,171	**0.24**	0.24
Less: Provision for Impairment				**(0.24)**	(0.24)
				-	-
Arvind Textile Mills Limited	10 Taka	**64,73,200**	64,73,200	**9.27**	9.27
Arvind Lifestyle Apparel Manufacturing Plc	1,000 ETB	**5,91,117**	82,883	**168.13**	24.78
Arvind Envisol Plc	1,000 ETB	**46**	-	**0.01**	-
Arvind Foundation	10	**10,000**	10,000	**0.01**	0.01
Arvind Fashions Limited*	2	**10,39,06,759**	97,50,000	**423.32**	151.68
Arvind Internet Limited	10	**3,30,55,600**	3,30,55,600	**33.48**	33.48
Arvind Ruf and Tuf Limited	10	**9,50,000**	10,000	**14.11**	0.01
Arvind True Blue Limited	10	**10,000**	10,000	**0.01**	0.01
Arvind Premium Retail Limited	10	**10,409**	10,409	**2.33**	2.33
(Incl. Equity Component of Preference Shares of ₹ 2.32 Crores)					
Arvind Transfomational Solution Private Limited	10	**10,000**	-	**0.01**	-
Arvind Smart Textiles Limited	10	**10,000**	-	**0.01**	-
Arvind Enterprise FZE	150000 AED	**1**	-	**0.26**	-
Total (I)				**665.84**	236.45
II. Joint Ventures - measured at cost (unquoted) :					
Arya Omnitalk Radio Trunking Services Private Limited*	10	**10,05,000**	10,05,000	**6.05**	6.03
Arudrama Development Private Limited	100	**50,000**	50,000	**2.05**	2.05
Total (II)				**8.10**	8.08
III. Joint Ventures Subsidiaries - measured at cost (unquoted) :					
Arvind Goodhill Suit Manufacturing Private Limited	10	**4,94,700**	4,28,400	**24.24**	20.92
Arvind OG Nonwoven Private Limited	10	**23,14,710**	23,14,710	**23.05**	23.05
Arvind PD Composites Private Limited	10	**1,60,451**	1,45,304	**15.04**	13.52
Arya Omnitalk Wireless Solutions Private Limited*	10	**10,02,500**	10,00,000	**1.25**	1.10
Arvind Niloy Exports Private Limited	100 Taka	**63,000**	63,000	**0.46**	0.46
Westech Advanced Materials Limited (Shares without par value)		**28,28,363**	28,28,363	**18.13**	18.13
Total (III)				**82.17**	77.18
IV. Limited Liability Partnerships:					
(a) Subsidiaries - measured at cost (unquoted)					
Enkay Converged Technologies LLP				**0.02**	-
Maruti and Ornet Infrabuild LLP				**26.78**	25.35
(b) Joint ventures - measured at cost (unquoted)					
Arvind and Smart Value Homes LLP				**64.18**	63.85
(c) Others - measured at amortised cost (unquoted)					
Ahmedabad East Infrastructure LLP				-	(₹ 7,000/-)
637 Developers				**0.01**	0.17
Total (IV)				**90.99**	89.37

Notes to Standalone Financial Statements

₹ in Crores

Note 8 : Financial assets

8 (a) Investments (Contd.)

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit As at March 31, 2018	No. of Shares/unit As at March 31, 2017	Amount As at March 31, 2018	Amount As at March 31, 2017
V. Others - Fair value through Other Comprehensive Income:					
(i) Quoted					
Amol Decalite Limited**	10	-	16,500	-	0.06
(ii) Unquoted					
Amazon Textile Private Limited**	10	1,18,000	1,18,000	0.01	2.05
Abeer Textiles Private Limited**	10	22,42,000	-	2.02	-
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited**	250	140	140	(₹ 35,000/-)	(₹ 35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited**	100	10	10	(₹ 1,000/-)	(₹ 1,000/-)
Total (V)				2.03	2.11
Total Equity Investments ((I) + (II) + (III) + (IV) + (V))					
Total (a)				849.13	413.19
(b) Investments in Preference Shares of Subsidiaries - measured at amortised cost (Fully Paid up):					
Unquoted					
9% Redeemable Non- Cumulative - Arvind Premium Retail Limited	10	60,000	60,000	4.06	3.69
0.001% Compulsory Convertible Non-Cumulative - Arvind True Blue Limited	10	1,60,00,000	80,00,000	16.00	8.00
Total (b)				20.06	11.69
(c) Investment in debentures - measured at amortised cost (Unquoted):					
0.00001% Fully and Compulsorily Convertible Debentures of Centerac eMarket Places Private Limited	10	-	81,050	-	10.00
9% Optionally Convertible Debentures of Arya Omnitalk Radio Trunking Services Private Limited	10	2,500	-	0.02	-
Total (c)				0.02	10.00
(d) Investment in government securities - measured at amortised cost:					
National Saving Certificates (Lodged with Sales Tax and Government Authorities)				(₹ 23,000/-)	(₹ 23,000/-)
Total (d)				-	-
(e) Others				14.04	88.08
Total (e)				14.04	88.08
Total Investments (a)+(b)+(c)+(d)+(e)				883.25	522.96
Aggregate amount of quoted investments				-	0.06
Aggregate amount of unquoted investments				883.25	522.90
Aggregate impairment in value of investment				0.33	0.33

Notes to Standalone Financial Statements

₹ in Crores

Note 8 : Financial assets

8 (a) Investments (Contd.)

Disclosure in respect of Partnership Firms

Name of the Firm	Name of the Partner	Share in partnership	Capital as at	
			March 31, 2018	March 31, 2017
Arvind and Smart Value Homes LLP	Arvind Limited	50%	**64.18**	63.85
	Tata Value Homes Limited	50%	**64.18**	63.85
Enkay Converged Technologies LLP	Arvind Limited	1%	**0.02**	-
	Syntel Telecom Limited	99%	**1.48**	-
Maruti and Ornet Infrabuild LLP	Arvind Limited	99%	**26.78**	25.35
	Arvind Internet Limited	1%	**11.50**	11.50
637 Developers	Arvind Limited	35%	**0.01**	0.17
	Dahyabhai Maneklal Pvt. Ltd.	15%	**0.31**	0.38
	Jigen Shah	12%	**0.01**	0.06
	Darshan Jhaveri	7%	**0.01**	0.04
	Pankaj Shah	3%	**0.01**	(0.08)
	Chetas Shah	2%	**0.01**	(0.06)
	Shann Zevari	17.75%	**0.01**	(0.21)
	Mischa Gorchov	8.25%	**0.01**	0.05

* Increase in the cost of investment during the period includes recognition of notional commission on fair valuation of financial guarantee provided for loan taken by direct and indirect subsidiaries and joint ventures. The same is detailed below :

Subsidiaries / Joint ventures	Nature of transaction	Impact of notional commission on fair valuation of financial guarantee	
		2017-18	2016-17
Arvind Fashions Limited Financial guarantee given	Financial guarantee given	**2.56**	2.65
Arya Omnitalk Wireless Solutions Private Limited	Financial guarantee given	**0.10**	0.10
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	**0.02**	0.02
Arvind Envisol Limited	Financial guarantee given	**-**	0.15

** The management has assessed that carrying value of the investments approximate to their fair value.

8 (b) Trade receivables ~ Current

Particulars	**As at March 31, 2018**	As at March 31, 2017
Unsecured, considered good	**736.61**	470.96
Unsecured, considered doubtful	**2.83**	4.03
Less : Allowance for doubtful debts	**(2.83)**	(4.03)
Total Trade receivables	**736.61**	470.96
Receivables from Directors or from firm / Private company where director is interested (Refer note 35 for further details)	**3.89**	0.93

Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days.
Trade Receivables are given as security for borrowings as disclosed under Note - 15(a).

Allowance for doubtful debts

The Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful debt are as follows:

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Balance as per last financial statements	**4.03**	0.95
Add : Allowance for the year (Refer note 27)	**0.12**	4.89
Less : Write off of bad debts and other adjustment (net of recovery)	**(1.32)**	(1.81)
Balance at the end of the year	**2.83**	4.03

Notes to Standalone Financial Statements

₹ in Crores

8 (c) Loans

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Non-current		
Loans to employees	**1.86**	2.45
Total Non-current Loans (A)	**1.86**	2.45
Current		
Loans to		
- Related parties (Refer note 35)	**122.13**	246.72
- Employees	**0.82**	0.86
- Others	**96.44**	63.62
	219.39	311.20
Considered Doubtful		
Loans to related parties	**5.23**	5.23
Less : Allowance for doubtful loan	**(5.23)**	(5.23)
	-	-
Total Current Loans (B)	**219.39**	311.20
Total (A) + (B)	**221.25**	313.65
Loans to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	**-**	-

8 (d) Cash and cash equivalents

Particulars	As at March 31, 2018	As at March 31, 2017
Cash on hand	**0.39**	0.61
Cheques on hand	**0.31**	-
Balance with Banks		
In Current accounts and debit balance in cash credit accounts	**6.66**	3.74
In Exchange Earners Foreign Currency account	**-**	0.09
In Savings account	**(₹ 60,223/-)**	(₹ 45,808/-)
Total cash and cash equivalents	**7.36**	4.44

8 (e) Other bank balance

Particulars	As at March 31, 2018	As at March 31, 2017
Unpaid dividend accounts	**3.05**	2.45
Deposits held as Margin Money*	**3.95**	5.97
Deposit lodged with Court	**-**	0.55
Total other bank balances	**7.00**	8.97

* Under lien with bank as Security for Guarantee given by the bankers

Notes to Standalone Financial Statements

8 (f) Other financial assets

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Non-current		
Security deposits	**30.58**	42.37
Bank deposits with maturity of more than 12 months	**0.05**	0.01
Total Non-current Other Financial Asset (A)	**30.63**	42.38
Current		
Interest Subsidy Receivable	**24.51**	27.90
Receivable other than trade	**47.00**	74.97
Security deposits	**4.91**	3.75
Interest Accrued on financial assets measured at amortised cost	**0.02**	0.14
Foreign exchange forward contracts (Cash flow hedge)	**5.02**	48.92
Income receivable	**0.97**	6.12
Others	**13.92**	-
Total Current Other Financial Asset (B)	**96.35**	161.80
Total (A) + (B)	**126.98**	204.18

Other current financial assets are given as security for borrowings as disclosed under Note - 15(a).

Note 9 : Other current / non-current assets

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Capital advances	**68.52**	67.30
Pre-paid expense	**0.31**	0.44
Other than Capital Advances		
Advances to suppliers, Doubtful	**0.18**	0.29
Less : Provision for doubtful advances	**(0.18)**	(0.29)
	-	-
Total Non-current Other Asset (A)	**68.83**	67.74
Current		
Advance to suppliers		
To Related Parties	**22.33**	28.92
To Others	**39.76**	93.19
Balance with Government Authorities (Refer Note below (i))	**207.68**	46.08
Export incentive receivable	**73.79**	74.20
Pre-paid expense	**13.13**	22.64
Pre-paid Gratuity (Refer Note 34)	**16.23**	17.95
Other Advances	**2.69**	8.04
Total Current Other Asset (B)	**375.61**	291.02
Total (A) + (B)	**444.44**	358.76
Advance to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	**0.55**	0.84

(i) Balance with Government Authorities mainly consists of input credit availed.

Other current assets are given as security for borrowings as disclosed under Note - 15(a).

Notes to Standalone Financial Statements

₹ in Crores

Note 10 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials		
Raw materials and components	**370.68**	300.25
Raw materials in transit	**4.63**	0.50
Fuel	**2.55**	2.45
Material at site for project in progress	**11.97**	9.62
Stores and spares	**82.49**	78.15
Stores and spares in transit	**2.99**	-
Work-in-progress	**443.21**	460.77
Finished goods	**307.29**	333.07
Waste	**4.44**	3.63
By- product	**-**	0.05
Stock-in-trade	**76.84**	110.42
Stock-in-trade in transit	**0.63**	0.33
Total	**1,307.72**	1,299.24

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 27.70 Crores (March, 2017 ₹ 5.46 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

Note 11 : Current Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Paid in Advance (Net of Provision)	**101.91**	98.43
Total	**101.91**	98.43

Note 12 : Disclosure in respect of Construction / Job work Contracts

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Amount of Contract Revenue Recognized During the Year	**4.41**	13.04
Contracts in progress at the end of the reporting period		
Contract cost incurred and recognised profits less recognised losses	**53.10**	48.69
Less: Progress Billings	**53.10**	48.69
	-	-
Recognized and included in the financial statements as amounts due:		
-from customers under construction contracts	**-**	-
-to customers under construction contracts	**-**	-
	-	-
Amount of Advance Received from Customers	**-**	-
Amount of Retention from Customers	**0.13**	0.13

Note 13 : Equity share capital:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Authorised share capital				
Equity shares of ₹ 10 each	**67,45,00,000**	**674.50**	67,45,00,000	674.50
Preference shares of ₹ 100 each	**1,00,00,000**	**100.00**	1,00,00,000	100.00
Issued, subscribed and paid-up share capital				
Equity shares of ₹ 10 each	**25,86,17,069**	**258.62**	25,83,59,069	258.36
Add : Forfeited shares	**900**	**(₹ 4,500/-)**	900	(₹ 4,500/-)
Total	**25,86,17,969**	**258.62**	25,83,59,969	258.36

Notes to Standalone Financial Statements

Note 13 : Equity share capital: (Contd.)

₹ in Crores

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Outstanding at the beginning of the year	25,83,59,069	258.36	25,82,43,069	258.24
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan	2,58,000	0.26	1,16,000	0.12
Outstanding at the end of the year	25,86,17,069	258.62	25,83,59,069	258.36

(ii) Rights, Preferences and Restrictions attached to equity shares:

The Company has one class of shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The final 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.

(iii) Details of shareholder holding more than 5% Shares in the Company:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities Private Limited	9,55,61,810	36.95	9,55,61,810	36.99

(iv) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding March 31, 2018:

The Company has issued 3,410,528 Equity Shares of ₹ 10 each during the F.Y. 2012-2013 to the erstwhile shareholders of Arvind Products Limited pursuant to the Scheme of Amalgamation without payment being received in cash.

(v) Shares reserved for issue under options and contracts:

Refer Note 37 for details of shares to be issued under employee stock option Scheme (ESOP 2008).

Note 14 : Other Equity

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Share Application Money Pending Allotment		
Balance as per last financial statements	2.17	-
Add: Additions during the year	1.00	2.17
Less: Adjusted against share issues during the year	(3.17)	-
Balance at the end of the year	-	2.17
(b) Capital reserve		
Balance as per last financial statements	26.71	26.71
Balance at the end of the year	26.71	26.71
(c) General reserve		
Balance as per last financial statements	35.65	35.65
Balance at the end of the year	35.65	35.65
(d) Amalgamation reserve		
Balance as per last financial statements	34.20	-
Add: Adjustment due to business combination (Note 45)	-	34.20
Balance at the end of the year	34.20	34.20
(e) Securities premium account		
Balance as per last financial statements	556.73	554.84
Add: Received during the year	4.91	2.21
Add: Transfer from share based payment reserve	3.13	1.41
Less: Utilized during the year	-	(1.73)
Balance at the end of the year	564.77	556.73
(f) Capital redemption reserve		
Balance as per last financial statements	69.50	69.50
Balance at the end of the year	69.50	69.50

Notes to Standalone Financial Statements

Note 14 : Other Equity (Contd.)

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
(g) Debenture Redemption Reserve		
Balance as per last financial statements	**-**	-
Add: Transfer from retained earnings	**50.00**	-
Balance at the end of the year	**50.00**	-
(h) Share based payment reserve (Refer Note 37)		
Balance as per last financial statements	**9.95**	4.79
Add: Addition during the year	**4.27**	6.57
Less: Transfer to Securities Premium Account	**(3.13)**	(1.41)
Balance at the end of the year	**11.09**	9.95
(i) Retained earnings		
Balance as per last financial statements	**1,986.52**	1,937.09
Add: Adjustment due to business combination (Note 45(I))	**-**	0.14
Add: Profit for the year	**250.04**	18.56
Add: Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation (net of tax)	**(8.91)**	0.78
Less: Transfer to Debenture Redemption Reserve	**(50.00)**	-
Add: Transfer from Other Comprehensive Income	**-**	104.55
	2,177.65	2,061.12
Less: Payment of dividend on equity shares	**(62.04)**	(61.98)
Less: Dividend distribution tax on dividend	**(11.61)**	(12.62)
Balance at the end of the year	**2,104.00**	1,986.52
(j) Items of Other comprehensive income		
(i) Equity Instruments through OCI (net of tax)		
Balance as per last financial statements	**-**	90.51
Add: Addition during the year	**0.42**	47.44
Less: Adjustment due to business combination (Note 45(I))	**-**	(33.40)
Less: Transfer to Retained Earning	**-**	(104.55)
Balance at the end of the year	**0.42**	-
(ii) Cash Flow hedge reserve		
Balance as per last financial statements	**31.99**	8.80
Add/(Less): Addition during the year	**(43.90)**	35.46
Add/(Less): Tax impact on additions	**15.18**	(12.27)
Balance at the end of the year	**3.27**	31.99
Total Other equity	**2,899.61**	2,753.42

The description of the nature and purpose of each reserve within equity is as follows

a. Capital reserve

Capital Reserve includes forfeiture of application money received on issue of share warrants and Capital Reserves on amalgamation/Business Combinations.

b. General reserve

General Reserve is a free reserve created by the Company by transfer from Retained earnings for appropriation purposes.

c. Amalgamation reserve

The reserve was created pursuant to scheme of amalgamation in earlier years. Amalgamation Reserve is a reserve which arose pursuant to the scheme of amalgamation and shall not be considered to be a reserve created by the Company.

d. Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

e. Capital redemption reserve

Capital Redemption Reserve is created for redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed. Capital Redemption Reserve may be applied by the Company in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

f. Debenture redemption reserve

The Company is required to create a debenture redemption reserve out of the profits which is available for purpose of redemption of debentures. This reserve will not be utilised by the Company except to redeem debentures.

Notes to Standalone Financial Statements

₹ in Crores

Note 14 : Other Equity (Contd.)

g. Share based payment reserve

This reserve relates to share options granted by the Company to its employee share option plan. Further information about share-based payments to employees is set out in Note 37.

h. Equity instruments through OCI

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

i. Cash flow hedge reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Note 15 : Financial liabilities

15 (a) Long-term Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
A. Non-current portion		
(Secured)(at amortised cost)		
(ai) Term loan		
- from Banks	**415.51**	504.85
- from others	**18.47**	47.69
(Unsecured)(at amortised cost)		
(bi) Term loan		
- from Banks	**100.08**	-
- from Related parties (Refer note 35)	**40.00**	50.00
- from others	**2.58**	2.58
(ci) Non-convertible Debentures	**199.34**	-
	775.98	605.12
B. Current maturities (Refer note I below)		
(Secured)(at amortised cost)		
(bi) Term loan		
- from Banks	**95.48**	90.33
- from others	**29.25**	14.00
	124.73	104.33
Total long-term borrowings (i)	**900.71**	709.45
C. Short-term Borrowings		
(Secured)(at amortised cost)		
(ci) Working Capital Loans repayable on demand from Banks	**1,123.83**	1,257.76
(Unsecured)(at amortised cost)		
(cii) Under Buyer's Credit Arrangement	**131.80**	132.71
(ciii) Intercorporate Deposits		
From Related Parties (Refer note 35)	**5.27**	9.29
From Others	**0.53**	43.93
(civ) Commercial Papers	**400.00**	275.00
Total short-term borrowings (ii)	**1,661.43**	1,718.69
Total borrowings (i + ii)	**2,562.14**	2,428.14

Notes :

I) Installments falling due within a year in respect of all the above Loans aggregating ₹ 124.73 crore (March 31, 2017 : ₹ 104.33 crore) have been grouped under "Current maturities of long-term debt" (Refer Note 15(c))

II) Nature of security:

Term loan of ₹ 558.71 Crores

Loans amounting to ₹ 543.23 Crores (March 31, 2017 ₹ 639.56 Crores) are secured by (a) first pari passu charge on all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants and Garment Division at Bangalore; and all Immovable Properties, Movable Properties, Intangible Properties and General Assets acquired by the Company at any time after execution of and during the continuance of the Indenture of Mortgage; (b) charge on the Company's Trademarks; (c) Secured by second pari passu charge on all the Company's Current Assets presently relating to the Textile Plants and Garment Division and all the current assets aquired by the Company at any time in future .

Loans of ₹ 15.48 Crores (March 31, 2017 ₹ 17.31 Crores) are secured by hypothecation of related vehicles.

Notes to Standalone Financial Statements

₹ in Crores

Note 15 : Financial liabilities

15 (a) Long-term Borrowings (Contd.)

Rate of Interest and Terms of Repayment

Particulars	₹ in Crores	Range of Interest (%)	Terms of Repayment from Balance sheet date
From Banks			
(a) Term Loan			
(I) Secured Rupee Loans	495.51	8.65% to 9.95%	Repayable in quarterly instalments ranging between 2 to 16
(II) Secured Vehicle Loan	15.48	7.75% to 8.40%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
(III) Unsecured Rupee Loans	100.08	8.75%	Repayable in 3 monthly instalments starting from Apr 2019
(b) Non-Convertible Debentures	199.34	7.79% to 8.00%	Repayable in Sep 2020 (50%), Sep 2021 (25%) and Sep 2022 (25%)
From Others			
(I) Secured Rupee Loans	47.72	9.45%	Repayable in 13 equal quarterly instalments
(II) Unsecured Loans from Related Party	40.00	8.00% to 8.15%	Bullet Repayment in March 2024 (50%) and in March 2025 (50%)

Nature of Security

Cash Credit and Other Facilities from Banks

(a) Secured by first pari passu charge on all the Company's Current Assets presently relating to the Manufacturing Locations and all the Current Assets acquired by the Company at any time after the execution of and during the continuance of the Indenture of Mortgage. (b) Secured by a second pari passu charge over all the Immovable Properties relating to Textile Plants, Movable Properties presently relating to the Company and all the movable properties aquired by the Company at any time in future after execution of and during the continuance of the Indenture of Mortgage."

Rate of Interest

i. Working Capital Loans from banks carry interest rates ranging from 4.45% to 9.60% per annum.
ii. Inter Corporate Deposit carries interest rate of 8% per annum.
iii. Commercial Papers carry interest rates ranging from 7.60% to 7.65% per annum.
iv. Buyer's credit arrangements carry interest rates ranging from 0.30% to 5.25%

15 (b) Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Acceptances	**233.69**	9.68
Other trade payables (Refer note below)	**715.25**	607.05
Total	**948.94**	616.73

Note

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

(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
(b) Interest paid during the year;
(c) Amount of payment made to the supplier beyond the appointed day during accounting year;
(d) Interest due and payable for the period of delay in making payment;
(e) Interest accrued and unpaid at the end of the accounting year; and
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

(ii) For amount payable to related parties, refer Note 35.

Notes to Standalone Financial Statements

₹ in Crores

15 (c) Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Financial guarantee contract	0.54	1.01
Total Non-current Other financial liabilities (A)	0.54	1.01
Current		
Current maturity of long term borrowings (Refer note 15 (a))	124.73	104.33
Interest accrued but not due		
- On Borrowings	11.17	5.15
- On Others	0.21	-
Payable to employees	97.63	88.61
Deposits from customers and others	9.50	10.99
Financial guarantee contract	0.67	0.80
Unpaid dividends	3.05	2.45
Book overdraft	0.10	1.89
Current account with LLP	0.05	0.05
Payable for Capital Goods	13.18	17.21
Other Payables	16.58	16.26
Total Current Other financial liabilities (B)	276.87	247.74
Total (A) + (B)	277.41	248.75

Note: There has been delay ranging from 607 to 646 days in transferring fund to Investor Education and Protection Fund amounting to ₹ 0.03 crore as of March 31, 2018.

Note 16 : Provisions

Particulars	As at March 31, 2018	As at March 31, 2017
Long-term		
Provision for employee benefits (Refer note 34)		
Provision for leave encashment	22.92	17.81
Provision for compensatory pension*	2.17	1.94
Provision for Medical benefits	12.20	7.43
Total Long term Provisions (A)	37.29	27.18
Short-term		
Provision for employee benefits (Refer note 34)		
Provision for leave encashment	4.84	3.56
Provision for superannuation	2.13	2.17
Provision for compensatory pension*	0.13	0.10
Provision for Medical benefits	0.68	0.45
Others		
Provision for Wealth tax	0.10	0.10
Total Short-term provisions (B)	7.88	6.38
Total (A) + (B)	45.17	33.56

* Including ₹ 0.38 Crores (March 31, 2017 : ₹ 0.32 crores) pertaining to employees for which the liability of the Company is crystalised. Hence, it is a liability towards defined contribution plan.

Note 17 : Government grants

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Deferred income	34.13	30.78
Total Non-current Government Grants (A)	34.13	30.78
Current		
Deferred income	5.59	4.69
Total Current Government Grants (B)	5.59	4.69
Total (A) + (B)	39.72	35.47

Notes to Standalone Financial Statements

₹ in Crores

Note 17 : Government grants (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at the beginning of the year	**35.47**	28.62
Received during the year (net)	**9.13**	11.71
Released to statement of profit and loss (net)(Refer note 20)	**(4.88)**	(4.86)
Balance at the end of the year	**39.72**	35.47

Note 18 : Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Advance from customers	**22.59**	29.94
Statutory dues (provident fund and tax deducted at source etc.)	**19.95**	26.51
Deferred income of loyalty program reward points (Refer note (a) below)	**0.34**	0.45
Other liabilities	**2.54**	2.12
Total	**45.42**	59.02

(a) Deferred income of Loyalty Program Reward Points

The Company has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at the beginning of the year	**0.45**	0.83
Add : Deferment during the year (Net)	**(0.11)**	(0.38)
Balance at the end of the year	**0.34**	0.45

Note 19 : Revenue from operations (Refer note (i) below)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of products	**6,010.54**	5,636.31
Sale of services	**30.44**	33.23
Other Operating income		
Waste sale	**107.28**	90.07
Gain on forward contracts	**77.18**	12.91
Export incentives	**171.03**	198.28
Foreign exchange fluctuation on vendors and customers	**8.15**	(0.20)
Liabilities no longer required written back	**10.20**	0.49
Others	**8.52**	9.87
Total	**6,423.34**	5,980.96

"Note : (i) Post implementation of Goods and Service Tax (GST) with effect from July 1,2017, Revenue from operations is disclosed net off GST. Revenue from operations for the year till June 30, 2017 and previous year includes excise duty amounting to ₹ 2.59 crore and ₹ 13.06 crore respectively, which is now subsumed in the GST. Accordingly, Revenue from operations for the current year are not comparable with previous year."

Notes to Standalone Financial Statements

₹ in Crores

Note 20 : Other income

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest income on financial assets measured at amortized cost		
- Fixed Deposits	**0.19**	0.86
- Loans and Advances	**27.15**	47.72
- Others	**4.73**	2.85
Scrap income	**13.15**	12.05
Dividend income	**5.71**	2.76
Government grants (Refer note 17)	**4.88**	4.86
Financial guarantee commission	**3.49**	3.89
Rent (Refer Note 38)	**2.03**	1.48
Profit on sale of Property, Plant and Equipments (Net)	**7.76**	2.86
Share of Profit from LLP	**0.18**	-
Miscellaneous income	**5.69**	23.77
Total	**74.96**	103.10

Note 21 : Cost of raw materials and accessories consumed

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Inventory at the beginning of the year	**300.30**	241.69
Add : Purchases during the year	**2,670.98**	2,453.26
	2,971.28	2,694.95
Less : Inventory at the end of the year	**370.68**	300.30
Total	**2,600.60**	2,394.65

Note 22 : Purchases of stock-in-trade

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Purchase of stock-in-trade	**325.61**	248.11
Total	**325.61**	248.11

Note 23 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
Inventories at the end of the year			
Finished goods		**307.29**	333.07
Inventories-in-trade		**76.84**	110.42
Work-in-Progress		**443.21**	460.77
Project work-in-progress		**11.97**	9.62
Waste		**4.44**	3.63
	(A)	**843.75**	917.51
Inventories at the beginning of the year			
Finished goods		**333.07**	288.26
Inventories-in-trade		**110.42**	72.17
Work-in-Progress		**460.77**	444.38
Project work-in-progress		**9.62**	10.14
Waste		**3.63**	2.40
	(B)	**917.51**	817.35
(Increase) / Decrease in Inventories	**(A-B)**	**73.76**	(100.16)
Adjustment due to Business Combination (Refer note 45(I))		**-**	1.49
Excise duty in value of Inventories increase / (decrease)		**(0.15)**	0.04
Total		**73.61**	(98.63)

Notes to Standalone Financial Statements

₹ in Crores

Note 24 : Employee benefits expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, Wages, Gratuity, Bonus and Commission (Refer Note 34)	708.51	691.08
Contribution to provident and other funds (Refer Note 34A)	51.10	57.40
Staff welfare and training expenses	19.95	21.86
Share based payment to employees (Refer Note 37)	4.98	6.91
Total	784.54	777.25

Note 25 : Finance costs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest expense on Financial Liabilities measured at amortised cost		
- Loans	154.58	214.50
- Related Parties	8.38	0.23
- Debentures	8.48	-
- Others	4.05	4.38
Exchange differences regarded as an adjustment to borrowing costs	1.57	2.15
Other borrowing cost	0.62	0.61
Total	177.68	221.87

Note 26 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Tangible Property, Plant and Equipments (Refer Note 5)	182.83	163.02
Depreciation on Investment properties (Refer Note 6)	0.61	0.63
Amortization of Intangible assets (Refer Note 7)	25.41	18.45
Total	208.85	182.10

Note 27 : Other expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Power and fuel	498.17	456.29
Stores and spares consumed	478.73	450.99
Processing charges	305.12	299.17
Miscellaneous Labour charges	73.25	59.45
Rent (Refer note 38)	77.51	99.09
Excise duty expense	2.92	14.33
Insurance	8.50	6.14
Printing, stationery and communication	17.76	20.78
Commission and Brokerage	28.06	28.33
Rates and taxes	12.31	22.06
Repairs :		
To Building	1.74	2.35
To Machineries (including spares consumption)	153.39	134.19
To others	8.18	9.62
Freight, insurance and clearing charge	111.96	91.17
Advertisement and publicity	27.45	48.27
Software Expenses	19.33	13.82
Legal and Professional charges	31.05	36.15
Conveyance and Travelling expenses	33.08	33.40
Director's sitting fees	0.04	0.05

Notes to Standalone Financial Statements

₹ in Crores

Note 27 : Other expenses (Contd.)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Allowances for doubtful debts (Refer note 8(b))	**0.12**	4.89
Sundry advances written off	**1.93**	0.48
Auditor's remuneration (Refer note (i) below)	**1.11**	2.03
Bank charges	**15.06**	16.70
Corporate Social Responsibility expenses (Refer note 39)	**8.20**	8.44
Property, Plant and Equipments written off	**1.40**	0.29
Miscellaneous expenses	**87.49**	69.74
Total	**2,003.86**	1,928.22
(i) Break up of Auditor's remuneration		
Payment to Auditors as		
Auditors	**0.80**	0.85
For Other Services	**0.31**	1.12
For reimbursement of expenses	**-**	0.06
Total	**1.11**	2.03

Note 28 : Exceptional items

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Retrenchment compensation	**36.54**	12.49
(b) (Profit) on Sale of Property, Plant and Equipments (Land)	**(23.30)**	-
(c) Loss on Sale of Investments	**9.48**	262.11
(d) Settlement of disputed claims	**-**	5.57
Total	**22.72**	280.17

Note 29 : Income tax

The major component of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as follows:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Statement of Profit and Loss		
Current income tax	**60.93**	49.54
Short provision related to earlier years	**1.26**	0.62
Deferred tax expense / (Credit)	**(20.62)**	65.92
Income tax expense in the Statement of Profit and Loss	**41.57**	116.08
Statement of Other comprehensive income (OCI)		
Current income tax	**(3.49)**	-
Deferred tax expense / (Credit)	**(16.42)**	12.68
Income tax expense / (Credit) recognised in OCI	**(19.91)**	12.68

Notes to Standalone Financial Statements

₹ in Crores

Note 29 : Income tax (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2018 and March 31, 2017.

A. Current tax

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Accounting profit before tax	**291.61**	134.64
Tax Rate	**34.608%**	34.608%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	**100.92**	46.60
Adjustment		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	**(41.90)**	(2.89)
Deferred tax assets not recognized as realization is not probable	**(4.78)**	90.55
Exempt income	**(1.73)**	(0.84)
Additional deduction for research and product development cost	**(8.04)**	(18.06)
Expenditure not deductible for tax/not liable to tax	**3.58**	2.10
Short Provision of the earlier years	**1.26**	0.62
Change in deferred tax balances due to change in income tax rate	**(2.35)**	-
Other adjustments	**(5.39)**	(2.00)
Total income tax expense	**41.57**	116.08
Effective tax rate	**14.26**	86.21

B. Deferred tax

The Company has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax (assets) & liabilities recognized in the financial statements of the Company as follows:

Particulars	Balance Sheet as at		Statement of Profit and Loss and OCI for the year ended on	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
Accelerated depreciation for tax purposes	**176.35**	166.41	**9.94**	29.08
Adjustment due to Business Combination (Note 45)	**-**	0.52	**(0.52)**	-
Impact of fair valuation of Land	**120.73**	163.79	**(43.06)**	(2.89)
Provision for doubtful debt	**(3.38)**	(3.97)	**0.59**	(1.53)
Expenditure allowable on payment basis	**(12.39)**	(8.68)	**(3.71)**	0.51
Expenditure allowable over the period (Section 35D/35DD)	**(15.95)**	(9.96)	**(5.99)**	0.37
Unused tax credit available for offsetting against future taxable income (MAT Credit Entitlement)	**(152.38)**	(180.38)	**28.00**	51.52
Others	**(21.21)**	1.08	**(22.29)**	2.16
Deferred tax expense/(income)			**(37.04)**	79.22
Net deferred tax liabilities	**91.77**	128.81		
Reflected in the balance sheet as follows				
Deferred tax liabilities	**297.08**	331.80		
Deferred tax assets	**(205.31)**	(202.99)		
Deferred tax liabilities (net)	**91.77**	128.81		

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. (Refer note 30)

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.

The Company has unused tax capital losses amounting to ₹ 386.40 crores as at March 31, 2018 (March 31, 2017: ₹ 416.00 crores). Tax credits on such losses have not been recognised on the basis that recovery is not probable in the foreseeable future. Unrecognised tax capital losses will expire on March 31, 2025, if unutilized, based on the year of origination.

Notes to Standalone Financial Statements

₹ in Crores

Note 30 : Contingent liabilities

Particulars		**As at March 31, 2018**	As at March 31, 2017
Contingent liabilities not provided for			
(i)	Claims against Company not acknowledged as debts	**6.22**	5.76
(ii)	Disputed demands in respect of		
	Excise and Customs duty	**23.83**	25.72
	Value added tax and Central sales tax	**19.50**	19.46
	Income tax	**20.08**	12.99
	Service tax	**4.65**	3.54

Notes :

(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

Note 31 : Capital commitment and other commitments

Particulars		**As at March 31, 2018**	As at March 31, 2017
(a)	**Capital commitments**		
	Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	**74.67**	39.89
(b)	**Other commitments**		
	Export obligations against the import licenses taken for import of capital goods		**77.74**
61.55			
	under the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Company is unable to meet these obligations, its liability would be ₹ 11.09 crores (March 31,2017 : ₹ 10.26 crores) which will reduce in proportion to actual exports. The Company is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations		

Note 32 : Foreign Exchange Derivatives and Exposures not hedged

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities depending upon the maturity of the derivatives.

The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Cash Flow Hedges

The Company also enters into forward exchange contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the statement of profit or loss. These hedges have been effective for the year ended March 31, 2018 and March 31, 2017.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions.

The cash flow hedges are taken out by the Company during the year for hedging the foreign exchange rate of highly probable forecast transactions. The cash flows related to above are expected to occur during the year ended March 31, 2019 and consequently may impact the statement of profit or loss for that year depending upon the change in the foreign exchange rates movements.

Notes to Standalone Financial Statements

Note 32 : Foreign Exchange Derivatives and Exposures not hedged (Contd.)

A details of derivative contracts outstanding as at reporting date are as follows:

A. Foreign Exchange Derivatives

Nature of instrument	Currency	As at March 31, 2018		As at March 31, 2017	
		FC In Mn	₹ in Crores	FC In Mn	₹ in Crores
Forward contracts					
Sales	USD	159.61	1,058.67	101.58	693.31
Purchases	USD	-	-	2.04	13.32
Option contracts	USD	-	-	60.00	426.00

All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

B. Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2018		As at March 31, 2017	
		FC In Mn	₹ in Crores	FC In Mn	₹ in Crores
Receivables	USD	40.82	266.05	21.37	138.59
	EUR	1.32	10.67	1.11	7.70
	GBP	0.01	0.07	0.40	3.21
Payable towards borrowings	USD	13.74	89.54	16.55	107.30
	EUR	4.99	40.32	3.40	23.56
	JPY	38.46	2.37	40.75	2.36
Receivable towards loans	USD	2.45	15.97	3.50	22.74
Payable to creditors	USD	5.86	38.20	3.49	22.64
	EURO	0.28	2.26	0.13	0.90
	GBP	GBP 2419	0.02	GBP 193	₹ 15,587/-
	JPY	8.23	0.51	5.01	0.29
	CHF	-	-	CHF 1808	0.01
	SGD	0.18	0.87	0.17	0.80
	HKD	HKD 3000	₹ 24,915/-	HKD 9577	0.01

Note 33 : Segment Reporting

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company.

Operating Segments:

(a) Textiles : Fabrics, Garments and Fabric Retail.

(b) Branded Apparels : Branded Garments, accessories and manufacturing & selling of customised clothing. Manufacturing and selling of branded accessories is reclassified and considered as branded apparels segment w.e.f. July 1,2017.

(c) Arvind Internet : E-commerce

(d) Engineering : Engineering

(e) Others : Technical Textiles, Agriculture Produce, EPABX and One to Many Radio, Water Treatment, Other including newly commenced business.

Segment revenue and results:

Revenue and expenses directly attributable to segments are reported under each reportable segment. The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income). Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level.

Segment assets and Liabilities:

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities excluding borrowings.

Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable ass[ets] liabilities.

Notes to Standalone Financial Statements

₹ in Crores

Note 33 : Segment Reporting (Contd.)

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the company level.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Geographical segment

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

Summarised segment information for the years ended March 31, 2018 and March 31, 2017 are as follows:

Particulars	For the Year ended / As at March 31, 2018						
	Textiles	Branded Apparels	Arvind Internet	Engin-eering	Others	Elimin-ation	Total
REVENUE							
External Revenue	6,029.25	64.50	10.62	26.86	292.11	-	**6,423.34**
Inter segment Revenue	0.91	0.60	-	-	1.71	(3.22)	**-**
Enterprise revenue	**6,030.16**	**65.10**	**10.62**	**26.86**	**293.82**	**(3.22)**	**6,423.34**
RESULT							
Segment Result Before Finance cost	672.67	(20.10)	(54.43)	0.88	(63.98)	-	**535.04**
Less: Finance Cost						-	**(177.68)**
Less: Unallocable expenses (net of income)						-	**(65.75)**
Less: Tax Expense						-	**(41.57)**
Net profit/(loss) after tax	**672.67**	**(20.10)**	**(54.43)**	**0.88**	**(63.98)**	**-**	**250.04**
Segment Assets	4,047.37	506.42	69.08	41.60	323.20	-	**4,987.67**
Unallocated Assets						-	**2,056.40**
Total Assets	**4,047.37**	**506.42**	**69.08**	**41.60**	**323.20**	**-**	**7,044.07**
Segment Liabilities	994.46	26.09	15.42	1.51	90.46	-	**1,127.94**
Unallocated Liabilities						-	**195.75**
Total Liabilities	**994.46**	**26.09**	**15.42**	**1.51**	**90.46**	**-**	**1,323.69**
Depreciation and amortisation expense	155.21	6.95	13.15	0.43	12.01	-	**187.75**
Unallocated Depreciation and amortisation expense						-	**21.10**
Total Depreciation and amortisation expense	**155.21**	**6.95**	**13.15**	**0.43**	**12.01**	**-**	**208.85**
Capital Expenditure	188.41	0.54	3.85	9.63	12.56	-	**214.99**
Unallocated Capital Expenditure						-	**60.67**
Total Capital Expenditure (Refer Note (a))	**188.41**	**0.54**	**3.85**	**9.63**	**12.56**	**-**	**275.66**
Material non-cash items other than Depreciation and amortisation	25.26	0.02	0.07	-	5.08	-	**30.43**
Unallocated Material non-cash items other than Depreciation and amortisation						-	**0.72**
Total Material non-cash items other than Depreciation and amortisation	**25.26**	**0.02**	**0.07**	**-**	**5.08**	**-**	**31.15**

Notes to Standalone Financial Statements

Note 33 : Segment Reporting (Contd.)

₹ in Crores

Particulars	For the Year ended / As at March 31, 2017						
	Textiles	Branded Apparels	Arvind Internet	Engin-eering	Others	Elimin-ation	Total
REVENUE							
External Revenue	5,676.54	44.14	5.56	0.05	254.67	-	5,980.96
Inter segment Revenue	1.92	0.66	-	-	0.32	(2.90)	-
Enterprise revenue	5,678.46	44.80	5.56	0.05	254.99	(2.90)	5,980.96
RESULT							
Segment Result Before Finance cost	795.46	(39.41)	(80.45)	(0.03)	(60.22)	-	615.35
Less: Finance Cost						-	(221.87)
Less: Unallocable expenses (net of income)						-	(258.84)
Less: Tax Expense						-	(116.08)
Net profit/(loss)	795.46	(39.41)	(80.45)	(0.03)	(60.22)	-	18.56
Segment Assets	3,835.33	250.38	67.93	7.14	422.16	-	4,582.94
Unallocated Assets						-	1,874.99
Total Assets	3,835.33	250.38	67.93	7.14	422.16	-	6,457.93
Segment Liabilities	670.92	38.98	12.12	0.07	73.51	-	795.60
Unallocated Liabilities						-	222.41
Total Liabilities	670.92	38.98	12.12	0.07	73.51	-	1,018.01
Depreciation and amortisation expense	140.50	5.17	6.87	-	10.61	-	163.15
Unallocated Depreciation and amortisation expense						-	18.95
Total Depreciation and amortisation expense	140.50	5.17	6.87	-	10.61	-	182.10
Capital Expenditure	134.68	12.21	37.50	-	17.62	-	202.01
Unallocated Capital Expenditure						-	92.41
Total Capital Expenditure (Refer Note (a))	134.68	12.21	37.50	-	17.62	-	294.42
Material non-cash items other than Depreciation and amortisation	8.38	5.43	0.02	-	0.03	-	13.86
Unallocated Material non-cash items other than Depreciation and amortisation						-	0.11
Total Material non-cash items other than Depreciation and amortisation	8.38	5.43	0.02	-	0.03	-	13.97

(a) Capital expenditure consists of additions of property, plant and equipment, intangible assets, investment properties and Capital work in Progress.

(b)

Particulars	Year Ended / As at March 31, 2018	Year Ended / As at March 31, 2017
Segment Revenue*		
(a) In India	**3,755.89**	3,581.38
(b) Rest of the world	**2,667.45**	2,399.58
Total	**6,423.34**	5,980.96
Carrying Cost of Segment Non Current Assets@		
(a) In India	**3,276.38**	3,244.08
(b) Rest of the world	**-**	-
Total	**3,276.38**	3,244.08

* Based on location of Customers

@ Other than financial assets.

(c) Information about major customers:

Considering the nature of business of company in which it operates, the company deals with various customers including multiple geographics. No single customer has accounted for more than 10% of the company's revenue for the years ended March 31, 2018 and 2017.

Notes to Standalone Financial Statements

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 45.13 Crores (March 31, 2017: ₹ 45.07 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense".

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(i) Contribution to Provident Fund [Note (a)]	**26.38**	25.33
(ii) Contribution to Pension Fund [Note (b)]	**16.56**	17.44
(iii) Contribution to Superannuation Fund [Note (c)]	**2.19**	2.30
Total	**45.13**	45.07

Note

(a) The Company's Provident Fund is administered by approved Trust and are charged to the Statement of Profit and Loss as and when it is incurred. The Company is liable for the contribution and any shortfall in interest rates between the amount of interest realised by the investments and the interest payable to the members at the rates declared by the Government of India in respect of the administered trust. Having regard to the assets of the fund and the return on the investments, the Company does not have any deficiency as at March 31, 2018.

(b) Certain employees of the company are eligible for contribution to Pension Fund. The Company has no further obligation to the plan beyond its contribution which are periodically contributed to the government agencies.

(c) The Company's Superannuation Fund is administered by approved Trust. The Company is required to contribute the specified amount to the Trust. The Company has no further obligations to the plan beyond its contribution to a Trust Fund.

B. Defined benefit plans:

The Company has following post employment benefit plans which are in the nature of defined benefit plans:

(a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by a Trust and the Company makes contributions to recognised Trust in India.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Arvind Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme as permitted by Indian law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

(b) Post-Retirement Medical Benefit

Under this Scheme, employees & their spouse are covered for hospitalisation benefits after the employee has retired from the company only on completion of specified number of years services. The cover is available to these beneficiaries until they are alive. These beneficiaries are covered under Company's general group hospitalisation cover from insurance company. Liabilities with regard to the Post- Retirement Medical Benefit Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.

(c) Compensatory Pension Scheme

The Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees who have joined before 30th June 1983 and who have rendered not less than 31 years of service before their retirement. The plan is unfunded. Employees do not contribute to the plan.Liabilities with regard to the Compensatory Pension Scheme are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

Changes in defined benefit obligation and plan assets as at March 31, 2018:

Particulars	As at April 1, 2017	Charged to statement of profit and loss: Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 24)	Benefit paid	Remeasurement gains/(losses) in other comprehensive income: 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	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI	As at March 31, 2018
Gratuity											
Defined benefit obligation	94.04	11.38	7.12	18.50	(17.50)	-	7.68	5.87	(5.55)	8.00	103.04
Fair value of plan assets	(111.99)	-	(8.48)	(8.48)	-	1.20	-	-	-	1.20	(119.27)
Net Benefit liability/(asset)	**(17.95)**	**11.38**	**(1.36)**	**10.02**	**(17.50)**	**1.20**	**7.68**	**5.87**	**(5.55)**	**9.20**	**(16.23)**
Post employment Medical benefits											
Defined benefit obligation	7.88	0.35	0.60	0.95	(0.39)	-	(1.54)	5.10	0.88	4.44	12.88
Net Benefit liability/(asset)	**7.88**	**0.35**	**0.60**	**0.95**	**(0.39)**	**-**	**(1.54)**	**5.10**	**0.88**	**4.44**	**12.88**
Compensatory Pension Scheme											
Defined benefit obligation	1.72	0.04	0.23	0.27	(0.07)	-	-	-	-	-	1.92
Net Benefit liability/(asset)	**1.72**	**0.04**	**0.23**	**0.27**	**(0.07)**	**-**	**-**	**-**	**-**	**-**	**1.92**
Total benefit liability/(asset)	**(8.35)**	**11.77**	**(0.53)**	**11.24**	**(17.96)**	**1.20**	**6.14**	**10.97**	**(4.67)**	**13.64**	**(1.43)**

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

Particulars	As at April 1, 2016	Charged to statement of profit and loss: Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 24)	Benefit paid	Remeasurement gains/(losses) in other comprehensive income: 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	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI	As at March 31, 2017
Gratuity											
Defined benefit obligation	86.71	9.88	6.90	16.78	(11.75)	-	-	3.06	(0.76)	2.30	94.04
Fair value of plan assets	(100.31)	-	(7.99)	(7.99)	-	(3.69)	-	-	-	(3.69)	(111.99)
Net Benefit liability/(asset)	**(13.60)**	**9.88**	**(1.09)**	**8.79**	**(11.75)**	**(3.69)**	**-**	**3.06**	**(0.76)**	**(1.39)**	**(17.95)**
Post employment Medical benefits											
Defined benefit obligation	6.87	0.54	0.54	1.08	(0.27)	-	-	(0.14)	0.34	0.20	7.88
Net Benefit liability/(asset)	**6.87**	**0.54**	**0.54**	**1.08**	**(0.27)**	**-**	**-**	**(0.14)**	**0.34**	**0.20**	**7.88**
Compensatory Pension Scheme											
Defined benefit obligation	1.37	0.04	0.38	0.42	(0.07)	-	-	-	-	-	1.72
Net Benefit liability/(asset)	**1.37**	**0.04**	**0.38**	**0.42**	**(0.07)**	**-**	**-**	**-**	**-**	**-**	**1.72**
Total benefit liability/(asset)	**(5.36)**	**10.46**	**(0.17)**	**10.29**	**(12.09)**	**(3.69)**	**-**	**2.92**	**(0.42)**	**(1.19)**	**(8.35)**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**As at March 31, 2018 (%) of total plan assets**	As at March 31, 2017 (%) of total plan assets
Central Government Securities	**0.21%**	0.22%
Public Sector/Financial Institutional Bonds	**0.25%**	0.27%
Portfolio with Mutual Fund	**99.47%**	99.42%
Others (including bank balances)	**0.07%**	0.09%
(%) of total plan assets	**100%**	100%

Notes to Standalone Financial Statements

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

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

Particulars	As at March 31, 2018	As at March 31, 2017
Discount rate	7.78%	7.57%
Future salary increase	5.00%	4.00%
Medical cost inflation	5.00%	4.00%
Expected rate of return on plan assets	7.78%	7.57%
Attrition rate	5.00%	2.00%
Morality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Morality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below for the defined benefit plan:

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact) Year ended March 31, 2018	Year ended March 31, 2017
Gratuity			
Discount rate	1% increase	(6.67)	(7.10)
	1% decrease	7.71	8.32
Salary increase	1% increase	7.85	8.59
	1% decrease	(6.89)	(7.42)
Attrition rate	1% increase	1.54	3.11
	1% decrease	(1.77)	(3.52)
Post employment medical benefits			
Discount rate	1% increase	(0.90)	(0.57)
	1% decrease	0.86	0.75
Medical cost inflation	1% increase	0.73	0.65
	1% decrease	(0.82)	(0.53)
Attrition rate	1% increase	(0.26)	(0.16)
	1% decrease	0.40	0.24
Compensatory Pension Scheme			
Discount rate	1% increase	(0.05)	(0.04)
	1% decrease	0.05	0.05

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

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

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity		
Within the next 12 months	17.40	13.44
Between 2 to 5 years	34.80	28.71
Beyond 5 years	50.84	51.89
	103.04	94.04
Post employment medical benefits		
Within the next 12 months	0.67	0.45
Between 2 to 5 years	2.43	1.71
Beyond 5 years	9.78	5.72
	12.88	7.88
Compensatory Pension Scheme		
Within the next 12 months	0.58	0.50
Between 2 to 5 years	1.34	1.22
Beyond 5 years	-	-
	1.92	1.72
Total expected payments	117.84	103.64

Notes to Standalone Financial Statements

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

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

Particulars	As at March 31, 2018 In Years	As at March 31, 2017 In Years
Gratuity	8	9
Post employment medical benefits	7	9
Compensatory Pension Scheme	3	3

The Company does not have any contributions expected towards planned assets for the next year.

C. Other Long term employee benefit plans:

Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Company has recognised ₹ 14.27 Crores (March 31, 2017: ₹ 11.93 Crores) as expenses and included in Note No. 24 "Employee benefit expense".

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

(a)	Name of Related Parties and Nature of Relationship :	
(I)	**Subsidiaries**	
1	The Anup Engineering Limited	
2	Arvind Fashions Limited	
3	Arvind Lifestyle Brands Limited	Subsidiary of Arvind Fashions Limited
4	Arvind Beauty Brands Retail Private Limited	Subsidiary of Arvind Fashions Limited
5	Calvin Klein Arvind Fashion Private Limited	Subsidiary of Arvind Fashions Limited w.e.f. April 01, 2017
6	Tommy Hilfiger Arvind Fashions Private Limited	Subsidiary of Arvind Fashions Limited w.e.f. April 01, 2017
7	Westech Advance Materials Limited	
8	Brillaire Inc	Subsidiary of Westech Advance Materials Limited w.e.f. March 13, 2017
9	Syntel Telecom Limited	
10	Arvind Internet Limited	
11	Arvind Worldwide Inc., USA	
12	Arvind Worldwide(M) Inc., Mauritius	
13	Arvind Textile Mills Limited, Bangladesh	
14	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	
15	Arvind Envisol Limited	
16	Arvind Envisol PLC	Subsidiary of Arvind Envisol Limited w.e.f. July 28, 2017
17	Arvind Ruf & Tuf Private Limited	
18	Arvind Smart Textiles Limited	w.e.f. December 29, 2017
19	Arvind Enterprise FZE	w.e.f. May 15, 2017
20	Arvind Transformational Solutions Private Limited	w.e.f. April 11, 2017
21	Anveshan Heavy Engineering Limited	From October 10, 2017 to October 25, 2017
22	Arvind PD Composites Private Limited	
23	Arvind Goodhill Suit Manufacturing Private Limited	
24	Arvind Niloy Exports Private Limited, Bangladesh	
25	Arvind OG Nonwovens Private Limited	
26	Arvind Premium Retail Limited	
27	Arvind True Blue Limited	
28	Arya Omnitalk Wireless Solutions Private Limited	w.e.f. July 01, 2017
29	Arvind Overseas (M) Inc., Mauritius	
30	Arvind Spinning Limited	
31	Maruti Ornet and Infrabuild LLP	
32	Enkay Converged Technologies LLP	w.e.f. July 01, 2017
33	Arvind Foundation	

Notes to Standalone Financial Statements

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

(a)	**Name of Related Parties and Nature of Relationship :**	
(II)	**Joint Ventures**	
1	Arya Omnitalk Radio Trunking Services Private Limited	
2	Arya Omnitalk Wireless Solutions Private Limited	up to June 30, 2017
3	Calvin Klein Arvind Fashion Private Limited	Joint Venture of Arvind Fashions Limited up to March 31, 2017
4	Tommy Hilfiger Arvind Fashions Private Limited	Joint Venture of Arvind Fashions Limited up to March 31, 2017
5	Arudrama Developers Private Limited	
6	Arvind and Smart Value Homes LLP	
(III)	**Key Management Personnel**	
1	Shri Sanjay S. Lalbhai	Chairman and Managing Director
2	Shri Jayesh K. Shah	Director & Chief Financial Officer
3	Shri Punit S. Lalbhai	Executive Director
4	Shri Kulin S. Lalbhai	Executive Director
(IV)	**Relatives of Key Management Personnel**	
1	Smt. Jayshree S Lalbhai	
2	Smt. Poorva P Lalbhai	
3	Smt. Jaina K Lalbhai	
(V)	**Enterprise over which Key Management personnel are able to exercise significant influence**	
1	Aura Securities Private Limited	
2	Amplus Capital Advisors Private Limited	
3	Arvind Smartspaces Limited	
4	Anveshan Heavy Engineering Limited	w.e.f. October 26, 2017
5	AML Employees Welfare Trust	
(VI)	**Trusts and Others**	
1	Arvind Mills Employees' Provident Fund	
2	Arvind Mills Employees' Gratuity Fund	
3	Lalbhai Group of Companies Officers' Superannuation Fund	

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

b Disclosure in respect of Related Party Transactions :

₹ in Crores

Particulars	Subsidiaries		Joint Ventures		Key Management Personnel and relatives		Trusts		Company under the control of Key Managerial Personnel		Total	
	Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017
(I) Transactions during the year												
Purchase of Goods	**65.71**	83.95	**-**	0.24	**-**	-	**-**	-	**-**	-	**65.71**	84.19
Purchase of Property, Plant and Equipment	**12.12**	5.90	**-**	-	**-**	-	**-**	-	**-**	-	**12.12**	5.90
Sales of Goods	**90.28**	41.13	**-**	7.71	**-**	-	**-**	-	**0.04**	0.01	**90.32**	48.85
Sale of Property, Plant and Equipment	**0.14**	0.04	**-**	-	**-**	-	**-**	-	**42.92**	-	**43.06**	0.04
Services Rendered	**10.73**	5.91	**-**	-	**-**	-	**-**	-	**-**	-	**10.73**	5.91
Rent Income	**1.91**	1.11	-	-	-	-	**-**	-	**-**	-	**1.91**	1.11
Expenses Recovered	**4.06**	-	**1.67**	3.24	**-**	-	**-**	-	**-**	-	**5.73**	3.24
Remuneration	**-**	-	**-**	-	**19.02**	20.80	**-**	-	**-**	-	**19.02**	20.80
Services Received	**15.55**	13.89	**-**	-	**-**	-	**-**	-	**-**	-	**15.55**	13.89
Rent Expenses	**0.11**	0.33	**-**	-	**-**	-	**-**	-	**-**	-	**0.11**	0.33
Reimbursement of expenses	**15.09**	-	**-**	-	**-**	-	**-**	-	**-**	-	**15.09**	-
Interest Expenses	**8.38**	6.38	**-**	-	**-**	-	**-**	-	**-**	0.65	**8.38**	7.03
Donation Given	**5.80**	5.65	**-**	-	**-**	-	**-**	-	**-**	-	**5.80**	5.65
Contribution Given for Employee Benefit Plans	**-**	-	**-**	-	**-**	-	**49.88**	48.89	**-**	-	**49.88**	48.89
Share of Profit from LLP	**-**	-	**0.33**	-	**-**	-	**-**	-	**-**	-	**0.33**	-
Dividend Income	**5.71**	0.34	**-**	1.21	**-**	-	**-**	-	**-**	-	**5.71**	1.55
Interest Income	**17.66**	30.16	**-**	-	**-**	-	**-**	-	**-**	0.06	**17.66**	30.22
Guarantee Commission Income	**3.47**	3.77	**0.02**	0.12	**-**	-	**-**	-	**-**	-	**3.49**	3.89
Loan Given	**749.08**	1,902.58	**-**	-	**-**	-	**-**	-	**-**	-	**749.08**	1,902.58
Receipt towards Loan Given	**873.69**	1,843.85	**-**	-	**-**	-	**-**	-	**-**	-	**873.69**	1,843.85
Loan Taken	**374.66**	230.60	**-**	-	**-**	-	**-**	-	**-**	-	**374.66**	230.60
Repayment of Loan	**388.68**	216.24	**-**	-	**-**	-	**-**	-	**-**	-	**388.68**	216.24
Share Application Money Given	**6.45**	61.96	**-**	-	**-**	-	**-**	-	**-**	-	**6.45**	61.96
Investment made	**444.19**	297.30	**0.37**	9.92	**-**	-	**-**	-	**-**	-	**444.56**	307.22
Sale of Investment	**-**	647.99	**-**	-	**0.05**	-	**-**	-	**-**	-	**0.05**	647.99
Withdrawal of capital Contribution	**-**	-	**-**	3.95	**-**	-	**-**	-	**-**	-	**-**	3.95
(II) Balances as at year end												
Guarantees	**572.85**	530.54	**10.60**	5.34	**-**	-	**-**	-	**-**	-	**583.45**	535.88
Trade Receivables	**74.54**	15.49	**0.41**	2.67	**-**	-	**-**	-	**0.05**	-	**75.00**	18.16
Investments	**795.20**	351.00	**72.29**	71.93	**-**	-	**-**	-	**-**	-	**867.49**	422.93
Provision for Impairment of Investment	**(0.33)**	(0.33)	**-**	-	**-**	-	**-**	-	**-**	-	**(0.33)**	(0.33)
Loan Given	**104.89**	229.48	**-**	-	**-**	-	**-**	-	**22.47**	22.47	**127.36**	251.95
Allowance for Doubtful Loan	**(5.23)**	(5.23)	**-**	-	**-**	-	**-**	-	**-**	-	**(5.23)**	(5.23)
Other Current Assets	**22.27**	22.92	**-**	-	**-**	-	**16.23**	17.95	**0.06**	-	**38.56**	40.87
Other Current Financial Assets	**13.92**	-	**-**	-	**-**	-	**-**	-	**-**	-	**13.92**	-
Other Non Current Assets	**-**	0.21	**-**	-	**-**	-	**-**	-	**-**	-	**-**	0.21
Long Term Borrowings	**40.00**	50.00	**-**	-	**-**	-	**-**	-	**-**	-	**40.00**	50.00
Short Term Borrowings	**5.27**	9.29	**-**	-	**-**	-	**-**	-	**-**	-	**5.27**	9.29
Trade Payable	**37.73**	31.15	**-**	0.30	**-**	-	**-**	-	**-**	-	**37.73**	31.45
Other Current Liabilities	**-**	0.29	**-**	-	**-**	-	**-**	-	**-**	-	**-**	0.29
Other Current Financial Liabilities	**-**	0.02	**-**	-	**-**	-	**-**	-	**-**	-	**-**	0.02

Notes to Standalone Financial Statements

₹ in Crores

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

(c) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013.

Loans and Advances in the nature of loans

List of Related Parties	Purpose	Balance as at March 31, 2018	Balance as at March 31, 2017
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	5.23	5.23
Less : Allowance for doubtful loan		(5.23)	(5.23)
		-	-
Arvind Worldwide Inc. USA	General Business Purpose	15.97	22.80
Arvind Lifestyle Brands Limited	General Business Purpose	1.02	138.01
Arvind Envisol Limited	General Business Purpose	38.67	36.11
Syntel Telecom Limited	General Business Purpose	6.54	1.12
Arvind Internet Limited	General Business Purpose	0.04	0.03
Arvind Fashions Limited	General Business Purpose	-	8.15
Arvind Ruf & Tuf Private Limited	General Business Purpose	12.69	4.02
Arvind Premium Retail Limited	General Business Purpose	5.90	5.21
Arvind True Blue Limited	General Business Purpose	18.83	8.78
Total(A)		**99.66**	224.23
Corporate Guarantee given on behalf of			
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	509.55	483.15
Arvind Fashions Limited	Facilitate Trade Finance	63.30	47.39
Arya Omnitalk Wireless Solutions Private Limited	Facilitate Trade Finance	9.71	4.93
Arya Omnitalk Radio Trunking Services Private Limited	Facilitate Trade Finance	0.89	0.41
Total(B)		**583.45**	535.88
Total(A+B)		**683.11**	760.11

List of Related Parties	Purpose	Maximum Outstanding During March 31, 2018	Maximum Outstanding During March 31, 2017
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	5.23	5.23
Arvind Worldwide Inc. USA	General Business Purpose	22.84	22.80
Arvind Lifestyle Brands Limited	General Business Purpose	205.86	456.86
Arvind Envisol Limited	General Business Purpose	97.35	74.13
Syntel Telecom Limited	General Business Purpose	6.54	1.12
Arvind Internet Limited	General Business Purpose	0.04	0.03
Arvind Beauty Brands Retail Private Limited	General Business Purpose	11.72	11.05
Arvind Fashions Limited	General Business Purpose	8.15	740.63
Arvind Ruf & Tuf Private Limited	General Business Purpose	209.03	4.02
Arvind Premium Retail Limited	General Business Purpose	6.09	11.34
Arvind True Blue Limited	General Business Purpose	26.01	16.15

(d) Terms and conditions of transactions with related parties

(1) Outstanding balances other than loan given and taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.

(2) Loans in INR given to the related party carries interest rate of 8.00% - 8.15% (March 31, 2017: 8.00% - 10.25%). Loans in USD given to the related party carries an interest rate of 3.90% (March 31, 2017 : 3.90%).

(3) Loans in INR taken from the related party carries an interest rate 8.00% (March 31, 2017 : 8.00%-10.25%)

(4) Financial guarantee given to Bank on behalf of subsidiaries and joint ventures carries no charge and are unsecured.

(5) No repayment schedule has been fixed in case of above mentioned Loans in the nature of loans given to Subsidiary Companies and are repayable on demand.

(e) Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: ₹ Nil)

Notes to Standalone Financial Statements

₹ in Crores

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

(f) Transactions with key management personnel

The remuneration of key management personnel during the year was as follows :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	**18.33**	19.71
Post employment benefits	**0.59**	0.93
Other long-term employment benefits	**0.10**	0.16
Total compensation paid to key management personnel	**19.02**	20.80

The amounts disclosed in the table are the amounts recognised as an expense during the year excluding expense of share based payment of ₹ 1.85 crores (March 31, 2017 ₹ 2.84 crores) in respect of Director & Chief Financial Officer. The remuneration of key management personnel is determined by the Remuneration committee.

Note 36 : Earning per share:

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to ordinary equity holders	₹ in Crores	**250.04**	18.56
Weighted average number of equity shares for basic EPS (a)	No.	**25,85,51,491**	25,82,67,891
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	**5,25,832**	3,12,013
Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)	No.	**25,90,77,323**	25,85,79,904
Nominal value of equity shares	₹	**10**	10
Basic earning per share	₹	**9.67**	0.72
Diluted earning per share	₹	**9.65**	0.72

Note 37 : Share based payments

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

Scheme	ESOS 2008	
Date of grant	May 23, 2014	August 22, 2016
Expiry Date	April 30, 2019	July 31, 2017
Number of options granted	10,50,000	9,00,000
Exercise price per option	₹ 200.45	₹ 316.50
Fair Value of option on Grant date	₹ 121.30	₹ 52.08
Vesting period	Over a period of 1 to 5 years from the date of grant	
Vesting requirements	On continued employment with the company and fulfilment of performance parameters.	
Exercise period	3 to 5 years from the date of vesting	
Method of settlement	Through allotment of one equity share for each option granted.	

B. Movement in Stock Options during the year :

The following reconciles the share option outstanding at the beginning and at the end of the year :

Particulars	Year Ended March 31, 2018		Year Ended March 31, 2017	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	**18,34,000**	**254.01**	10,50,000	200.45
Granted during the year	**-**	**-**	9,00,000	316.50
Exercised during the year	**2,58,000**	**200.05**	1,16,000	200.45
Outstanding at the end of the year	**15,76,000**	**266.72**	18,34,000	257.40

Notes to Standalone Financial Statements

₹ in Crores

Note 37 : Share based payments (Contd.)

C. Share Options Exercised during the year:

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
ESOS 2008 , May 23,2014	1,58,000	April 18, 2017	397.66
ESOS 2008 , May 23,2014	50,000	October 17, 2017	389.76
ESOS 2008 , May 23,2014	50,000	November 13, 2017	418.47

D. Share Options Outstanding at the end of the year:

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 266.72 (as at March 31,2017: ₹ 257.40),and a weighted average remaining contractual life of 4.25 Years (as at March 31,2017: 5.23 years)

E. Expense arising from share- based payment transactions

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Share Based Payment to Employees	**4.98**	6.91

Note 38 : Lease Rent

A. Where company as a lessee in case of Operating Lease

The Company has various cancellable and non-cancellable operating leases for Buildings, Plant and Machineries and various residential and office premises. The lease has varying terms, escalation clauses and renewal rights. On renewal, terms of the leases are renegotiated. These leasing arrangements are ranging in between 11 months and 20 years generally. The Company has not given any property on sub-lease which is taken under operating lease contracts. Future minimum lease payments in respect of which are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Future Minimum lease rental payments on non-cancellable operating leases:	**49.32**	184.16
Not later than one year	**13.17**	47.37
Later than one year and not later than five years	**33.41**	115.89
Later than five years	**2.74**	20.90
Lease payment recognised in Statement of Profit and Loss	**77.51**	99.09

B. Where company as a lessor in case of Operating Lease

The Company has given Land and Buildings under non-cancellable operating lease, the future minimum lease payments receivables in respect of which are as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Future Minimum lease rental receivables on non-cancellable operating leases:	**19.11**	20.39
Not later than one year	**1.76**	1.28
Later than one year and not later than five years	**8.44**	8.00
Later than five years	**8.91**	11.11
Lease income recognised in Statement of Profit and Loss	**2.03**	1.48

Note 39 : Corporate Social Responsibility (CSR) Activities:

(a) The Company is required to spend ₹ 8.50 Crores (March 31, 2017 : ₹ 8.76 Crores) on CSR activities under section 135 of the Act.

(b) Amount spent during the year towards CSR activities are as follows:

	Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i)	Construction/acquisition of any asset	-	-	-	-	-	-
(ii)	Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	**8.20**	-	**8.20**	8.44	-	8.44
(iii)	Expenditure on Administrative Overheads for CSR	**0.43**	-	**0.43**	0.33	-	0.33

Notes to Standalone Financial Statements

₹ in Crores

Note 40 : Financial Instruments by category

(i) Financial assets by category

Particulars	As at March 31, 2018					As at March 31, 2017				
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total
Investments										
- Equity shares (including share application money pending allotment)	770.15	-	2.03	-	772.18	409.79	-	2.11	-	411.90
- Preference Shares	20.06	-	-	-	20.06	11.69	-	-	-	11.69
- Debentures	-	-	-	0.02	0.02	-	-	-	10.00	10.00
- Government securities	-	-	-	(₹ 23,000/-)	(₹ 23,000/-)	-	-	-	(₹ 23,000/-)	(₹ 23,000/-)
- Limited liability partnership	90.99	-	-	-	90.99	89.37	-	-	-	89.37
Trade receivables	-	-	-	736.61	736.61	-	-	-	470.96	470.96
Loans	-	-	-	221.25	221.25	-	-	-	313.65	313.65
Cash and cash equivalents	-	-	-	7.36	7.36	-	-	-	4.44	4.44
Other bank balances	-	-	-	7.00	7.00	-	-	-	8.97	8.97
Other financial assets	-	-	5.02	121.96	126.98	-	-	48.92	155.26	204.18
Total Financial assets	**881.20**	**-**	**7.05**	**1,094.20**	**1,982.45**	510.85	-	51.03	963.28	1,525.16

(ii) Financial liabilities by category

Particulars	As at March 31, 2018			As at March 31, 2017		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	-	2,437.41	2,437.41	-	2,323.81	2,323.81
Trade payable	-	948.94	948.94	-	616.73	616.73
Other Financial Liabilities	1.21	276.20	277.41	1.81	246.94	248.75
Total Financial liabilities	**1.21**	**3,662.55**	**3,663.76**	1.81	3,187.48	3,189.29

For Financial instruments risk management objectives and policies, refer Note 42.

Note 41 : Fair value disclosures for financial assets and financial liabilities:

Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Financial assets				
Amortised Cost				
Investment in Debentures	0.02	10.00	0.02	10.00
Investment in Government Securities	(₹ 23,000/-)	(₹ 23,000/-)	(₹ 23,000/-)	(₹ 23,000/-)
Total	**0.02**	10.00	**0.02**	10.00
Financial liabilities				
Amortised Cost				
Borrowings	2,562.14	2,428.14	2,562.13	2,428.20
Total	**2,562.14**	2,428.14	**2,562.13**	2,428.20

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair value of borrowings is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to Standalone Financial Statements

₹ in Crores

Note 41 : Fair value disclosures for financial assets and financial liabilities: (Contd.)

(b) Fair value hierarchy

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

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 and March 31, 2017

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2018				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	2.03	-	-	2.03
Foreign exchange forward contracts (Cash flow hedge)	5.02	-	5.02	-
As at March 31, 2017				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	2.11	-	-	2.11
Foreign exchange forward contracts (Cash flow hedge)	48.92	-	48.92	-

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2018 and March 31, 2017

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2018				
Liabilities measured at fair value				
Financial guarantee contract	1.21	-	-	1.21
As at March 31, 2017				
Liabilities measured at fair value				
Financial guarantee contract	1.81	-	-	1.81

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Note 42 : Financial instruments risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. The Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk.

(a) Market risk

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates, underlying equity prices, liquidity and other market changes.

Future specific market movements cannot be normally predicted with reasonable accuracy.

Notes to Standalone Financial Statements

₹ in Crores

Note 42 : Financial instruments risk management objectives and policies: (Contd.)

(a1) Interest rate risk

Interest rate risk refers to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

As at March 31, 2018, approximately 33% of the Company's Borrowings are at fixed rate of interest (March 31, 2017 : 38%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

Particulars	Effect on profit before tax	
	March 31, 2018	March 31, 2017
Increase in 50 basis points	**(8.60)**	(9.18)
Decrease in 50 basis points	**8.60**	9.18

(a2) Foreign currency risk

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The major foreign currency exposures for the Company are denominated in USD and EURO.

Since a significant part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Exposures on foreign currency sales are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance. The Company may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company. Hedge effectiveness is assessed on a regular basis.

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure in USD and EURO with a simultaneous parallel foreign exchange rates shift in the currencies by 2% against the functional currency of the respective entities. The company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in Currency rate	Effect on profit before tax in USD rate	in EURO rate
March 31, 2018	+2%	2.77	(0.64)
	-2%	(2.77)	0.64
March 31, 2017	+2%	5.34	0.14
	-2%	(5.34)	(0.14)

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship. Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Notes to Standalone Financial Statements

₹ in Crores

Note 42 : Financial instruments risk management objectives and policies: (Contd.)

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on account of non-performance by any of the Company's counterparties. The Company does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of March 31, 2018 and March 31, 2017.

Trade receivables are non-interest bearing and are generally on 7 days to 180 days credit term.

With respect to derivatives, the Company's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	< 1 year	>1 year but < 5 years	more than 5 years	Total
Year ended March 31, 2018				
Interest bearing borrowings*	1,724.22	867.94	43.84	2,636.00
Trade payables	948.94	-	-	948.94
Other financial liabilities#	276.87	0.54	-	277.41
	2,950.03	**868.48**	**43.84**	**3,862.35**
Year ended March 31, 2017				
Interest bearing borrowings*	1,343.18	802.27	406.59	2,552.04
Trade payables	616.73	-	-	616.73
Other financial liabilities#	247.74	1.01	-	248.75
	2,207.65	**803.28**	**406.59**	**3,417.52**

* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.
# Other financial liabilities includes interest accrued but not due of ₹ 11.38 Crores (March 31, 2017 : ₹ 5.15 Crores).

Note 43 : Capital management:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirements.

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Interest bearing loans and borrowings (Note 15)	**2,562.14**	2,428.14
(b) Less: cash and bank balance (including other bank balance and book overdraft)	**(14.26)**	(11.52)
(c) Net debt (a) - (b)	**2,547.88**	2,416.62
(d) Equity share capital (Note 13)	**258.62**	258.36
(e) Other equity (Note 14)	**2,899.61**	2,753.42
(f) Total capital (d) + (e)	**3,158.23**	3,011.78
(g) Total capital and net debt (c) + (f)	**5,706.11**	5,428.40
(h) Gearing ratio (c)/(g)	**44.65%**	44.52%

Notes to Standalone Financial Statements

Note 43 : Capital management: (Contd.)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any long term borrowing in the current period except for two loans. The Company has obtained letter from the lender before the date of adoption of financial statements for not accelerating the payment of these loans within one year from the balance sheet date subject to regularisation of the breach by end of March 31, 2019. Accordingly, the management has considered the classification of loan based upon the original repayment schedule.

No changes were made in the objectives, policies or processes for managing capital during the current period.

Note 44 : Standards issued but not yet effective

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115 Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1, 2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Company from April 1, 2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is expected to be insignificant

Ind AS 112 Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 112 is expected to be insignificant.

Ind AS 12 Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 12 is expected to be insignificant.

Ind AS 40 Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable,

Notes to Standalone Financial Statements

Note 44 : Standards issued but not yet effective (Contd.)

reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 40 is expected to be insignificant.

Ind AS 28 Investment in Associates and Joint Ventures

The amendments clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

The amendment will come into force from April 1, 2018. The Company is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 28 is expected to be insignificant.

Note 45 : Business Combinations

(I). Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by National Company Law Tribunal vide its order dated August 24, 2017, Arvind Brands and Retail Limited (ABRL), Arvind Garments Park Private Limited (AGPPL) and Dholka Textile Park Private Limited (DTPPL) (collectively referred as “subsidiaries” or “amalgamated entities”) have been merged with the Company w.e.f April 1, 2016 (the appointed date). The Scheme came into effect on October 7, 2017, the day on which the order was delivered to the Registrar of the Companies. Entire business, assets and liabilities, income and expense have been transferred to the Company included w.e.f. April 1, 2016.

No new shares are being issued and the investments held in the amalgamated companies by the Company stand cancelled and difference has been adjusted against Amalgamation Reserve.

The comparative Ind AS financial statements of the Company for the year ended March 31, 2017 is approved by shareholders in its annual general meeting held on August 4, 2017 which is audited by the predecessor auditor. Subsequently, to give the effect of the scheme on account of amalgamation of the subsidiaries with the Company in accordance with Ind AS 103, comparative Ind AS financial statements of the Company for the year ended March 31, 2017 were restated.

ABRL, wholly owned subsidiary of the Company was engaged in business of Branded Garments.

AGPPL and DTPPL, subsidiaries of the Company were engaged in business of textiles.

(II). In the board meeting held on November 8, 2017, the Board of Directors of the Company has approved a scheme of arrangement between the Company and its subsidiary companies, Arvind Fashions Limited (AFL) and The Anup Engineering Limited (Anup) as well as with Anveshan Heavy Engineering Limited (Anveshan) whereby it is proposed to demerge Branded Apparel Undertaking and Engineering undertaking of the Company to AFL and Anveshan respectively and Anup will be merged with Anveshan. Subsequently, as part of the Scheme AFL and Anup would be demerged from the Group. The Scheme is subject to approval of relevant regulatory authorities. Pending such approvals, the Company has not given effect of the scheme in the financial statements for the year ended March 31, 2018.

(III). The company has acquired the business of ″Aditexfab LLP″ w.e.f June 1, 2017 at a consideration of ₹ 34.50 crores. Value of net assets acquired is determined at ₹ 34.50 crores, consequently no goodwill has been recognized. The management believes that the fair value of the net assets acquired is not likely to remain significantly different from the book value of the net assets acquired. Accordingly, Management has exercised the option to measure the business purchase on provisional basis for a period of 12 months in accordance with Ind AS 103 – “Business Combination”.

Aditexfab LLP was engaged in the business of the giving looms for Spinning and Weaving to Arvind Limited on lease basis.

Particulars	**₹ in Crors**
Assets:	
Property, Plant and Equipments	36.08
Current Assets	1.42
Total Assets acquired (A)	**37.50**
Liabilities:	
Current Liabilities	3.00
Total Liabilities assumed (B)	**3.00**
Net Identifiable Assets Acquired (A - B)	**34.50**

Notes to Standalone Financial Statements

₹ in Crores

Note 46 :Expenditure on Research and Development

The Company has separate in-house Research and Development Centre at Naroda, Santej, Khatraj and Pune locations. From the four locations, Naroda, Santej and Khatraj are duly recognized and approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The details of Capital and Revenue expenditure incurred on Research and Development by all Centres are as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Naroda Centre		
Capital expenditure	**0.03**	1.98
Revenue expenditure	**5.53**	4.56
Total expenditure at Naroda Centre	**5.56**	6.54
Santej Centre		
Capital expenditure	**1.40**	0.70
Revenue expenditure	**29.11**	27.17
Total expenditure at Santej Centre	**30.51**	27.87
Khatraj Centre		
Capital expenditure	**1.64**	0.36
Revenue expenditure	**3.58**	2.98
Total expenditure at Khatraj Centre	**5.22**	3.34
Pune Centre		
Capital expenditure	**-**	-
Revenue expenditure	**1.60**	1.15
Total expenditure at Pune Centre	**1.60**	1.15
Total	**42.89**	38.90

Note 47 : Regrouped, Recast, Reclassified

Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/classification.

Note 48 : Events occurring after the reporting period

(i) The Board of Directors recommended dividend of ₹ 2.40 per equity share (March 31, 2017 : ₹ 2.40 per equity share) of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND LIMITED

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **ARVIND LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Joint Ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to below in the Other Matters paragraph, the aforesaid consolidated 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 Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of 17 subsidiaries, whose financial statements reflect total assets of Rs. 5,366.69 crores as at March 31, 2018, total revenues of Rs. 4,746.30 crores and net cash inflows amounting to Rs. 8.41 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of 11 subsidiaries, whose financial statements reflect total assets of Rs. 172.86 crores as at March 31, 2018, total revenues of Rs. 120.46 crores and net cash inflows amounting to Rs. 7.18 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 2.71 crores for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 3 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind

AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

(c) The comparative consolidated Ind AS financial statements of the Group for the year ended March 31, 2017 prepared in accordance with Ind AS included in this statement has been audited by the predecessor auditor who has expressed an unmodified opinion on financial statements on May 11, 2017. The adjustments to the reported figures for the year ended on March 31, 2017, pursuant to the scheme of Amalgamation sanctioned by the National Company Law Tribunal vide its order dated August 24, 2017 referred in the Note 45 (I) to the Statement have been audited by us.

Our opinion on the Consolidated Ind AS financial statements is also not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books of accounts and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated 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 of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent, and the reports of the statutory auditors of its subsidiary companies and joint venture companies, which are incorporated in India, none of the directors of the Group Companies and its joint venture companies, incorporated in India in the group to which requirements of Section 164(2) of the act are applicable, is disqualified as on March 31, 2018 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent company, its subsidiary companies and joint venture, companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those Parent Company, subsidiary companies and joint venture companies, incorporated in India for the reasons stated therein.

(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 Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.

(ii) The Group and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

(iii) Following are the instances of delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent Company:

Year for which the amount pertains	Amount involved (₹ In crores)	Number of days delay in depositing the amount
1986-87	(₹ 40,539)*	541 days
1995-96	(₹ 50,500)*	541 days
1996-97	₹ 0.02	541 days

*Amount in bracket represents absolute Rupees

There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the its subsidiary companies and joint venture companies incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval

Partner

(Membership no. 106189)

Ahmedabad,

May 9, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of ARVIND LIMITED (hereinafter referred to as "the Parent"), and its subsidiaries and it joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 the respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, 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, 2018, based on the internal control over financial reporting criteria established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary companies and joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval
Partner
(Membership no. 106189)

Ahmedabad,
May 9, 2018

Consolidated Balance Sheet as at March 31, 2018

₹ in Crores

Particulars	Notes	As at March 31, 2018	As at March 31, 2017 (Refer 45 (I))
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**3,625.53**	3,480.07
(b) Capital work-in-progress		**89.74**	49.69
(c) Investment properties	6	**34.48**	43.74
(d) Goodwill	7	**137.02**	17.92
(e) Intangible assets	7	**165.19**	130.48
(f) Intangible assets under development		**26.50**	45.93
(g) Financial assets			
(i) Investments	8 (a)	**76.14**	276.67
(ii) Loans	8 (c)	**2.57**	2.77
(iii) Other financial assets	8 (f)	**260.51**	238.90
(h) Deferred tax assets (net)	29	**220.51**	224.21
(i) Other non-current assets	9	**80.84**	74.23
Total non-current assets (A)		**4,719.03**	4,584.61
Current assets			
(a) Inventories	10	**2,619.38**	2,382.80
(b) Financial assets			
(i) Trade receivables	8 (b)	**1,766.98**	794.82
(ii) Cash and cash equivalents	8 (d)	**39.46**	20.93
(iii) Bank balance other than (ii) above	8 (e)	**26.03**	32.95
(iv) Loans	8 (c)	**163.56**	122.21
(v) Others financial assets	8 (f)	**107.15**	181.18
(c) Current tax assets (net)	11	**118.84**	110.13
(d) Other current assets	9	**698.00**	438.35
Total current assets (B)		**5,539.40**	4,083.37
TOTAL ASSETS (A) + (B)		**10,258.43**	8,667.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**258.62**	258.36
(b) Other equity	14	**3,524.23**	3,308.62
Equity attributable to equity holders of the Parent		**3,782.85**	3,566.98
Non-controlling interest		**305.28**	151.43
Total equity (A)		**4,088.13**	3,718.41
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	**848.71**	756.63
(ii) Other financial liabilities	15 (c)	**44.02**	44.98
(b) Long-term provisions	16	**61.82**	40.72
(c) Deferred tax liabilities (net)	29	**70.75**	142.88
(d) Government grants	17	**38.26**	35.46
(e) Other non current liabilities	18	**1.93**	-
Total non-current liabilities (B)		**1,065.49**	1,020.67
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	**2,263.78**	2,025.34
(ii) Trade payables	15 (b)	**2,147.22**	1,426.52
(iii) Other financial liabilities	15 (c)	**469.00**	337.35
(b) Short-term provisions	16	**25.79**	16.82
(c) Government grants	17	**6.14**	5.23
(d) Current tax liabilities (net)	12	**5.27**	3.16
(e) Other current liabilities	18	**187.61**	114.48
Total current liabilities (C)		**5,104.81**	3,928.90

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner
(Membership no. 106189)

Place: Ahmedabad
Date: May 9, 2018

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

Consolidated Statement of profit and loss for the year ended March 31, 2018

₹ in Crores

	Particulars	Notes	Year ended March 31, 2018	Year ended March 31, 2017 (Refer 45 (I))
I.	**INCOME**			
	(a) Revenue from operations	19	**10,826.13**	9,257.69
	(b) Other income	20	**62.62**	81.69
	TOTAL REVENUE		**10,888.75**	9,339.38
II.	**EXPENSES**			
	(a) Cost of raw materials and accessories consumed	21	**2,795.79**	2,557.43
	(b) Purchase of stock-in-trade	22	**2,389.08**	2,011.47
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**74.65**	(363.05)
	(d) Project expenses		**14.24**	12.87
	(e) Employee benefits expense	24	**1,264.74**	1,095.78
	(f) Finance costs	25	**257.85**	288.34
	(g) Depreciation and amortisation expense	26	**359.34**	294.27
	(h) Impairment Loss	5	**-**	2.81
	(i) Other expenses	27	**3,322.67**	3,003.57
	TOTAL EXPENSES		**10,478.36**	8,903.49
III.	**PROFIT BEFORE SHARE OF PROFIT OF A JOINT VENTURE EXCEPTIONAL ITEMS AND TAX (I-II)**		**410.39**	435.89
IV.	Share of profit of joint ventures accounted for using the equity method			**2.71**
1.91				
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (III+IV)**		**413.10**	437.80
VI.	Exceptional items	28	**22.72**	18.06
VII.	**PROFIT BEFORE TAX (V-VI)**		**390.38**	419.74
VIII.	**Tax expense**	29		
	(a) Current tax		**123.27**	70.08
	(b) Short provision related to earlier years		**1.80**	0.62
	(c) Deferred tax charge / (Credit)		**(50.50)**	28.19
	Total tax expense		**74.57**	98.89
IX.	**Profit for the year (VII-VIII)**		**315.81**	320.85
X.	**Other comprehensive income/(Loss)**			
A.	**Items that will not be reclassified to Profit and Loss**			
	(i) Equity Instruments through Other Comprehensive Income (FVOCI)		**22.29**	47.45
	(ii) Remeasurement gain/(loss) of defined benefit plans		**(15.60)**	0.26
	(iii) Share of Other Comprehensive Income of Joint Venture accounted for using Equity method		**0.02**	(0.08)
	(iv) Income tax related to items (ii) and (iii) above			**5.37**
(0.12)				
	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		**12.08**	47.51
B.	**Items that will be reclassified to Profit and Loss**			
	(i) Effective portion of gain or (loss) on cash flow hedges			**(44.26)**
35.56				
	(ii) Income tax related to items no (i) above		**15.26**	(12.30)
	(iii) Exchange differences in translating the financial statements of a foreign operation			**(5.10)**
(5.85)				
	Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods		**(34.10)**	17.41
	Total other comprehensive income/(loss) for the year, net of tax (X) = (A+B)			**(22.02)**
64.92				
XI.	**Total comprehensive income for the year, net of tax (IX+X)**			**293.79**
385.77				
XII.	**Profit for the year attributable to:**			
	(i) Equity holders of the parent		**309.47**	314.63
	(ii) Non-controlling interest		**6.34**	6.22
			315.81	320.85
XIII.	**Other comprehensive income/(loss) attributable to:**			
	(i) Equity holders of the parent		**(21.66)**	64.91
	(ii) Non-controlling interest		**(0.36)**	0.01
			(22.02)	64.92

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner
(Membership no. 106189)

Place: Ahmedabad
Date: May 9, 2018

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

Consolidated Statement of cash flows for the year ended March 31, 2018

₹ in Crores

	Particulars	Year ended March 31, 2018		Year ended March 31, 2017 (Refer 45(I))	
A	**Cash Flow from Operating activities**				
	Profit After taxation		**315.81**		320.85
	Adjustments to reconcile profit after tax to net cash flows:				
	Share of profit from Joint Ventures	**(2.71)**		(1.91)	
	Depreciation and Amortization	**359.34**		297.08	
	Interest Income	**(19.74)**		(24.92)	
	Tax Expense	**74.57**		98.89	
	Finance Costs	**257.85**		288.41	
	Dividend Income	**-**		(1.21)	
	Bad Debts Written Off	**0.45**		1.65	
	Allowances for Bad Debts	**7.23**		5.15	
	Allowances for doubtful advances	**0.51**		-	
	Sundry Debit Written off	**2.06**		1.88	
	Sundry Credit Balances written back	**-**		(5.82)	
	Foreign Exchange Loss / (Gain)	**(8.20)**		-	
	Fixed Assets written off	**1.99**		1.29	
	(Profit)/Loss on Sale of Tangible/Intangible assets	**(23.95)**		(2.97)	
	Excess Provision Written Back	**(16.18)**		(4.19)	
	Provision for Non moving inventory	**79.96**		34.14	
	Share based payment expense	**5.75**		7.25	
	Government grant income	**(5.43)**		(11.58)	
	Fair Value gain on conversion of JV to Subsidiary	**(7.94)**		-	
	Loss on Sale of Investments	**9.48**		-	
	Financial guarantee commission income	**-**		(0.12)	
			715.04		683.02
	Operating Profit before Working Capital Changes		**1,030.85**		1,003.87
	Adjustments for Changes in Working Capital:				
	(Increase) / Decrease in Inventories	**(112.38)**		(496.49)	
	(Increase) / Decrease in trade receivables	**(842.47)**		(33.47)	
	(Increase) / Decrease in other current assets	**(244.35)**		(83.99)	
	(Increase) / Decrease in other financial assets	**9.12**		(15.13)	
	Increase / (Decrease) in trade payables	**608.56**		218.01	
	Increase / (Decrease) in other financial liabilities	**32.70**		35.23	
	Increase / (Decrease) in other current liabilities	**66.67**		24.12	
	Increase / (Decrease) in provisions	**7.61**		5.65	
	Net Changes in Working Capital		**(474.54)**		(346.07)
	Cash Generated from Operations		**556.31**		657.80
	Direct Taxes paid (Net of Tax refund)		**(127.82)**		(106.71)
	Net Cash Flow from Operating Activities		**428.49**		551.09
B	**Cash Flow from Investing Activities**				
	Purchase of tangible and intangible assets	**(530.06)**		(446.07)	
	Proceeds from disposal of tangible and intangible assets	**74.53**		15.46	
	Purchase of Investments	**-**		147.23	
	Proceeds from disposal of Investments	**1.15**		-	
	Share Application Money Given	**-**		26.13	
	Refund of Share Application Money	**19.32**		-	
	Changes in Non Controlling interest	**62.96**		89.59	
	Changes in other bank balances not considered as cash and cash equivalents	**10.06**		3.33	
	Loans repaid (net)	**(15.33)**		205.39	
	Dividend Received	**-**		1.21	
	Interest Received	**21.40**		24.19	
	Net cash flow from / (used in) Investing Activities		**(355.97)**		66.46

Consolidated Statement of cash flows for the year ended March 31, 2018

₹ in Crores

Particulars	Year ended March 31, 2018		Year ended March 31, 2017 (Refer 45(I))	
C Cash Flow from Financing Activities				
Proceeds from Issue of Share Capital	**3.00**		4.50	
Securities Premium Utilised	**-**		(1.73)	
Changes in Non Controlling interest by way of Dilution	**-**		631.90	
Dividend Paid (including Dividend Distribution Tax)	**(80.69)**		(74.00)	
Proceeds from long term Borrowings	**305.26**		68.55	
Repayment of long term Borrowings	**(147.16)**		(991.86)	
Proceeds from short term Borrowings	**2,715.08**		2,553.00	
Repayment of short term Borrowings	**(2,605.74)**		(2,522.93)	
Interest Paid	**(245.10)**		(288.51)	
Net Cash flow from / (used in) Financing Activities		**(55.35)**		(621.08)
Net Increase/(Decrease) in cash & cash equivalents		**17.17**		(3.53)
Cash & Cash equivalent at the beginning of the year		**14.27**		17.80
Add : Adjustment due to Business Combination (Note 45)		**2.52**		-
Cash & Cash equivalent at the end of the year		**33.96**		14.27

Reconciliation of cash and cash equivalents

Particulars	Year ended March 31, 2018	Year ended March 31, 2017 (Refer 45(I))
Cash and cash equivalents :		
Cash on Hand	**0.65**	0.68
Cheques on hand	**0.32**	0.02
Balances with Banks	**38.49**	20.23
Cash and cash equivalents as per Balance Sheet (Refer Note 8 (d))	**39.46**	20.93
Less: Book Overdrafts (Refer Note 15 (c))	**(5.50)**	(6.66)
Cash and cash equivalents as per Cash flow Statement	**33.96**	14.27

See the accompanying notes to the consolidated financial statements.

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at March 31, 2017	Net cash flows	Non Cash Changes: Adjustment on account of Business Combination	Non Cash Changes: Other changes *	Non Cash Changes: Fair value adjustment on interest free inter corporate deposits	As at March 31, 2018
Borrowings :							
Long term borrowings	15 (a)	900.66	158.10	0.51	-	-	**1,059.27**
Short term borrowings	15 (a)	2,025.34	109.34	129.10	-	-	**2,263.78**
Interest accrued on borrowings	15 (c)	15.61	(15.61)	-	28.36	-	**28.36**
Total		**2,941.61**	**251.83**	**129.61**	**28.36**	**-**	**3,351.41**

* The same relates to amount charged in statement of profit and loss accounts.

Notes:

1 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.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner
(Membership no. 106189)

Place: Ahmedabad
Date: May 9, 2018

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

Consolidated Statement of changes in equity for the year ended March 31, 2018

₹ in Crores

A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2017	258.24	0.12	258.36
For the year ended March 31, 2018	258.36	0.26	258.62

B. Other equity

Particulars	Share Application Money Pending Allotment	Reserves and Surplus attributable to the owners of the Company: Capital Reserve	Capital Reserve on Consolidation	Share based payment reserve	Amalgamation Reserve	Debenture Redemption Reserve	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings	Items of Other Comprehensive Income: Effective portion of gain or loss on cash flow hedges	Foreign Currency Translation Reserve	Net gain / (loss) on FVOCI equity instruments	Total Other Equity (A)	Non-controlling interest (B)	Total equity (A+B)
Balance as at April 1, 2016	-	32.28	2.38	4.79	34.54	-	69.50	554.84	1.47	1,554.62	8.80	(0.97)	57.11	2,319.36	55.61	2,374.97
Profit for the year	-	-	-	-	-	-	-	-	-	314.63	-	-	-	314.63	6.22	320.85
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	0.05	23.26	(5.85)	47.45	64.91	0.01	64.92
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	314.68	23.26	(5.85)	47.45	379.54	6.23	385.77
Dividend Paid during the year	-	-	-	-	-	-	-	-	-	(61.98)	-	-	-	(61.98)	-	(61.98)
Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	-	(12.62)	-	-	-	(12.62)	-	(12.62)
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	104.56	-	-	(104.56)	-	-	-
Issue of Shares under Employee Stock Option Plan	-	-	-	7.25	-	-	-	-	-	-	-	-	-	7.25	-	7.25
Adjustment on Account of Consolidation	-	-	(0.88)	-	-	-	-	-	-	43.91	-	-	-	43.03	-	43.03
Addition During Year	-	631.39	-	-	-	-	-	2.21	-	-	-	-	-	633.60	89.59	723.19
Received during the year	2.17	-	-	-	-	-	-	-	-	-	-	-	-	2.17	-	2.17
Transfer to securities premium	-	-	-	(1.41)	-	-	-	-	-	-	-	-	-	(1.41)	-	(1.41)
Transfer from share based payment reserve	-	-	-	-	-	-	-	1.41	-	-	-	-	-	1.41	-	1.41
Utilized during the year	-	-	-	-	-	-	-	(1.73)	-	-	-	-	-	(1.73)	-	(1.73)
Balance as at March 31, 2017	2.17	663.67	1.50	10.63	34.54	-	69.50	556.73	1.47	1,943.17	32.06	(6.82)	-	3,308.62	151.43	3,460.05
Balance as at April 1, 2017	2.17	663.67	1.50	10.63	34.54	-	69.50	556.73	1.47	1,943.17	32.06	(6.82)	-	3,308.62	151.43	3,460.05
Profit for the year	-	-	-	-	-	-	-	-	-	309.47	-	-	-	309.47	6.34	315.81
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(9.85)	(29.00)	(5.10)	22.29	(21.66)	(0.36)	(22.02)
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	299.62	(29.00)	(5.10)	22.29	287.81	5.98	293.79
Dividend Paid during the year	-	-	-	-	-	-	-	-	-	(67.04)	-	-	-	(67.04)	-	(67.04)
Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	-	(13.65)	-	-	-	(13.65)	-	(13.65)
Transfer from retained earnings	-	-	-	-	-	50.00	-	-	-	-	-	-	-	50.00	-	50.00
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	(50.00)	-	-	-	(50.00)	-	(50.00)
Issue of Shares under Employee Stock Option Plan	-	-	-	5.74	-	-	-	-	-	-	-	-	-	5.74	-	5.74
Adjustment on Account of Consolidation	-	0.08	-	-	-	-	-	-	-	-	-	-	-	0.08	-	0.08
Addition During Year	-	-	-	(0.07)	-	-	-	4.91	-	-	-	-	-	4.84	147.87	152.71
Received during the year	1.00	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00
Transfer to securities premium	-	-	-	(3.13)	-	-	-	-	-	-	-	-	-	(3.13)	-	(3.13)
Transfer from share based payment reserve	-	-	-	-	-	-	-	3.13	-	-	-	-	-	3.13	-	3.13
Utilized during the year	(3.17)	-	-	-	-	-	-	-	-	-	-	-	-	(3.17)	-	(3.17)
Balance as at March 31, 2018	-	663.75	1.50	13.17	34.54	50.00	69.50	564.77	1.47	2,112.10	3.06	(11.92)	22.29	3,524.23	305.28	3,829.51

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants
Kartikeya Raval
Partner
(Membership no. 106189)
Place: Ahmedabad
Date:

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

Notes to the Financial Statement for the year ended March 31, 2018

1. Corporate Information

Arvind Limited ("the Group" or "the Company" or "the Parent Company") is one of India's leading vertically integrated textile companies with the presence of almost eight decades in this industry. It is among the largest denim manufacturers in the world. It also manufactures a range of cotton shirting, denim, knits and bottom weights (Khakis) fabrics and Jeans and Shirts Garments. Arvind through its subsidiary Arvind Fashions Limited and its subsidiaries is marketing in India the branded apparel under various brands. The brands portfolio of the Group includes Domestic and International brands like Flying Machine, Arrow, US Polo, Izod, Elle, Cherokee etc. It also operates apparel value retail stores UNLIMITED. Arvind Limited also has the presence in Telecom business directly and through subsidiaries and joint venture companies. Recently, the Group has made foray in to Technical Textiles on its own and in joint venture with leading global players. The Company through its subsidiary is also engaged in manufacturing and fabrication of process equipment as well as in water treatment business.

Arvind Limited together with its consolidated subsidiaries is hereinafter referred to as "the Group".

The Group's financial statements have been considered and approved by the Board of Directors at their meeting held on May 09, 2018.

2. Statement of Compliance and Basis of Preparation:

The Consolidated Financial Statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act") and guidelines issued by the Securities and Exchange Board of India (SEBI).

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

These Consolidated Financial Statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows as at March 31, 2018 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Amounts for the year ended March 31, 2017 were audited by the predecessor auditor.

Rounding of amounts

The Consolidated Financial Statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest crore as per the requirement of Schedule III, except when otherwise indicated. Figures less than ₹ 50,000, which are required to be shown separately, have been shown actual in brackets.

Principles of Consolidation and equity accounting

The consolidated financial statements incorporate the financial statements of Arvind Limited and its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

For non-wholly owned subsidiaries, a share of the profit / loss for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statement of profit and loss and consolidated balance sheet.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if

Notes to Consolidated Financial Statements

facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in joint venture are accounted for using the equity method.

Equity Method

Under equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

3. Summary of Significant Accounting Policies

3.1. Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

3.2. Use of estimates and judgements

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

Notes to Consolidated Financial Statements

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

3.3. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period,

Notes to Consolidated Financial Statements

or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Group's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

3.4. Foreign currencies

The Group's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the respective months. Exchange differences arising are recognized as foreign currency translation reserve under equity.

3.5. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments

3.6. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Group adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2016, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

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

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

Depreciation

The carrying value of the property, plant and equipment as on April 1, 2014 are depreciated over remaining useful life of the assets based on independent technical evaluation carried out by external valuer.

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments which are depreciated as per schedule II of the companies act, 2013), and Leasehold Improvements, Furniture and fixtures, Vehicles and Office equipments .

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation on Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments), Leasehold Improvements, Furniture & Fixtures, Vehicles and Office Equipments are provided on straight-line basis over the useful lives of the assets as estimated by management based on the technical assessment of the assets, nature of assets, the

Notes to Consolidated Financial Statements

estimated usage of assets, the operating condition of the assets, maintenance supports and anticipated technological changes required in the assets. The management estimates the useful lives as follows:

Particulars	Useful Life
Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments)	5-20 Years
Leasehold Improvements	5-6 Years
Furniture and Fixtures	6-10 Years
Vehicles	4-8 Years
Office Equipments	3-5 Years

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Act.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

3.7. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in consolidated Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in consolidated Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in consolidated Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

3.8. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year. Capitalisation of borrowing costs is suspended and charged to statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

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3.9. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as Investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated Statement of Profit and Loss when the asset is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories are at carrying amount of the property transferred.

Depreciation on Investment property is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Act.

3.10. Intangible Assets

Intangible Assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition/grant
- for separately acquired assets, at cost comprising the purchase price (including non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Revenue expenditure pertaining to research is charged to Consolidated Statement of Profit and Loss. Development costs of products are charged to Consolidated Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in Consolidated Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in Consolidated Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in Consolidated Statement of Profit and Loss when the asset is derecognised.

Amortisation

Software is amortized over management estimate of its useful life of 5 years or License Period whichever is lower and Patent/Knowhow is amortized over its useful validity period. Website is amortized over 5 years.

Research and development costs for Website Design

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any

accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

3.11. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for

Notes to Consolidated Financial Statements

use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

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

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

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.12. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in Consolidated Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.13. Revenue Recognition

Revenues are measured at the fair value of the consideration received or receivable, net of discounts, volume rebates etc. and excluding taxes or duties collected on behalf of the government (other than excise duty). Excise duty is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to Group on its own account, revenue includes excise duty.

The Group recognises a revenue when the revenue can be reliably measured and it is probable that the future economic benefits will flow to the Group. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The Group has considered specific criteria which have been met for each of the Group's activities as described below while recognising revenue:

Sale of goods

Revenue from the sale of goods are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch, and it is probable that the economic benefits will flow to the Group and can be reliably measured. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable including excise duty, net of returns and allowances, trade discounts and volume rebates.

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Sale of goods – customer loyalty programme (deferred revenue)

The Group operates a loyalty points programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

Rendering of services

Revenue from services are recognized based on the services rendered in accordance with the terms of contracts on the basis of work performed.

Construction contract

Revenue in respect of projects for Construction of Plants and Systems, execution of which is spread over different accounting periods, is recognised on the basis of percentage of completion method. Percentage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract cost. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, relating to the percentage of completion, costs to completion, expected revenue from the contract and the foreseeable losses to completion.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Interest Income

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividend Income

Dividend income from investments is recognised when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

Profit or loss on sale of Investments

Profit or Loss on sale of investments are recorded on transfer of title from the Group, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

Insurance claims

Insurance claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

3.14. Financial instruments – initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement of financial assets:

For purposes of subsequent measurement, financial assets are classified in four categories:

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Notes to Consolidated Financial Statements

(a) Financial assets at amortised cost:

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

(b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised in the statement of profit and loss.

The Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

(d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired,

or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in Consolidated Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to Consolidated Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

The Group complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Group documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy

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for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in Consolidated Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in Consolidated Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects Consolidated Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in Consolidated Statement of Profit and Loss.

3.15. Cash and cash equivalent

Cash and cash equivalent in the balance sheet includes cash on hand, at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

3.16. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in Statement of Profit or Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

3.17. Taxes

Tax expense comprises of current income tax and deferred tax.

Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to Consolidated Statement of Profit and Loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

3.18. Employee Benefits

(a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

(b) Post-Employment Benefits

(i) Defined contribution plan

The Group's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Group has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

(ii) Defined benefit plan:

The employee's gratuity fund scheme, Compensatory Pension Scheme and post-retirement medical benefit schemes are Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Notes to Consolidated Financial Statements

(c) Other long term employment benefits:

The employee's long term compensated absences are Group's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

(d) Termination Benefits:

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

3.19. Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. Consolidated Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Cash-settled transactions:

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions.

The fair value is measured initially and at each reporting date up to and including the settlement date, with

changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

3.20. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

3.21. Dividend

The Group recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group.

Notes to Consolidated Financial Statements

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in Consolidated Statement of Profit and Loss.

3.22. Provisions and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Group expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Contingent assets are not recognised but disclosed in the Consolidated financial statements when an inflow of economic benefits is probable.

3.23. Non-current assets held for sale/ distribution to owners and discontinued operations

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised, A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in Consolidated Statement of Profit and Loss.

Notes to Consolidated Financial Statements

3.24. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

4. Critical accounting estimates and assumptions

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

4.1. Estimates and assumption

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Taxes

The Group has ₹ 163.53 crores (March 31, 2017: ₹ 192.03 crores) of tax credits carried forward. These credits expire in 15 years from the date of initial recognition. The Group has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Group has determined that it can recognise deferred tax assets on the tax credits carried forward.

The Group has ₹ 129.51 crores (March 31, 2017: ₹ 149.93 crores) of unused tax losses available which is carried forward for set off against taxable income in future years. The Group believes that if sufficient future taxable income available to utilise against which the unused tax losses can be utilised. On this basis, the Group has determined that it has recognised deferred tax assets on the carried forward tax losses.

Further details on taxes are disclosed in Note 29.

(b) Useful life of Property, plant and equipment and Intangible Assets

As described in Note 3.6 and 3.10 of the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

(c) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

(d) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Consolidated Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 16 and 30).

(e) Defined benefit plans

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in Consolidated Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the Consolidated Financial Statements.

Further details about defined benefit obligations are provided in Note 34.

Notes to Consolidated Financial Statements

₹ in Crores

Note 5 : Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Furniture & fixture	Vehicles	Leasehold Improve-ments	Office Equipment	Computer, server & network	Total
Gross Carrying Amount										
As at April 01, 2016	**989.28**	**312.51**	**476.01**	**1,316.51**	**154.34**	**36.56**	**167.38**	**33.59**	**34.99**	**3,521.17**
Additions	21.96	-	38.82	160.07	59.41	13.15	70.92	12.64	13.28	390.25
Transfer from Investment Property	75.57	-	-	-	-	-	-	-	-	75.57
Adjustment due to Business Combination	-	-	-	-	0.40	-	2.73	0.06	0.05	3.24
Other adjustments	-	-	-	2.08	-	-	-	-	-	2.08
Deductions	0.98	-	1.18	4.15	3.00	4.90	4.99	0.24	0.13	19.57
As at April 01, 2017	**1,085.83**	**312.51**	**513.65**	**1,474.51**	**211.15**	**44.81**	**236.04**	**46.05**	**48.19**	**3,972.74**
Additions	37.07	-	17.25	215.91	49.56	14.26	70.81	12.03	17.77	434.66
Additions due to Business Combination (refer note 4 & 5 below)	-	-	13.74	24.56	9.28	1.64	29.46	2.74	7.19	88.61
Adjustment on Consolidation	-	-	9.40	-	-	-	-	-	-	9.40
Deductions	18.15	1.15	0.90	28.47	8.57	7.76	19.84	2.70	3.26	90.80
As at March 31, 2018	**1,104.75**	**311.36**	**553.14**	**1,686.51**	**261.42**	**52.95**	**316.47**	**58.12**	**69.89**	**4,414.61**
Accumulated Depreciation and Impairment										
As at April 01, 2016	**-**	**0.17**	**21.21**	**130.60**	**24.56**	**4.12**	**33.41**	**7.25**	**9.84**	**231.16**
Depreciation for the year	-	0.17	22.30	143.63	29.69	6.19	41.36	8.79	11.30	263.43
Adjustment due to Business Combination	-	-	-	-	0.02	-	1.00	0.01	0.03	1.06
Impairment for the year	-	-	-	-	1.33	-	1.43	0.02	0.03	2.81
Deductions	-	-	0.01	1.47	0.69	1.38	1.96	0.20	0.08	5.79
As at April 01, 2017	**-**	**0.34**	**43.50**	**272.76**	**54.91**	**8.93**	**75.24**	**15.87**	**21.12**	**492.67**
Depreciation for the year	-	0.17	23.42	158.39	37.21	7.38	62.75	12.62	14.47	316.41
Additions due to Business Combination (refer note 4 & 5 below)	-	-	-	1.33	3.35	0.62	6.26	1.47	4.72	17.75
Adjustment on Consolidation	-	-	0.50	-	-	-	-	-	-	0.50
Deductions	-	-	-	10.09	4.86	3.09	15.16	2.00	3.05	38.25
As at March 31, 2018	**-**	**0.51**	**67.42**	**422.39**	**90.61**	**13.84**	**129.09**	**27.96**	**37.26**	**789.08**
Net Carrying Amount										
As at March 31, 2018	**1,104.75**	**310.85**	**485.72**	**1,264.12**	**170.81**	**39.11**	**187.38**	**30.16**	**32.63**	**3,625.53**
As at April 01, 2017	1,085.83	312.17	470.15	1,201.75	156.24	35.88	160.80	30.18	27.07	3,480.07

Notes :

1. Freehold Land amounting to ₹ 84.57 crores in respect of which registration are pending in the favour of the Company.

2. Buildings includes ₹ 2.45 Crores (Previous year ₹ 0.79 Crores) in respect of ownership flats in Co-Operative Housing Society and ₹ 500/- (Previous year ₹ 500/-) in respect of shares held in Co-Operative Housing Society.

Particulars	Other Adjustments			
	For the year		Transfer from Capital Work in Progress	
	2017-18	2016-17	**2017-18**	2016-17
Borrowing Cost	-	0.99	-	0.65
Exchange Differences	-	0.36	-	0.08
Total	-	1.35	-	0.73

4. The Company has acquired business of Aditexfab LLP w.e.f. June 1, 2017 at a consideration of ₹ 34.50 crores due to which addition in property, plant and equipment by ₹ 36.08 crores. The Company is in the process of determining the fair value for the purpose of Purchase price allocation to the assets/liabilities acquired and the same is expected to be completed within 12 months from the date of acquisition. Accordingly, depreciation on the assets in the books of accounts has been taken based on management estimates. For details refer note no. 45 (IV).

5. Refer note 45 for the Scheme of Business Combination.
6. Additions in Plant and Machinery includes ₹ 3.07 Crores which are purchased for the Research & Development purpose. For details refer note no 49.
7. For Properties Pledge as security - Refer Note No 15 (a).

Notes to Consolidated Financial Statements

₹ in Crores

Note 6 : Investment Properties

Particulars	Land	Building	Total
Gross Carrying Amount			
As at April 1, 2016	**97.01**	**23.56**	**120.57**
Additions	-	-	-
Transfer to Property, Plant and Equipments	75.57	-	75.57
Deductions	-	-	-
As at April 1, 2017	**21.44**	**23.56**	**45.00**
Adjustment on consolidation	-	(9.40)	(9.40)
As at March 31, 2018	**21.44**	**14.16**	**35.60**
Accumulated Depreciation			
As at April 1, 2016	**-**	**0.63**	**0.63**
Depreciation for the year	-	0.63	0.63
As at April 1, 2017	**-**	**1.26**	**1.26**
Depreciation for the year	-	0.36	0.36
Adjustment on consolidation	-	(0.50)	(0.50)
As at March 31, 2018	**-**	**1.12**	**1.12**
Net Carrying Amount			
As at March 31, 2018	**21.44**	**13.04**	**34.48**
As at April 1, 2017	21.44	22.30	43.74

Notes :

(1) Buildings of investment property includes ₹ 9.35 crores in respect of which registration are pending in the favour of the Company.

(2) Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Rental income derived from Investment properties	**0.23**	0.23
Less: Direct operating expenses (including repairs and maintenance)	**(0.01)**	(0.15)
Profit arising from investment properties before depreciation	**0.22**	0.08
Less : Depreciation	**0.36**	0.63
Profit/(Loss) arising from investment properties	**(0.14)**	(0.55)

(3) The fair value of the properties are based on internal evaluation by the management.

Fair value of the Investment properties are as under

Particulars	Land	Building	Total
Balance as at April 1, 2017	24.20	14.78	38.98
Add : Fair value difference for the year	0.58	0.89	1.47
Balance as at March 31 2018	**24.78**	**15.67**	**40.45**

Notes to Consolidated Financial Statements

Note 7 : Intangible assets

₹ in Crores

Particulars	Computer Software	Patent & Technical knowhow	Technical Process develop-ment	Website (Refer note (i) below)	Brand Value & Licence Brands	Distribu-tion Network	Total	Goodwill	Goodwill on Consolid-ation	Total Goodwill
Gross Carrying Amount										
As at April 1, 2016	**37.01**	**10.68**	**-**	**6.55**	**5.09**	**16.21**	**75.54**	**16.77**	**1.53**	**18.30**
Additions	21.66	23.80	24.73	41.17	-	-	111.36	-	-	-
Adjustment on consolidation	-	1.67	-	-	-	-	1.67	-	(0.38)	(0.38)
Deductions	1.30	-	-	-	-	-	1.30	-	-	-
As at April 1, 2017	**57.37**	**36.15**	**24.73**	**47.72**	**5.09**	**16.21**	**187.27**	**16.77**	**1.15**	**17.92**
Additions	10.48	7.16	-	32.16	0.67	0.90	51.37	-	-	-
Additions due to Business Combination (refer note 45)	2.83	29.75	-	-	-	-	32.58	-	119.10	119.10
Deductions	0.37	0.19	-	-	-	-	0.56	-	-	-
As at March 31, 2018	**70.31**	**72.87**	**24.73**	**79.88**	**5.76**	**17.11**	**270.66**	**16.77**	**120.25**	**137.02**
Accumulated Depreciation										
As at April 1, 2016	**19.58**	**2.03**	**-**	**2.02**	**0.52**	**2.86**	**27.01**	**-**	**-**	**-**
Amortisation for the Year	9.72	6.37	4.95	7.91	0.78	1.01	30.74	-	-	-
Adjustment on consolidation	-	0.33	-	-	-	-	0.33	-	-	-
Deductions	1.29	-	-	-	-	-	1.29	-	-	-
As at April 1, 2017	**28.01**	**8.73**	**4.95**	**9.93**	**1.30**	**3.87**	**56.79**	**-**	**-**	**-**
Amortisation for the Year	12.36	9.32	4.95	13.65	0.85	1.44	42.57	-	-	-
Additions due to Business Combination (refer note 45)	1.13	5.52	-	-	-	-	6.65	-	-	-
Deductions	0.36	0.18	-	-	-	-	0.54	-	-	-
As at March 31, 2018	**41.14**	**23.39**	**9.90**	**23.58**	**2.15**	**5.31**	**105.47**	**-**	**-**	**-**
Net Carrying Amount										
As at March 31, 2018	**29.17**	**49.48**	**14.83**	**56.30**	**3.61**	**11.80**	**165.19**	**16.77**	**120.25**	**137.02**
As at April 1, 2017	29.36	27.42	19.78	37.79	3.79	12.34	130.48	16.77	1.15	17.92

Note : (i) Website consist of Capitalised development cost being an internally generated intangible assets.

Notes to Consolidated Financial Statements

₹ in Crores

Note 8 : Financial assets

8 (a) Investments

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit As at March 31, 2018	No. of Shares/unit As at March 31, 2017	Amount As at March 31, 2018	Amount As at March 31, 2017
(a) Investment in equity shares (fully paid up):					
I. Subsidiaries - measured at cost (unquoted) :					
Arvind Foundation	10	**10,000**	10,000	**0.01**	0.01
Arvind Worldwide(M) Inc., Mauritius	100 USD	**54,840**	54,840	**0.01**	0.01
Less: Provision for Impairment				**(0.01)**	(0.01)
				-	-
Arvind Spinning Limited (Shares without par value)		**8,24,099**	8,24,099	**0.08**	0.08
Less: Provision for Impairment				**(0.08)**	(0.08)
				-	-
Arvind Overseas (M) Inc., Mauritius	100 Mau	**23,85,171**	23,85,171	**0.24**	0.24
Less: Provision for Impairment				**(0.24)**	(0.24)
				-	-
Total (I)				**0.01**	**0.01**
II. Joint Ventures - measured using equity Method (unquoted)					
Arya Omnitalk Radio Trunking Services Private Limited*	10	**10,05,000**	10,05,000	**8.12**	7.54
Arya Omnitalk Wireless Solutions Private Limited* (refer Note 45 (II) (c))	10	**-**	10,00,000	**-**	21.54
Tommy Hilfiger Arvind Fashions Private Limited (Refer Note 45 (II) (a))	10	**-**	1,14,61,839	**-**	51.77
Calvin Klein Arvind Fashion Private Limited (Refer Note 45 (II) (b))	10	**-**	4,57,671	**-**	98.64
Arudrama Development Private Limited	100	**50,000**	50,000	**2.05**	2.05
Total (II)				**10.17**	**181.54**
III. Limited Liability Partnerships:					
(a) Joint ventures - measured using equity Method (unquoted)					
Arvind and Smart Value Homes LLP				**57.07**	56.70
(b) Others - measured at amortised cost (unquoted)					
Ahmedabad East Infrastructure LLP				**-**	(₹ 7,000/-)
637 Developers				**0.01**	0.17
Total (III)				**57.08**	**56.87**
IV. Others - Fair value through Other Comprehensive Income:					
Quoted					
Amol Decalite Limited**	10	**-**	16,500	**-**	0.06
Unquoted					
Amazon Textile Private Limited**	10	**1,18,000**	1,18,000	**0.01**	2.05
Abeer Textiles Private Limited**		**22,42,000**	-	**2.02**	-
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited**	250	**140**	140	**(₹ 35,000/-)**	(₹ 35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited**	100	**10**	10	**(₹ 1,000/-)**	(₹ 1,000/-)
Total (IV)				**2.03**	**2.11**
Total Equity Investments ((I) + (II) + (III) + (IV)					
Total (V)				**69.29**	**240.53**
(b) Investment in debentures - measured at amortised cost (Unquoted):					
0.00001% Fully & Compulsorily Convertible Debentures of Centerac eMarket Places Private Limited	10	**-**	81,050	**-**	10.00
9.00% Optionally Convertible Debentures of Arya Omnitalk Radio Trunking Services Private Limited		**2500**	-	**0.02**	-
Total (b)				**0.02**	**10.00**

Notes to Consolidated Financial Statements

₹ in Crores

Note 8 : Financial assets

8 (a) Investments (Contd.)

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit		Amount	
		As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
(c) Investment in government securities - measured at amortised cost:					
National Saving Certificates (Lodged with Sales Tax and Government Authorities)				**0.02**	0.02
Total (c)				**0.02**	**0.02**
(d) Others				**6.81**	26.12
Total (d)				**6.81**	**26.12**
Total Investments (a)+(b)+(c) +(d)				**76.14**	**276.67**

Aggregate amount of quoted investments	-	0.06
Aggregate amount of unquoted investments	76.14	276.61
Aggregate impairment in value of investment	0.33	0.33

Disclosure in respect of Partnership Firms

Name of the Firm	Name of the Partner	Share in partnership	Capital as at	
			March 31, 2018	March 31, 2017
Arvind and Smart Value Homes LLP	Arvind Limited	50%	**57.07**	56.70
	Tata Value Homes Limited	50%	**64.18**	56.70
637 Developers	Arvind Limited	35%	**0.01**	0.17
	Dahyabhai Maneklal Pvt. Ltd.	15%	**0.31**	0.38
	Jigen Shah	12%	**0.01**	0.06
	Darshan Jhaveri	7%	**0.01**	0.04
	Pankaj Shah	3%	**0.01**	(0.08)
	Chetas Shah	2%	**0.01**	(0.06)
	Shann Zevari	17.75%	**0.01**	(0.21)
	Mischa Gorchov	8.25%	**0.01**	0.05

* Increase in the cost of investment during the period includes recognition of notional commission on fair valuation of financial guarantee provided for loan taken by joint ventures. The same is detailed below :

Joint ventures	Nature of transaction	Impact of notional commission on fair valuation of financial guarantee	
		2017-18	2016-17
Arya Omnitalk Wireless Solutions Private Limited	Financial guarantee given	**-**	0.10
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	**0.02**	0.02

** The management has assessed that carrying value of the investments approximate to their fair value.

8 (b) Trade receivables - Current

Particulars	**As at March 31, 2018**	As at March 31, 2017
Unsecured, considered good	**1,766.98**	794.82
Unsecured, considered doubtful	**27.69**	13.34
Less : Allowance for doubtful debts	**(27.69)**	(13.34)
Total Trade and other receivables	**1,766.98**	794.82
Receivables from Directors or from firm / Private company where director is interested (Refer note 35)	**-**	(₹ 8,407/-)

Notes to Consolidated Financial Statements

₹ in Crores

8 (b) Trade receivables ~ Current (Contd.)

Allowance for doubtful debts

The Group has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful debt are as follows:

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Balance as per last financial year	**13.34**	8.45
Add : Adjustment on account of Consolidation	**9.28**	-
Add : Allowance for the year (Refer Note 27)	**7.23**	6.70
Less : Write off of bad debts and other adjustment (net of recovery)	**(2.16)**	(1.81)
Balance at the end of the year	**27.69**	13.34

8 (c) Loans

Particulars	**As at March 31, 2018**	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Non-current		
Loans to employees	**2.57**	2.77
Total Non-current Loans (A)	**2.57**	2.77
Current		
Considered good		
Loans to		
- Related parties (Refer note 35)	**22.47**	22.47
- Employees	**5.22**	1.58
- Others	**135.87**	98.16
	163.56	122.21
Considered Doubtful		
Loans to related parties (Refer note 35)	**5.23**	5.23
Less : Allowance for doubtful loan	**(5.23)**	(5.23)
	-	-
Total Current Loans (B)	**163.56**	122.21
Total (A) + (B)	**166.13**	124.98
Loans to Directors or to firm / Private company where director is interested	**-**	-

8 (d) Cash and cash equivalents

Particulars	**As at March 31, 2018**	As at March 31, 2017
Cash on hand	**0.65**	0.68
Cheques on hand	**0.32**	0.02
Balance with Banks		
In Current accounts and debit balance in cash credit accounts	**36.24**	19.81
In Deposits with original maturity of less than three months	**2.25**	0.33
In Exchange Earners Foreign Currency account	**(₹ 42,612/-)**	0.09
In Savings account	**(₹ 65,288/-)**	(₹ 45,808/-)
Total cash and cash equivalents	**39.46**	20.93

8 (e) Other bank balance

Particulars	**As at March 31, 2018**	As at March 31, 2017
Unpaid dividend accounts	**3.05**	2.46
Deposits with original maturity of more than three months but less than 12 months	**2.85**	1.62
Deposits held as Margin Money*	**20.11**	27.80
Deposit lodged with Court	**-**	0.55
Deposit lodged with Sales Tax Department	**0.02**	0.52
Total other bank balances	**26.03**	32.95

* Under lien with bank as Security for Guarantee Facility

Notes to Consolidated Financial Statements

₹ in Crores

8 (f) Other financial assets

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Non-current		
Security deposits		
Considered Good	**255.35**	235.84
Considered Doubtful	**0.33**	-
Less Allowance for Doubtful Deposits	**(0.33)**	-
	255.35	235.84
Deposits held as Margin Money*	**0.65**	-
Bank deposits with maturity of more than 12 months	**4.51**	3.06
Total Non-current Other Financial Asset (A)	**260.51**	238.90
Current		
Security deposits		
Considered Good	**8.50**	5.48
Considered Doubtful	**2.35**	2.00
Less Allowance for Doubtful Deposits	**(2.35)**	(2.00)
	8.50	5.48
Income receivable	**1.97**	8.10
Interest Subsidy Receivable	**24.51**	27.90
Interest Accrued on financial assets measured at amortised cost	**0.80**	2.46
Foreign exchange forward contracts (Cash flow hedge)	**5.16**	49.02
Receivable other than trade	**66.21**	88.22
Total Current Other Financial Asset (B)	**107.15**	181.18
Total (A)+(B)	**367.66**	420.08

* Deposits are placed as bank guarantee to the sales tax department of various states.

Other current financial assets are given as security for borrowings as disclosed under Note - 15(a).

Allowance for doubtful advances

The Group has provided allowance for doubtful advances based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful advances are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	**2.00**	2.00
Add : Adjustment on account of Consolidation	**0.33**	-
Add : Allowance for the year (Refer Note 27)	**0.51**	-
Less : Write off of bad debts (net of recovery)	**(0.16)**	-
Balance at the end of the year-Non Current and Current	**2.68**	2.00

Notes to Consolidated Financial Statements

₹ in Crores

Note 9 : Other current / non-current assets

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Capital advances		
Considered Good	**76.89**	73.79
Considered Doubtful	**0.25**	-
Less : Provision for doubtful advances	**(0.25)**	-
	76.89	73.79
Pre-paid expense	**1.96**	0.44
Balance with collectorate of central excise and customs	**1.99**	-
Other than Capital Advances		
Advances to suppliers - Doubtful	**0.18**	0.29
Less : Provision for doubtful advances	**(0.18)**	(0.29)
	-	-
Total Non-current Other Asset (A)	**80.84**	74.23
Current		
Advance to suppliers	**118.81**	193.07
Balance with Government Authorities (Refer Note (i) below)	**402.85**	59.72
Export incentive receivable	**87.82**	78.75
Pre-paid expense	**26.82**	32.15
Income Receivable	**2.34**	2.45
Pre-paid Gratuity (Refer Note 34)	**16.25**	17.95
Other Current Asset	**43.11**	54.26
Total Current Other Asset (B)	**698.00**	438.35
Total (A) + (B)	**778.84**	512.58
Advance to Directors or to firm / Private company where director is interested (Refer note 35)	**(₹ 39,100/-)**	(₹ 21,278/-

)

(i) Balance with Government Authorities mainly consists of input credit availed.

Other current assets are given as security for borrowings as disclosed under Note - 15(a).

Note 10 : Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2018	As at March 31, 2017
Raw materials		
Raw materials and components	**436.56**	351.62
Raw materials in transit	**7.72**	0.56
Fuel	**2.76**	2.63
Material at site for project in progress	**13.88**	9.62
Stores and spares	**87.55**	81.85
Stores and spares in transit	**2.99**	-
Work-in-progress	**464.53**	486.25
Finished goods	**332.90**	354.71
Waste	**4.44**	3.63
By- product	**-**	0.05
Stock-in-trade	**1,212.70**	1,039.97
Stock-in-trade in transit	**5.11**	4.29
Packing Material	**6.45**	5.84
Land Held as Stock-in-trade	**41.79**	41.78
Total	**2,619.38**	2,382.80

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 79.96 Crores (March, 2017 ₹ 34.14 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements

₹ in Crores

Note 11 : Current Tax Assets (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Tax Paid in Advance (Net of Provision)	118.84	110.13
Total	**118.84**	110.13

Note 12 : Current Tax Liability (Net)

Particulars	As at March 31, 2018	As at March 31, 2017
Provision for taxation (Net of Advance Tax)	5.27	3.16
Total	**5.27**	3.16

Note 13 : Equity share capital:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Authorised share capital				
Equity shares of ₹ 10 each	67,45,00,000	674.50	67,45,00,000	674.50
Preference shares of ₹ 100 each	1,00,00,000	100.00	1,00,00,000	100.00
Issued, subscribed and paid-up share capital				
Equity shares of ₹ 10 each	25,86,17,069	258.62	25,83,59,069	258.36
Add : Forfeited shares	900	(₹ 4,500/-)	900	(₹ 4,500/-)
Total	**25,86,17,969**	**258.62**	25,83,59,969	258.36

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Outstanding at the beginning of the year	25,83,59,069	258.36	25,82,43,069	258.24
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan	2,58,000	0.26	1,16,000	0.12
Outstanding at the end of the year	**25,86,17,069**	**258.62**	25,83,59,069	258.36

(ii) Rights, Preferences and Restrictions attached to equity shares:

The Company has one class of shares having par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The final 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.

(iii) Details of shareholder holding more than 5% Shares in the Company:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities Private Limited	9,55,61,810	36.95	9,55,61,810	36.99

(iv) Ordinary Shares allotted as fully paid pursuant to contract(s) without payment being received in cash during the period of five years immediately preceding March 31, 2018:

The Company has issued 3,410,528 Equity Shares of ₹ 10 each during the financial year 2012-2013 to the erstwhile shareholders of Arvind Products Limited pursuant to the Scheme of Amalgamation without payment being received in cash.

(v) Shares reserved for issue under options :

Refer Note 37 for details of shares to be issued under employee stock option Scheme (ESOP 2008).

Notes to Consolidated Financial Statements

Note 14 : Other Equity

₹ in Crores

Particulars		As at March 31, 2018	As at March 31, 2017
(a)	**Share Application Money Pending Allotment**		
	Balance as per last financial statements	**2.17**	-
	Add: Additions during the year	**1.00**	2.17
	Less: Adjusted against share issues during the year	**(3.17)**	-
	Balance at the end of the year	**-**	2.17
(b)	**Capital reserve**		
	Balance as per last financial statements	**663.67**	32.28
	Add : Adjustment on Consolidation	**0.08**	-
	Add: Additions during the year	**-**	631.39
	Balance at the end of the year	**663.75**	663.67
(c)	**Capital reserve on Consolidation**		
	Balance as per last financial statements	**1.50**	2.38
	Less : Adjustment on Consolidation	**-**	(0.88)
	Balance at the end of the year	**1.50**	1.50
(d)	**General reserve**		
	Balance as per last financial statements	**1.47**	1.47
	Balance at the end of the year	**1.47**	1.47
(e)	**Amalgamation reserve**		
	Balance as per last financial statements	**34.54**	34.54
	Balance at the end of the year	**34.54**	34.54
(f)	**Securities premium account**		
	Balance as per last financial statements	**556.73**	554.84
	Add: Received during the year	**4.91**	2.21
	Add: Transfer from share based payment reserve	**3.13**	1.41
	Less: Utilized during the year	**-**	(1.73)
	Balance at the end of the year	**564.77**	556.73
(g)	**Capital redemption reserve**		
	Balance as per last financial statements	**69.50**	69.50
	Balance at the end of the year	**69.50**	69.50
(h)	**Debenture Redemption Reserve**		
	Balance as per last financial statements	**-**	-
	Add: Transfer from retained earnings	**50.00**	-
	Balance at the end of the year	**50.00**	-
(i)	**Share based payment reserve (Refer Note 37)**		
	Balance as per last financial statements	**10.63**	4.79
	Add: Addition during the year	**5.74**	7.25
	Less: Adjustment during the year	**0.07**	-
	Less: Transfer to Securities Premium Account	**3.13**	1.41
	Balance at the end of the year	**13.17**	10.63
(j)	**Retained earnings**		
	Balance as per last financial statements	**1,943.17**	1,554.62
	Add: Profit for the year	**309.47**	314.63
	Add: Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation (net of tax)	**(9.85)**	0.05
	Add : Adjustment on Account of Consolidation	**-**	43.91
	Less: Transfer to Debenture Redemption Reserve	**(50.00)**	-
	Add: Transfer from Other Comprehensive Income	**-**	104.56
		2,192.79	2,017.77
	Less: Payment of dividend on equity shares	**(67.04)**	(61.98)
	Less: Dividend distribution tax on dividend	**(13.65)**	(12.62)
	Balance at the end of the year	**2,112.10**	1,943.17

Notes to Consolidated Financial Statements

Note 14 : Other Equity (Contd.)

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
(k) Items of Other comprehensive income		
(i) Equity Instruments through OCI (net of tax)		
Balance as per last financial statements	**-**	57.11
Add: Addition during the year	**22.29**	47.45
Less: Transfer to Retained Earning	**-**	(104.56)
Balance at the end of the year	**22.29**	-
(ii) Foreign Currency Translation Reserve		
Balance as per last financial statements	**(6.82)**	(0.97)
Add: Addition during the year	**(5.10)**	(5.85)
Balance at the end of the year	**(11.92)**	(6.82)
(iii) Cash Flow hedge reserve		
Balance as per last financial statements	**32.06**	8.80
Add/(Less) : Addition during the year	**(44.26)**	35.56
Add/(Less) : Tax impact on additions	**15.26**	(12.30)
Balance at the end of the year	**3.06**	32.06
Total Other equity	**3,524.23**	3,308.62

The description of the nature and purpose of each reserve within equity is as follows :

a. Capital reserve

Capital Reserve includes forfeiture of application money received on issue of share warrants and Capital Reserves on amalgamation / Business Combinations.

b. General reserve

General Reserve is a free reserve created by the Group by transfer from Retained earnings for appropriation purposes.

c. Amalgamation reserve

The reserve was created pursuant to scheme of amalgamation in earlier years. Amalgamation Reserve is a reserve which arose pursuant to the scheme of amalgamation and shall not be considered to be a reserve created by the Group.

d. Securities premium account

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

e. Capital redemption reserve

Capital Redemption Reserve is created for redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed. Capital Redemption Reserve may be applied by the Group in paying up unissued shares of the Group to be issued to shareholders of the Group as fully paid bonus shares.

f. Debenture Redemption Reserve

The Group is required to create a debenture redemption reserve out of the profits which is available for purpose of redemption of debentures. This reserve will be transferred to general reserve on redemption of debentures.

g. Share based payment reserve

This reserve relates to share options granted by the Group to its employee share option plan. Further information about share-based payments to employees is set out in Note 37.

h. Capital reserve on consolidation

Gain on purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in subsidiary is recognised as capital reserve on Consolidation.

i. Equity Instruments through OCI

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

j. Cash Flow hedge reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

k. Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive incom

Notes to Consolidated Financial Statements

₹ in Crores

Note 15 : Financial liabilities

15 (a) Long-term Borrowings

Particulars	As at March 31, 2018	As at March 31, 2017
A. Non-current portion		
(Secured)(at amortised cost)		
(ai) Term loan		
- from Banks	**478.25**	626.06
- from others	**18.47**	47.69
(Unsecured)(at amortised cost)		
(aii) Term loan		
- from Banks	**100.08**	-
- from others	**2.58**	7.93
(aiii) Non convertible Debentures	**249.33**	74.95
	848.71	756.63
B. Current maturities (Refer note I below)		
(Secured)(at amortised cost)		
(bi) Term loan		
- from Banks	**156.33**	129.92
- from others	**29.25**	14.11
(Unsecured)(at amortised cost)		
(bii) Non convertible Debentures	**24.98**	-
	210.56	144.03
Total long-term borrowings (A) + (B)	**1,059.27**	900.66
C. Short-term Borrowings		
(Secured)(at amortised cost)		
(ci) Working Capital Loans repayable on demand from Banks	**1,552.19**	1,510.74
(Unsecured)(at amortised cost)		
(cii) Working Capital Loans repayable on demand from Banks	**57.56**	-
(ciii) Under Buyer's Credit Arrangement	**199.50**	186.48
(civ) Intercorporate Deposits		
From Others	**4.53**	53.12
(cv) Commercial Papers	**450.00**	275.00
Total short-term borrowings (C)	**2,263.78**	2,025.34
Total borrowings (A) +(B) + (C)	**3,323.05**	2,926.00

Notes :

I) Installments falling due within a year in respect of all the above Loans aggregating ₹ 210.56 crore (March 31, 2017 : ₹ 144.03 crore) have been grouped under "Current maturities of long-term debt" (Refer Note 15(c))

II) Nature of security:

Term loan of ₹ 682.30 Crores

a) Loans amounting to ₹ 543.23 Crores (March 31, 2017 ₹ 639.56 Crores) are secured by (a) first pari passu charge on all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Holding Company presently relating to the Textile Plant and Garment Division at Bangalore; and all Immovable Properties, Movable Properties, Intangible Properties and General Assets acquired by the Company at any time after execution of and during the continuance of the Indenture of Mortgage; (b) charge on the Holding Company's Trademarks; (c) Secured by second pari passu charge on all the Holding Company's Current Assets presently relating to the Textile Plants and Garment Division and all the current assets acquired by the Holding Company at any time in future .

b) (i) Loans amounting to ₹ 90.65 Crores (March 31, 2017 ₹ 99.99 Crores) are secured by (a) first pari passu charge over the entire fixed assets of the company both present and future; (b) Second pari passu charge over the entire stock, receivables and other current assets of the company excluding stocks of Nautica Brand of the subsidiary company.(ii) Loans amounting to ₹ 74.74 Crores is additionally secured by Corporate Guarantee given by Holding company.

c) (i)Loans amounting to ₹ 26.87 Crores (March 31, 2017 ₹ 55.05 Crores) are secured by first pari passu charge over the entire land, building and fixed assets of the subsidiary company and by second pari passu charge over the inventory, receivables and other current assets of the company of the subsidiary company.

Notes to Consolidated Financial Statements

₹ in Crores

15 (a) Long-term Borrowings (Contd.)

Rate of Interest and Terms of Repayment

Particulars	₹ in Crores	Range of Interest (%)	Terms of Repayment from Balance sheet date
From Banks			
(a) Term Loan			
(I) a. Secured Rupee Loans	592.22	8.30 % to 11.05%	Repayable in quarterly instalments ranging between 2 to 16
b. Secured Rupee Loans	20.81	8.30%	Repayable in 25 monthly instalments
(II) Secured Vehicle Loan	21.55	7.75% to 10.25%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
(III) Unsecured Rupee Loans	100.08	8.75%	Repayable in 3 monthly instalments starting from Apr 2019
(b) Non-Convertible Debentures (I & II)	199.34	7.79% to 8.00%	Repayable in Sep 2020 (50%),Sep 2021 (25%) and Sep 2022 (25%)
Non-Convertible Debentures (III)	74.97	10.35%	Repayable in 3 equal annual instalments starting from July 27, 2018
From Others			
(I) Secured Rupee Loans	47.72	9.45%	Repayable in 13 equal quarterly instalments

Nature of Security

Cash Credit and Other Facilities from Banks of ₹ 1552.19 Crores

Loans amounting to ₹ 1,123.83 crores (March 31, 2017 ₹ 1,257.76 Crores) are secured by (a) first pari passu charge on all the Company's Current Assets presently relating to the company except Nautica Brand and all the Current Assets acquired by the Company at any time after the execution of and during the continuance of the Indenture of Mortgage. (b) second pari passu charge over all the Immovable Properties relating to Textile Plants, Movable Properties presently relating to the Company and all the movable properties acquired by the Company at any time in future after execution of and during the continuance of the Indenture of Mortgage.

Loans amounting to ₹ 268.05 crores (March 31, 2017 ₹ 235.18 Crores) are secured by (a) first charge over entire stocks, receivables and other current assets excluding stocks of Nautica Brand; (b) second charge over entire fixed assets of the Company both present and future of the subsidiary company.ii. Additionally secured by Corporate Guarantee given by Arvind Limited, the holding company.

Loans amounting to ₹ 3.31 crores (March 31, 2017 ₹ NIL Crores) are secured by hypothecation of book debts and other current assets (present and future) of the subsidiary company.

Loans amounting to ₹ 131.60 crores (March 31, 2017 ₹ NIL Crores) are secured by (i) first exclusive charge over current assets of the subsidiary company , both present & future; (ii) Corporate Guarantee from PVH Corp., USA for 50% of the exposure and (iii) letter of comfort from PVH Corp., USA.

Loans amounting to ₹ 20 crores (March 31, 2017 ₹ NIL Crores) are secured by Exclusive charge on the entire current assets of the subsidiary company and the subsidiary Company is in the process of creating security in respect of this loan.

Loans amounting to ₹ 5.40 crores (March 31, 2017 ₹ 17.80 Crores) are secured by First charge over entire stocks, receivables and other current assets and second charge over entire fixed assets of the subsidiary Company both present and future.

Unsecured Loans

Unsecured Loans of ₹ 30 crs of subsidiary company is secured by Corporate Guarantee given the holding company.

Rate of Interest

i. Working Capital Loans from banks carry interest rates ranging from 4.45% to 9.95% per annum.

ii. Inter Corporate Deposit carries interest rate of 8% per annum.

iii. Commercial Papers carry interest rates ranging from 7.60% to 7.95% per annum.

iv. Buyer's credit arrangements carry interest rates ranging from 0.30% to 5.25%

Notes to Consolidated Financial Statements

₹ in Crores

15 (b) Trade payables

Particulars	As at March 31, 2018	As at March 31, 2017
Current		
Acceptances	**485.39**	117.60
Other trade payables (Refer note below)	**1,661.83**	1,308.92
Total	**2,147.22**	1,426.52

Note

Based on the information available, the disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Small Enterprise Development (MSMED) Act, 2006 are presented as follows:

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	**33.61**	44.21
(b) Interest paid during the year;	**2.29**	1.66
(c) Amount of payment made to the supplier beyond the appointed day during accounting;	**272.48**	201.97
(d) Interest due and payable for the period of delay in making payment;	**6.40**	3.65
(e) Interest accrued and unpaid at the end of the accounting year; and	**6.40**	3.65
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	**5.63**	3.39

15 (c) Other financial liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Security Deposits	**44.02**	44.98
Total Non-current Other financial liabilities (A)	**44.02**	44.98
Current		
Current maturity of long term borrowings [Refer Note 15 (a)]	**210.56**	144.03
Interest accrued but not due on financial liabilities	**28.36**	15.61
Payable to employees	**135.87**	112.96
Deposits from customers and others	**23.07**	11.12
Payable in Respect of Capital Goods	**38.46**	27.28
Mark to Market of Derivative Financial Instruments	**0.29**	0.92
Unpaid dividends	**3.05**	2.46
Book overdraft	**5.50**	6.66
Current account with LLP	**0.05**	0.05
Other Payables	**23.79**	16.26
Total Current Other financial liabilities (B)	**469.00**	337.35
Total (A)+(B)	**513.02**	382.33

There has been delay ranging from 607 to 646 days in transferring fund to Investor Education and Protection Fund amounting to ₹ 0.03 crore as of March 31, 2018.

Notes to Consolidated Financial Statements

Note 16 : Provisions

₹ in Crores

Particulars	As at March 31, 2018	As at March 31, 2017
Long-term		
Provision for employee benefits (refer Note 34)		
Provision for leave encashment	**35.07**	26.23
Provision for Gratuity	**9.98**	5.12
Provision for compensatory pension*	**2.17**	1.94
Provision for Medical benefits	**12.20**	7.43
Others		
Provision for Warranties (Refer note (a) below)	**2.40**	-
Total Long-term provisions (A)	**61.82**	40.72
Short-term		
Provision for employee benefits (refer Note 34)		
Provision for leave encashment	**8.13**	5.15
Provision for Gratuity	**1.14**	0.51
Provision for superannuation	**2.13**	2.17
Provision for compensatory pension*	**0.13**	0.10
Provision for Medical benefits	**0.68**	0.45
Others		
Provision for Wealth tax	**0.11**	0.11
Provision for Warranties (Refer note (a) below)	**-**	5.33
Provision for Litigation / Disputes (Refer note (b) below)	**13.47**	3.00
Total Short-term provisions (B)	**25.79**	16.82
Total (A)+(B)	**87.61**	57.54

* Including ₹ 0.38 Crores (March 31, 2017 :₹ 0.32 crores) pertaining to employees for which the liability of the Company is crystallised. Hence, it is a liability towards defined contribution plan.

Note:

(a) Provision for Warranties

The Group has made provisions for warranty expenses. The movement in the provision account is as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance as per last financial statements	**5.33**	16.22
Add : Adjustment on account of Consolidation	**2.77**	-
Add : Provision made during the year	**-**	5.33
Less : Reversal during the year	**(5.70)**	(16.22)
Balance at the end of the year	**2.40**	5.33

(b) Provision for Litigation/Disputes

The Group has made provisions for pending disputed matters in respect of Indirect Taxes like Sales Tax, Excise Duty and Custom Duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off.

The movement in the provision account is as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance as per last financial statements	**3.00**	3.00
Addition during the year	**10.47**	-
Balance at the end of the year	**13.47**	3.00

Notes to Consolidated Financial Statements

₹ in Crores

Note 17 : Government grants

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Deferred income	**38.26**	35.46
Total Non-current Government Grants (A)	**38.26**	35.46
Current		
Deferred income	**6.14**	5.23
Total Current Government Grants (B)	**6.14**	5.23
Total (A) + (B)	**44.40**	40.69

Government grants

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Balance as per last financial year	**40.69**	34.39
Add : Received during the year	**9.14**	11.71
Less : Released to statement of profit and loss (net) (Refer Note 20)	**(5.43)**	(5.41)
Balance at the end of the year	**44.40**	40.69

Note 18 : Other current liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Non-current		
Income received in advance	**1.93**	-
Total Non-current liabilities (A)	**1.93**	-
Current		
Advance from customers	**106.65**	45.41
Statutory dues including provident fund and tax deducted at source	**66.63**	61.19
Deferred income of loyalty program reward points (Refer note (a) below)	**7.73**	3.26
Other liabilities	**6.60**	4.62
Total Current liabilities (B)	**187.61**	114.48
Total (A)+(B)	**189.54**	114.48

(a) Deferred income of Loyalty Program Reward Points

The Group has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Balance at the beginning of the year	**3.26**	5.17
Add : Deferment during the year (Net)	**4.47**	(1.91)
Balance at the end of the year	**7.73**	3.26

Notes to Consolidated Financial Statements

₹ in Crores

Note 19 : Revenue from operations (Refer note (i) below)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Sale of products	**10,331.87**	8,871.95
Sale of services	**75.37**	45.30
Other Operating income :		
Waste sale	**108.70**	91.55
Gain on forward contracts	**77.18**	12.91
Export incentives	**183.63**	206.80
Foreign exchange fluctuation on vendors and customers	**15.41**	(0.20)
Liabilities no longer required written back	**16.18**	0.49
Others	**17.79**	28.89
Total	**10,826.13**	9,257.69

Note : (i) Post implementation of Goods and Service Tax (GST) with effect from July 1,2017, Revenue from operations is disclosed net off GST. Revenue from operations for the year till June 30, 2017 and previous year includes excise duty, which is now subsumed in the GST. Accordingly, Revenue from operations for the current year are not comparable with previous year.

Note 20 : Other income

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest income on financial assets measured at amortized cost	**19.74**	24.92
Dividend income	**-**	1.21
Government grants (Refer Note 17)	**5.43**	5.41
Rent (Refer Note 38)	**0.35**	0.36
Profit on sale of Property, Plant and Equipments (Net)	**0.65**	2.97
Exchange difference on Borrowing and others	**0.70**	-
Scrap income	**13.49**	12.36
Gain on changes in ownership interest in Joint Ventures	**7.94**	-
Miscellaneous income	**14.32**	34.46
Total	**62.62**	81.69

Note 21 : Cost of raw materials and accessories consumed

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Inventories at the beginning of the year	**351.62**	271.38
Add : Purchases during the year	**2,880.73**	2,637.67
	3,232.35	2,909.05
Less : Inventories at the end of the year	**436.56**	351.62
Total	**2,795.79**	2,557.43

Note 22 : Purchases of stock-in-trade

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Purchase of stock-in-trade	**2,389.08**	2,011.47
Total	**2,389.08**	2,011.47

Notes to Consolidated Financial Statements

Note 23 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Crores

Particulars		Year Ended March 31, 2018	Year Ended March 31, 2017
Inventories at the end of the year			
Finished goods		**332.90**	354.71
Stock-in-trade		**1,212.70**	1,039.97
Work-in-Progress		**464.53**	486.25
Project work-in-progress		**13.88**	9.62
Waste		**4.44**	3.63
	(A)	**2,028.45**	1,894.18
Inventories at the beginning of the year			
Finished goods		**354.71**	300.78
Stock-in-trade		**1,039.97**	746.53
Work-in-Progress		**486.25**	458.38
Project work-in-progress		**9.62**	10.14
Waste		**3.63**	2.40
	(B)	**1,894.18**	1,518.23
(Increase) / Decrease in Inventories	**(A-B)**	**(134.27)**	(375.95)
Adjustment due to Business Combination (Refer Note 45 (II) 2)		**204.16**	-
Decrease in value of Excise duty		**(0.15)**	(0.01)
Adjustment on Consolidation		**4.91**	12.91
Total		**74.65**	(363.05)

Note 24 : Employee benefits expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 34)	**1,127.85**	973.06
Contribution to provident and other funds (Refer Note 34A)	**81.66**	79.90
Welfare and training expenses	**49.48**	35.58
Share based payment to employees (Refer Note 37)	**5.75**	7.24
Total	**1,264.74**	1,095.78

Note 25 : Finance costs

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Interest expense on Financial Liabilities		
- Loans	**192.31**	239.81
- Related Parties	**-**	0.65
- Debentures	**16.24**	7.75
- others	**27.33**	17.66
Exchange differences regarded as an adjustment to borrowing costs	**1.62**	2.15
Other borrowing cost	**20.35**	20.32
Total	**257.85**	288.34

Note 26 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Depreciation on Tangible assets (Refer Note 5)	**316.41**	262.90
Depreciation on Investment properties (Refer Note 6)	**0.36**	0.63
Amortization of Intangible assets (Refer Note 7)	**42.57**	30.74
Total	**359.34**	294.27

Notes to Consolidated Financial Statements

₹ in Crores

Note 27 : Other expenses

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Power and fuel	**542.43**	495.25
Stores consumed	**504.60**	472.46
Processing charges	**306.22**	300.62
Miscellaneous Labour charges	**212.24**	162.64
Rent (Refer Note 38)	**382.73**	358.92
Excise duty expense	**4.86**	36.42
Insurance	**14.54**	9.96
Printing, stationery and communication	**34.62**	34.23
Commission, Brokerage and discount	**143.14**	139.01
Rates and taxes	**33.84**	36.48
Repairs :		
To Building	**12.50**	4.40
To Machineries (including spares consumption)	**157.51**	134.36
To others	**65.84**	64.86
Freight, insurance and clearing charge	**173.68**	129.73
Advertisement and publicity	**172.30**	162.98
Royalty on Sales	**148.80**	115.56
Software Expenses	**29.99**	13.82
Legal and Professional charges	**58.61**	51.08
Conveyance and Travelling expense	**70.28**	61.01
Director's sitting fees	**0.04**	0.05
Allowances for doubtful debts (Refer Note 8 (b))	**7.23**	6.70
Allowances for doubtful advances (Refer Note 8 (f))	**0.51**	-
Bad debt written off	**0.45**	0.10
Sundry debits written off	**2.06**	1.88
Auditor's remuneration (Refer note (i) below)	**3.65**	3.36
Bank charges	**22.88**	23.65
Corporate Social Responsibility expenses (Refer note 39)	**9.72**	9.12
Property, Plant and Equipments written off	**1.99**	1.29
Provision for Product Warranties (Refer Note 16)	**-**	5.33
Miscellaneous expenses	**205.41**	168.30
Total	**3,322.67**	3,003.57
(i) Break up of Auditor's remuneration		
Payment to Auditors as		
Auditors	**2.63**	1.88
For Other Services	**0.92**	1.40
For reimbursement of expenses	**0.10**	0.08
Total	**3.65**	3.36

Note 28 : Exceptional items

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
(a) Retrenchment compensation	**36.54**	12.49
(b) (Profit) on Sale of Property, Plant and Equipments (Land)	**(23.30)**	-
(c) Loss on Sale of Investments	**9.48**	-
(d) Settlement of disputed claims	**-**	5.57
Total	**22.72**	18.06

Notes to Consolidated Financial Statements

₹ in Crores

Note 29 : Income tax

The major component of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as follows:

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Statement of Profit and Loss		
Current income tax	**123.27**	70.08
Short provision related to earlier years	**1.80**	0.62
Deferred tax expense / (Credit)	**(50.50)**	28.19
Income tax expense in the Statement of Profit and Loss	**74.57**	98.89
Statement of Other comprehensive income (OCI)		
Current income tax	**(3.50)**	-
Deferred tax expense / (Credit)	**(17.13)**	12.42
Income tax expense / (Credit) recognised in OCI	**(20.63)**	12.42

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2018 and March 31, 2017.

A. Current tax

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
Accounting profit before tax	**390.38**	419.74
Tax Rate	**34.608%**	34.608%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	**135.10**	145.26
Adjustment		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	**(41.90)**	(2.89)
Deferred tax assets not recognized as realization is not probable	**(4.78)**	(0.16)
Exempt income	**0.25**	(0.31)
Additional deduction for research and product development cost	**(8.04)**	(18.06)
Expenditure not deductible for tax/not liable to tax	**6.28**	3.78
Accelerated depreciation for tax purposes	**(0.63)**	0.76
Difference in tax rates for certain entities of the group	**(2.51)**	0.43
In respect of current income tax of previous years	**0.62**	0.55
Non-recognition of deferred tax assets due to absence of probable certainty of reversal in future	**14.30**	4.16
Unabsorbed depreciation & business loss	**1.86**	(0.94)
Unused tax losses & credits	**0.32**	(27.12)
Short Provision of the earlier years	**1.26**	0.62
Change in deferred tax balances due to change in income tax rate	**(7.60)**	-
Other adjustments	**(19.96)**	(7.19)
Total income tax expense/(credit)	**74.57**	98.89
Effective tax rate	**19.10**	23.56

Notes to Consolidated Financial Statements

₹ in Crores

Note 29 : Income tax (Contd.)
B. Deferred tax

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax assets & (liabilities) recognized in the financial statements of the Group as follows:

Particulars	Balance Sheet as at		Adjustment due to Business Combination for the year ended on		Adjustment Due to Consolidation for the year ended on		Statement of Profit and Loss for the year ended on		Balance Sheet as at	
	March 31, 2017	March 31, 2016	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017
Accelerated depreciation for tax purposes	(133.05)	(106.81)	**(4.17)**	-	**-**	-	**19.48**	(26.24)	**(117.74)**	(133.05)
Impact of fair valuation of non depreciable assets	(178.35)	(181.49)	**-**	-	**-**	-	**50.04**	3.14	**(128.31)**	(178.35)
Provision for doubtful debt	9.77	7.32	**1.33**	-	**-**	-	**(5.46)**	2.45	**5.64**	9.77
Expenditure allowable on payment basis	15.27	14.95	**1.43**	-	**-**	-	**6.28**	0.32	**22.98**	15.27
Expenditure allowable over the period (Section 35D/35DD)	9.58	10.37	**-**	-	**-**	-	**6.37**	(0.79)	**15.95**	9.58
Unused losses available for offsetting against future taxable income	149.93	8.44	**-**	-	**-**	-	**(20.42)**	141.49	**129.51**	149.93
Unused tax credit available for offsetting against future taxable income (MAT Credit Entitlement)	192.03	244.28	**-**	-	**(0.62)**	-	**(27.88)**	(52.25)	**163.53**	192.03
Impact of deferment of revenue, net of related cost	-	108.06	**-**	-	**-**	-	**-**	(108.06)	**-**	-
Deferred tax on unrealised profit	17.60	7.11	**-**	-	**2.70**	-	**13.68**	10.49	**33.98**	17.60
Others	(1.45)	10.33	**-**	-	**0.13**	-	**25.54**	(11.78)	**24.22**	(1.45)
Deferred tax expense/(income)							**67.63**	(41.23)		
Net deferred tax assets/(liabilities)	81.33	122.56	**(1.41)**	-	**2.21**	-			**149.76**	**81.33**

The Group 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. Hence, deferred tax assets and liabilities which can not be offset, are presented separately as Deferred Tax Assets and Deferred Tax Liabilities. Details of the same are as under:

Particulars	Balance as at			
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
	Deferred tax assets		**Deferred tax Liabilities**	
Accelerated depreciation for tax purposes	**65.23**	36.70	**(182.98)**	(169.75)
Impact of fair valuation of non depreciable assets	**-**	-	**(128.31)**	(178.35)
Provision for doubtful debt	**2.09**	5.80	**3.55**	3.97
Expenditure allowable on payment basis	**9.02**	6.31	**13.96**	8.96
Expenditure allowable over the period (Section 35D/35DD)	**0.03**	(0.38)	**15.92**	9.96
Unused losses available for offsetting against future taxable income	**129.51**	149.93	**-**	-
Unused tax credit available for offsetting against future taxable income	**11.15**	11.65	**152.38**	180.38
Deferred tax on unrealised profit	**-**	13.20	**33.98**	4.40
Others	**3.48**	1.00	**20.75**	(2.45)
Total of Deferred Tax Assets/(Liabilities)	**220.51**	224.21	**(70.75)**	(142.88)

There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the group does not currently estimate any probable material incremental tax liabilities in respect of these matters. (Refer note 30)

The Group has unused tax capital losses amounting to ₹ 386.40 crores as at March 31, 2018 (March 31, 2017: ₹ 416.00 crores). Tax credits on such losses have not been recognised on the basis that recovery is not probable in the foreseeable future. Unrecognised tax capital losses will expire on March 31, 2025, if unutilized, based on the year of origination.

Notes to Consolidated Financial Statements

₹ in Crores

Note 30 : Contingent liabilities

Particulars	As at March 31, 2018	As at March 31, 2017
Contingent liabilities not provided for		
(i) Claims against Group not acknowledged as debts	**14.11**	8.56
(ii) Disputed demands in respect of		
Excise and Customs duty	**39.53**	25.91
Value added tax and Central sales tax	**228.04**	175.82
Income tax	**24.16**	15.29
Service tax	**4.64**	3.54
Others	**0.87**	0.87

Notes :

(a) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

Note 31 : Capital commitment and other commitments

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	**97.40**	63.16
(b) Other commitments		
Export obligations against the import licenses taken for import of capital goods under 61.55 the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Group is unable to meet these obligations, its liability would be ₹ 11.09 crores (March 31,2017 : ₹ 10.26 crores) which will reduce in proportion to actual exports. The Group is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any		**77.74**

Note 32 : Foreign Exchange Derivatives and Exposures not hedged

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities depending upon the maturity of the derivatives.

The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Cash Flow Hedges

The Group also enters into forward exchange contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the statements of profit or loss. These hedges have been effective for the year ended March 31, 2018 and March 31, 2017.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions.

Notes to Consolidated Financial Statements

Note 32 : Foreign Exchange Derivatives and Exposures not hedged (Contd.)

₹ in Crores

A details of derivative contracts outstanding as at reporting date are as follows:

A. Foreign Exchange Derivatives

Nature of instrument	Currency	As at March 31, 2018		As at March 31, 2017	
		FC In Mn	₹ in Crores	FC In Mn	₹ in Crores
Forward contracts					
Sales	USD	163.93	1,086.81	101.58	693.31
	GBP	0.45	4.22	0.35	2.83
Purchase	USD	4.27	27.85	5.92	38.48
Option contracts	USD	-	-	60.00	426.00

All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

B. Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2018		As at March 31, 2017	
		FC In Mn	₹ in Crores	FC In Mn	₹ in Crores
Receivables	USD	72.22	468.98	26.76	173.03
	EUR	1.36	10.97	1.74	12.09
	GBP	0.40	3.39	0.82	6.61
Payable towards borrowings	USD	22.10	144.05	20.94	136.06
	EUR	5.27	42.57	3.40	23.56
	JPY	38.48	2.37	40.75	2.36
Receivable towards loans	USD	2.45	15.97	3.50	22.74
Payable to creditors	USD	15.86	103.38	7.72	50.11
	EUR	3.20	26.07	0.97	6.71
	JPY	6.99	0.43	6.98	0.40
	SEK	0.09	0.07	0.14	0.10
	GBP	0.16	1.57	0.19	1.57
	CHF	-	-	(CHF 1,808/-)	0.01
	HKD	(HKD 3,000/-)	(₹ 24,915/-)	(HKD 9,577/-)	0.01
	SGD	0.18	0.87	0.18	0.82

Note 33 : Segment Reporting

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group.

Operating Segments:

(a) Textiles : Fabrics, Garments and Fabric Retail.

(b) Branded Apparels : Branded Garments, accessories and manufacturing & selling of customised clothing. Manufacturing and selling of branded accessories is reclassified and considered as branded apparels segment w.e.f. July 1,2017.

(c) Arvind Internet : E-commerce

(d) Engineering : Engineering

(e) Others : Technical Textiles, Agriculture Produce, EPABX and One to Many Radio, Water Treatment, Other including newly commenced business.

Segment revenue and results:

Revenue and expenses directly attributable to segments are reported under each reportable segment. The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income). Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level.

Segment assets and Liabilities:

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities excluding borrowings.

Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets /

Notes to Consolidated Financial Statements

₹ in Crores

Note 33 : Segment Reporting (Contd.)

liabilities.

Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. The Group's borrowing and income taxes are reviewed on an overall basis and are not allocated to operating segments.

Geographical segment

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

Summarised segment information for the years ended March 31, 2018 and March 31, 2017 are follows:

Particulars	For the Year ended / As at March 31, 2018						
	Textiles	Branded Apparels	Arvind Internet	Engin-eering	Others	Elimin-ation	Total
REVENUE							
External Revenue	6,122.61	3,833.32	6.03	223.61	640.56	-	**10,826.13**
Inter segment Revenue	26.61	14.62	4.61	-	7.94	(53.78)	**-**
Enterprise revenue	**6,149.22**	**3,847.94**	**10.64**	**223.61**	**648.50**	**(53.78)**	**10,826.13**
RESULT							
Segment Result Before Finance cost	**664.12**	**103.23**	**(54.43)**	**50.12**	**(32.52)**	**-**	**730.52**
Less: Finance Cost							**(257.85)**
Less: Unallocable expenses (net of income)							**(82.29)**
Less: Tax Expense							**(74.57)**
Net profit/(loss) after tax	**664.12**	**103.23**	**(54.43)**	**50.12**	**(32.52)**	**-**	**315.81**
Segment Assets	4,348.26	4,781.58	80.58	332.27	1,000.11	(2,340.77)	**8,202.03**
Unallocated Assets							**2,046.23**
Investments in Joint Ventures							**10.17**
Total Assets	**4,348.26**	**4,781.58**	**80.58**	**332.27**	**1,000.11**	**(2,340.77)**	**10,258.43**
Segment Liabilities	1,042.13	1,328.53	15.57	80.92	388.11	(203.79)	**2,651.47**
Unallocated Liabilities							**195.75**
Total Liabilities	**1,042.13**	**1,328.53**	**15.57**	**80.92**	**388.11**	**(203.79)**	**2,847.22**
Depreciation and amortisation expense	164.63	133.43	13.15	3.56	23.47	-	**338.24**
Unallocated Depreciation and amortisation expense							**21.10**
Total Depreciation and amortisation expense	**164.63**	**133.43**	**13.15**	**3.56**	**23.47**	**-**	**359.34**
Capital Expenditure	249.83	173.84	3.85	39.75	18.11	-	**485.38**
Unallocated Capital Expenditure							**60.67**
Total Capital Expenditure (Refer Note (a))	**249.83**	**173.84**	**3.85**	**39.75**	**18.11**	**-**	**546.05**
Material non-cash items other than Depreciation and amortisation	26.26	48.78	0.07	0.01	16.35	-	**91.47**
Unallocated Material non-cash items other than Depreciation and amortisation							**0.72**
Total Material non-cash items other than Depreciation and amortisation	**26.26**	**48.78**	**0.07**	**0.01**	**16.35**	**-**	**92.19**

Notes to Consolidated Financial Statements

Note 33 : Segment Reporting (Contd.)

₹ in Crores

Particulars	For the Year ended / As at March 31, 2017						
	Textiles	Branded Apparels	Arvind Internet	Engin-eering	Others	Elimin-ation	Total
REVENUE							
External Revenue	5,706.38	2,893.79	5.56	179.40	472.56	-	9,257.69
Inter segment Revenue	26.45	44.95	-	-	11.20	(82.60)	-
Enterprise revenue	5,732.83	2,938.74	5.56	179.40	483.76	(82.60)	9,257.69
RESULT							
Segment Result Before Finance cost	782.73	19.65	(80.53)	44.87	(28.24)	-	738.48
Less: Finance Cost							(288.34)
Less: Unallocable expenses (net of income)							(30.40)
Less: Tax Expense							(98.89)
Net profit/(loss) after tax	782.73	19.65	(80.53)	44.87	(28.24)	-	320.85
Segment Assets	4,038.38	3,310.09	79.43	226.19	752.71	(1,613.81)	6,792.99
Unallocated Assets							1,693.45
Investments in Joint Ventures							181.54
Total Assets	4,038.38	3,310.09	79.43	226.19	752.71	(1,613.81)	8,667.98
Segment Liabilities	708.17	1,048.59	12.30	46.55	156.19	(170.64)	1,801.16
Unallocated Liabilities							222.41
Total Liabilities	708.17	1,048.59	12.30	46.55	156.19	(170.64)	2,023.57
Depreciation and amortisation expense	154.04	91.67	6.87	3.38	19.36	-	275.32
Unallocated Depreciation and amortisation expense							18.95
Total Depreciation and amortisation expense	154.04	91.67	6.87	3.38	19.36	-	294.27
Capital Expenditure	166.49	128.97	37.50	4.29	32.41	-	369.66
Unallocated Capital Expenditure							90.32
Total Capital Expenditure (Refer Note (a))	166.49	128.97	37.50	4.29	32.41	-	459.98
Material non-cash items other than Depreciation and amortisation	9.11	35.27	0.02	1.27	1.18	-	46.85
Unallocated Material non-cash items other than Depreciation and amortisation							0.11
Total Material non-cash items other than Depreciation and amortisation	9.11	35.27	0.02	1.27	1.18	-	46.96

(a) Capital expenditure consists of additions of property, plant and equipment, intangible assets, investment properties and capital work-in-progress.

(b)

Particulars	**Year Ended March 31, 2018**	Year Ended March 31, 2017
(i) Segment Revenue*		
(a) In India	**7,782.59**	6,652.50
(b) Rest of the world	**3,043.54**	2,605.19
Total	**10,826.13**	9,257.69
(ii) Carrying Cost of Segment Non Current Assets@		
(a) In India	**4,031.49**	3,768.08
(b) Rest of the world	**127.81**	73.98
Total	**4,159.30**	3,842.06

* Based on location of Customers

@ Other than financial assets and deferred tax assets.

(c) Information about major customers:

Considering the nature of business of group in which it operates, the group deals with various customers including multiple geographic. No single customer has accounted for more than 10% of the group's total revenue for the years ended March 31, 2018 and 2017.

Notes to Consolidated Financial Statements

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 66.68 Crores (March 31, 2017: ₹ 59.88 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense"

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(i) Contribution to Provident Fund [Note (a)]	**38.74**	32.91
(ii) Contribution to Pension Fund [Note (b)]	**25.54**	24.50
(iii) Contribution to Superannuation Fund [Note (c)]	**2.40**	2.47
Total	**66.68**	59.88

Note

(a) The Parent Company's Provident Fund is administered by approved Trust. The Rules of the Company's Provident Fund administered by a Trust require that if the Board of the Trustees are unable to pay interest at the rate declared for Employees' Provident Fund by the Government under Para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. Having regard to the assets of the fund and the return on the investments, the Parent Company does not expect any deficiency in the foreseeable future. Provident fund for employees of some of the subsidiaries are managed through government administered fund.

(b) Certain employees of the Parent company and some of the Subsidiaries ("the Group") participate on a defined contribution plan towards pension fund. The Group has no further obligation to the plan beyond its annual contribution which are periodically contributed to a Trust Fund.

(c) The Group's Superannuation Fund is administered by approved Trust. The Group is required to contribute the specified amount to the Trust. The Group has no further obligations to the plan beyond its contribution to a Trust Fund.

B. Defined benefit plans:

The Group has following post employment benefit plans which are in the nature of defined benefit plans:

(a) Gratuity

The Group operates a gratuity plan covering qualifying employees. The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. Gratuity benefits are both funded and unfunded. The Parent Company fully contributes all ascertained liabilities to the Arvind Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme as permitted by Indian law. Some of the subsidiaries make annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

(b) Post- Retirement Medical Benefit

Under this Scheme, employees & their spouse are covered for hospitalisation benefits after the employee has retired from the company only on completion of specified number of years services. The cover is available to these beneficiaries until they are alive. These beneficiaries are covered under Company's general group hospitalisation cover from insurance company.

Liabilities with regard to the Post- Retirement Medical Benefit Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

(c) Compensatory Pension Scheme

The Parent Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees who have joined before 30th June 1983 and who have rendered not less than 31 years of service before their retirement. The plan is unfunded. Employees do not contribute to the plan.

Liabilities with regard to the Compensatory Pension Scheme are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Parent Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.

Changes in defined benefit obligation and plan assets as at March 31, 2018:

Particulars	As at April 1, 2017	Adjustment on consolidation	Charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	As at March 31, 2018
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 24)		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	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI		
Gratuity - Funded													
Defined benefit obligation	103.41	2.45	16.10	7.91	24.01	(19.25)	-	7.68	5.29	(4.31)	8.66	-	119.28
Fair value of plan assets	(116.22)	(1.35)	(0.15)	(8.81)	(8.96)	1.70	(0.93)	-	0.01	-	(0.92)	(0.42)	(126.17)
Benefit liability/(asset)-Funded (A)	**(12.81)**	**1.10**	**15.95**	**(0.90)**	**15.05**	**(17.55)**	**(0.93)**	**7.68**	**5.30**	**(4.31)**	**7.74**	**(0.42)**	**(6.89)**
Gratuity - Non Funded													
Defined benefit obligation	0.49	0.59	0.67	0.08	0.75	(0.09)	-	0.07	0.20	(0.24)	0.03	-	1.77
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability/(asset)-Non Funded (B)	**0.49**	**0.59**	**0.67**	**0.08**	**0.75**	**(0.09)**	**-**	**0.07**	**0.20**	**(0.24)**	**0.03**	**-**	**1.77**
Net Benefit liability/(asset) (A+B)	**(12.32)**	**1.69**	**16.62**	**(0.82)**	**15.80**	**(17.64)**	**(0.93)**	**7.75**	**5.50**	**(4.55)**	**7.77**	**(0.42)**	**(5.12)**
Post employment Medical benefits													
Defined benefit obligation	7.88	-	0.35	0.60	0.95	(0.39)	-	(1.54)	5.10	0.88	4.44	-	12.88
Net Benefit liability/(asset)	**7.88**	**-**	**0.35**	**0.60**	**0.95**	**(0.39)**	**-**	**(1.54)**	**5.10**	**0.88**	**4.44**	**-**	**12.88**
Compensatory Pension Scheme													
Defined benefit obligation	1.72	-	0.04	0.23	0.27	(0.07)	-	-	-	-	-	-	1.92
Net Benefit liability/(asset)	**1.72**	**-**	**0.04**	**0.23**	**0.27**	**(0.07)**	**-**	**-**	**-**	**-**	**-**	**-**	**1.92**
Total benefit liability/(asset)	**(2.72)**	**1.69**	**17.01**	**0.01**	**17.02**	**(18.10)**	**(0.93)**	**6.21**	**10.60**	**(3.67)**	**12.21**	**(0.42)**	**9.68**

Notes to Consolidated Financial Statements

Note 34 : Disclosure pursuant to Employee benefits (Contd.)
Changes in defined benefit obligation and plan assets as at March 31, 2018:

₹ in Crores

Particulars	As at April 1, 2016	Adjust-ment on consol-idation	Charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contri-butions by employer	As at March 31, 2017
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 24)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demo-graphic assumptions	Actuarial changes arising from changes in financial assum-ptions	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI		
Gratuity - Funded													
Defined benefit obligation	93.30	-	12.51	7.35	19.86	(12.62)	-	0.26	3.43	(0.82)	2.87	-	103.41
Fair value of plan assets	(103.48)	-	-	(8.30)	(8.30)	0.74	(3.15)	-	-	-	(3.15)	(2.03)	(116.22)
Benefit liability/(asset)- Funded (A) (12.81)		**(10.18)**	**-**	**12.51**	**(0.95)**	**11.56**	**(11.88)**	**(3.15)**	**0.26**	**3.43**	**(0.82)**	**(0.28)**	**(2.03)**
Gratuity - Non Funded													
Defined benefit obligation	0.31	-	0.34	0.02	0.36	-	-	-	0.03	(0.21)	(0.18)	-	0.49
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability/(asset)- Non Funded (B)	**0.31**	**-**	**0.34**	**0.02**	**0.36**	**-**	**-**	**-**	**0.03**	**(0.21)**	**(0.18)**	**-**	**0.49**
Net Benefit liability/(asset) (A+B) (12.32)		**(9.87)**	**-**	**12.85**	**(0.93)**	**11.92**	**(11.88)**	**(3.15)**	**0.26**	**3.46**	**(1.03)**	**(0.46)**	**(2.03)**
Post employment Medical benefits													
Defined benefit obligation	6.87	-	0.54	0.54	1.08	(0.27)	-	-	(0.14)	0.34	0.20	-	7.88
Net Benefit liability/(asset)	**6.87**	**-**	**0.54**	**0.54**	**1.08**	**(0.27)**	**-**	**-**	**(0.14)**	**0.34**	**0.20**	**-**	**7.88**
Compensatory Pension Scheme													
Defined benefit obligation	1.37	-	0.04	0.38	0.42	(0.07)	-	-	-	-	-	-	1.72
Net Benefit liability/(asset)	**1.37**	**-**	**0.04**	**0.38**	**0.42**	**(0.07)**	**-**	**-**	**-**	**-**	**-**	**-**	**1.72**
Total benefit liability/(asset)	**(1.63)**	**-**	**13.43**	**(0.01)**	**13.42**	**(12.22)**	**(3.15)**	**0.26**	**3.32**	**(0.69)**	**(0.26)**	**(2.03)**	**(2.72)**

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	**As at March 31, 2018 (%) of total plan assets**	As at March 31, 2017 (%) of total plan assets
Central Government Securities	**0.21%**	0.22%
Public Sector/Financial Institutional Bonds	**0.25%**	0.27%
Portfolio with Mutual Fund	**99.47%**	99.42%
Others (including bank balances)	**0.07%**	0.09%
(%) of total plan assets	**100%**	100%

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

Particulars	**As at March 31, 2018**	As at March 31, 2017
Discount rate	**7.31%-8.06%**	6.90%-7.57%
Future salary increase	**4.00%-12.00%**	4.00%-5.00%
Medical cost inflation	**5.00%**	4.00%
Expected rate of return on plan assets	**7.50%-8.06%**	6.90%-7.57%
Attrition rate	**2.00%-20.00%**	2.00%-7.00%
Morality rate during employment	**Indian assured lives Mortality (2006-08)**	Indian assured lives Mortality (2006-08)
Morality rate after employment	**N.A.**	N.A.

Notes to Consolidated Financial Statements

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

A quantitative sensitivity analysis for significant assumption is as shown below for the defined benefit plan:

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact) Year ended March 31, 2018	Year ended March 31, 2017
Gratuity			
Discount rate	1% increase	**(9.10)**	(8.08)
	1% decrease	**8.24**	9.40
Salary increase	1% increase	**9.41**	9.49
	1% decrease	**(8.31)**	(8.24)
Attrition rate	1% increase	**1.64**	3.30
	1% decrease	**(1.89)**	(3.76)
Post employment medical benefits			
Discount rate	1% increase	**(0.90)**	(0.57)
	1% decrease	**0.86**	0.75
Medical cost inflation	1% increase	**0.73**	0.65
	1% decrease	**(0.82)**	(0.53)
Attrition rate	1% increase	**(0.26)**	(0.16)
	1% decrease	**0.40**	0.24
Compensatory Pension Scheme			
Discount rate	1% increase	**(0.05)**	(0.04)
	1% decrease	**0.05**	0.05

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

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

Particulars	As at March 31, 2018	As at March 31, 2017
Gratuity		
Within the next 12 months	**18.66**	14.11
Between 2 to 5 years	**43.60**	34.97
Beyond 5 years	**74.66**	70.22
	136.92	119.30
Post employment medical benefits		
Within the next 12 months	**0.67**	0.45
Between 2 to 5 years	**2.43**	1.71
Beyond 5 years	**9.78**	5.72
	12.88	7.88
Compensatory Pension Scheme		
Within the next 12 months	**0.58**	0.50
Between 2 to 5 years	**1.34**	1.22
Beyond 5 years	**-**	-
	1.92	1.72
Total expected payments	**151.72**	128.90

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

Particulars	As at March 31, 2018 In years	As at March 31, 2017 In years
Gratuity	**8**	9
Post employment medical benefits	**7**	9
Compensatory Pension Scheme	**3**	3

Notes to Consolidated Financial Statements

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

The Company does not have any contributions expected towards planned assets for the next year.

C. Other Long term employee benefit plans:

Leave encashment

The Group has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Group has recognised ₹ 20.21 Crores (March 31, 2017: ₹ 16.60 Crores) as expenses and included in Note No. 24 "Employee benefit expense".

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

(a)	**Name of Related Parties and Nature of Relationship :**	
(I)	**Key Management Personnel**	
1	Shri Sanjay S. Lalbhai	Chairman and Managing Director
2	Shri Jayesh K. Shah	Director & Chief Financial Officer
3	Shri Punit S. Lalbhai	Executive Director
4	Shri Kulin S. Lalbhai	Executive Director
(II)	**Joint Ventures**	
1	Arya Omnitalk Radio Trunking Services Private Limited	
2	Arya Omnitalk Wireless Solutions Private Limited	up to June 30, 2017
3	Calvin Klein Arvind Fashion Private Limited	Joint Venture of Arvind Fashions Limited up to March 31, 2017
4	Tommy Hilfiger Arvind Fashions Private Limited	Joint Venture of Arvind Fashions Limited up to March 31, 2017
5	Arudrama Developers Private Limited	
(III)	**Limited Liability Partnership**	
1	Arvind and Smart Value Homes LLP	
(IV)	**Subsidiaries**	
1	Arvind Worldwide (M) Inc.	
2	Arvind Overseas (M) Inc.	
3	Arvind Spinning Limited	
4	Arvind Foundation	
(V)	**Entities under the control of Key Managerial Personnel**	
1	Aura Securities Private Limited	
2	Amplus Capital Advisors Private Limited	
3	Arvind Smartspaces Limited	
4	Anveshan Heavy Engineering Limited	w.e.f. October 26, 2017
5	AML Employees Welfare Trust	
(VI)	**Entity under the control of Non Executive Director**	
1	Multiples Private Equity Fund II LLP	
(VII)	**Trusts and Others**	
1	Arvind Mills Employees' Provident Fund	
2	The Arvind Mills Employee's Gratuity Fund	
3	Lalbhai Group of Companies Officers' Superannuation Fund	

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

b Disclosure in respect of Related Party Transactions :

₹ in Crores

Particulars	Subsidiaries		Joint Ventures		Limited Liability Partnership		Key Management Personnel and relatives		Trusts		Company under the control of Key Managerial Personnel		Company under the control of Non Executive Director		Total	
	Year ended		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at	
	March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017	**March 31, 2018**	March 31, 2017
(I) Transactions during the year																
Purchase of Goods	**-**	-	**-**	0.24	**-**	-	**-**	-	**-**	-	**0.05**	-	**-**	-	**0.05**	0.24
Sales of Goods	**-**	-	**-**	9.19	**-**	-	**-**	-	**-**	-	**0.47**	0.01	**-**	-	**0.47**	9.20
Sale of Property, Plant and Equipment	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**42.92**	-	**-**	-	**42.92**	-
Expenses Recovered	**-**	-	**1.67**	3.24	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**1.67**	3.24
Remuneration	**-**	-	**-**	-	**-**	-	**19.02**	20.80	**-**	-	**-**	-	**-**	-	**19.02**	20.80
Reimbursement of Expenses	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**0.91**	-	**-**	-	**0.91**	-
Guarantee commission Income	**-**	-	**0.02**	0.12	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**0.02**	0.12
Share of Profit from LLP	**-**	-	**-**	-	**0.33**	-	**-**	-	**-**	-	**-**	-	**-**	-	**0.33**	-
Dividend Income	**-**	-	**-**	1.21	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	1.21
Interest Expense	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	0.65	**-**	-	**-**	0.65
Interest Income	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	0.06	**-**	-	**-**	0.06
Donation Given	**5.80**	5.65	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**5.80**	5.65
Contribution Given for Employee Benefit Plans	**-**	-	**-**	-	**-**	-	**-**	-	**49.88**	48.89	**-**	-	**-**	-	**49.88**	48.89
Loan Taken	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	30.71	**-**	-	**-**	30.71
Repayment of Loan	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	30.71	**-**	-	**-**	30.71
Loan Given	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	0.88	**-**	-	**-**	0.88
Receipt towards Loan Given	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	0.06	**-**	-	**-**	0.06
Issue of Shares in Subsidiary Company	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**2.16**	51.78	**2.16**	51.78
Investment made	**-**	-	**0.04**	9.92	**0.33**	-	**-**	-	**-**	-	**-**	-	**-**	-	**0.37**	9.92
Sale of Investment	**-**	-	**-**	-	**-**	-	**0.05**	-	**-**	-	**-**	-	**-**	-	**0.05**	-
Withdrawal of capital Contribution	**-**	-	**-**	-	**-**	3.95	**-**	-	**-**	-	**-**	-	**-**	-	**-**	3.95
(II) Balances as at year end																
Guarantees	**-**	-	**0.89**	5.34	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**0.89**	5.34
Trade Receivable	**-**	-	**0.41**	5.10	**-**	-	**-**	-	**-**	-	**0.05**	(₹8,407/-)	**-**	-	**0.46**	5.10
Investments	**0.34**	0.34	**10.17**	181.54	**57.07**	56.70	**-**	-	**-**	-	**-**	-	**-**	-	**67.58**	238.58
Provision for Impairment of Investment	**(0.33)**	(0.33)	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-	**(0.33)**	(0.33)
Other Current Assets	**(₹22,498/-)**	(₹21,278/-)	**-**	-	**-**	-	**-**	-	**16.25**	17.95	**(₹16,602/-)**	-	**-**	-	**16.25**	17.95
Trade payables	**-**	-	**-**	0.30	**-**	-	**-**	-	**-**	-	**0.02**	-	**-**	-	**0.02**	0.30
Loan Given	**5.23**	5.23	**-**	-	**-**	-	**-**	-	**-**	-	**22.47**	22.47	**-**	-	**27.70**	27.70
Allowance for Doubtful Loan	**(5.23)**	(5.23)													**(5.23)**	(5.23)

Notes to Consolidated Financial Statements

₹ in Crores

Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

(c) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013.

Loans and Advances in the nature of loans

List of Related Parties	Purpose	Balance as at March 31, 2018	Balance as at March 31, 2017
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	**5.23**	5.23
Less : Allowance for doubtful loan		**(5.23)**	(5.23)
Total		**-**	-

List of Related Parties	Purpose	Maximum Outstanding During	
		March 31, 2018	March 31, 2017
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	**5.23**	5.23

(d) Terms and conditions of transactions with related parties

(1) The Group has given interest free loan to AML Employee Welfare Trust.

(2) Financial guarantee given to Bank on behalf of joint ventures carries no charge and are unsecured.

(e) Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2018 (March 31, 2017: ₹ Nil)

(f) Transactions with key management personnel

Compensation of key management personnel of the Group

Particulars	2017-18	2016-17
Short-term employee benefits	**18.33**	19.71
Post employment benefits	**0.59**	0.93
Other long-term employment benefits	**0.10**	0.16
Total compensation paid to key management personnel	**19.02**	20.80

The amounts disclosed in the table are the amounts recognised as an expense during the year excluding share based payment of ₹ 1.85 Crores (March 31, 2017 ₹ 2.84 Crores) in respect of Director & Chief Financial Officer. The remuneration of key management personnel is determined by the Remuneration committee.

Note 36 : Earning per share:

Particulars		Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year attributable to owners of the Company	₹ in Crores	**309.47**	314.63
Weighted average number of Equity Shares for Basic EPS (a)	No.	**25,85,51,491**	25,82,67,891
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	**5,25,832**	3,12,013
Weighted average number of Equity Shares in computing diluted EPS (a) + (b)	No.	**25,90,77,323**	25,85,79,904
Nominal value of equity shares	₹	**10**	10
Basic earning per share	₹	**11.97**	12.18
Diluted earning per share	₹	**11.95**	12.17

Notes to Consolidated Financial Statements

₹ in Crores

Note 37 : Share based payments

Arvind Limited (AL)

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

Scheme	**ESOS 2008**	
Date of grant	May 23, 2014	August 22, 2016
Expiry Date	April 30, 2019	July 31, 2017
Number of options granted	10,50,000	9,00,000
Exercise price per option	₹ 200.45	₹ 316.50
Fair Value of option on Grant date	₹ 121.30	₹ 52.08
Vesting period	Over a period of 1 to 5 years	
Vesting requirements	On continued employment with the company and fulfilment of performance parameters.	
Exercise period	3 to 5 years from the date of vesting	
Method of settlement	Through allotment of one equity share for each option granted.	

B. Movement in Stock Options during the year :

The following reconciles the share option outstanding at the beginning and at the end of the year :

Particulars	**Year Ended March 31, 2018**		Year Ended March 31, 2017	
	No. of Options	**Weighted Average Exercise Price**	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	**18,34,000**	**254.01**	10,50,000	200.45
Granted during the year	**-**	**-**	9,00,000	316.50
Exercised during the year	**2,58,000**	**200.05**	1,16,000	200.45
Outstanding at the end of the year	**15,76,000**	**266.72**	18,34,000	257.40

C. Share Options Exercised during the year:

Option Series	**No. of Options**	**Exercise Date**	**Weighted Average Exercise Price**
ESOS 2008 , May 23,2014	1,58,000	April 18, 2017	397.66
ESOS 2008 , May 23,2014	50,000	October 17, 2017	389.76
ESOS 2008 , May 23,2014	50,000	November 13, 2017	418.47

D. Share Options Outstanding at the end of the year:

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 266.72 (as at March 31,2017: ₹ 257.40),and a weighted average remaining contractual life of 4.25 Years (as at March 31,2017: 5.23 years)

Arvind Fashion Limited (AFL)

AFL has instituted Employee Stock Option Scheme 2016 ("ESOP 2016"). Under ESOP 2016 AFL,at its discretion, may grant share option to the senior employees of AFL and its Subsidiary Company. As on March 31, 2018, AFL has granted 34,72,179 options convertible into equal number of Equity Shares of face value of 2 each, (including bonus options). The following table sets forth the particulars of the options under ESOP 2016:

Scheme	**ESOP 2016**
Date of grant	October 25, 2016
Number of options granted	14,50,954., 1,73,752 and 18,47,473
Exercise price per option	₹ 52.79, ₹ 88.95 and ₹ 94.82
Fair Value of option on Grant date	₹ 43.43, ₹ 19.94 and ₹ 17.45
Vesting period	31-Oct-17 for Grant I and II Over a period of 5 years for Grant III
Vesting requirements	Time based vesting for Grants I and II Performance based vesting for Grant III
Exercise period	At the time of listing or at the time of sale of 51% equity by promoters, whichever is earlier.
Method of settlement	Through allotment of one equity share for each option granted.

Notes to Consolidated Financial Statements

₹ in Crores

Note 37 : Share based payments (Contd.)

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

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Options		
Outstanding at the beginning of the year	**33,94,114**	-
Issued as adjustment during the year	**78,065**	-
Granted during the year	**-**	33,94,114
Outstanding at the end of the year	**34,72,179**	33,94,114
Exercisable at the end of the year	**16,24,706**	-
Weighted average exercise price per option (₹)	**76.96**	78.73

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

Grant date	**Expiry date**	**Exercise price**	**March 31, 2018 Share options**	**March 31, 2017 Share options**
October 25, 2016	*	@ 52.79 to 94.82	34,72,179	33,94,114
Weighted average remaining contractual life (Years)			4.50	5.50

* At the time of listing or at the time of sale of 51% equity by promoters, whichever is earlier.

AFL has granted 78065 options during the year ended on March 31, 2018 (March 31, 2017 : 33,94,114). The fair value of the share based payment options granted is determined using the binomial model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and

Particulars	
Share price as at measurement date	**₹ 84.94**
Expected volatility	**18.34%**
Expected option life (years)	**4**
Dividend yield	**0%**
Risk-free interest rate (%)	**6.68%**

Anup Engineering Limited (Anup)

Anup has instituted Employee Stock Option Scheme 2017 (ESOP 2017), pursuant to the approval of the shareholders of Anup at their extra ordinary general meeting held on September 29, 2017. Under ESOP 2017, Anup has granted options convertible into equal number of equity shares of the face value of ₹ 10 each.

Scheme	**ESOP 2017**
Date of grant	September 29, 2017
Number of options granted	125000
Exercise price per option	₹ 106
Fair Value of option on Grant date	₹ 105.54
Vesting period	Over a period of 1 to 6 years
Vesting requirements	On continued employment with the company and fulfilment of performance parameters.
Exercise period	At the time of listing or at the time of sale of 51% equity by promoters, whichever is earlier.
Method of settlement	Through allotment of one equity share for each option granted.

Notes to Consolidated Financial Statements

₹ in Crores

Note 37 : Share based payments (Contd.)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Options		
Outstanding at the beginning of the year	-	-
Granted during the year	1,25,000	-
Outstanding at the end of the year	1,25,000	-
Weighted average exercise price per option (₹)	106.00	-

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

Grant date	Expiry date	Exercise price	March 31, 2018 Share options
September 29, 2017	March 31, 2021	106	1,25,000
Weighted average remaining contractual life (Years)			8.00

Anup has granted 1,25,000 options during the year ended on March 31, 2018 (March 31, 2017 : Nil). The fair value of the share based payment options granted is determined using the binomial model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Particulars	
Share price as at measurement date	₹ 106
Expected volatility	46.00%
Expected option life (years)	6
Dividend yield	0%
Risk-free interest rate (%)	6.77%

Arvind Internet Limited (AIL)

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

Scheme	ESOP 2008	
Date of grant	October 15, 2015	April 01, 2016 and November 15, .2016
Number of options granted	27,69,500	30,24,300
Exercise price per option	₹ 10	₹ 10
Fair Value of option on Grant date	-	-
Vesting period	Over a period of 1 to 5 years	
Vesting requirements	On continued employment with the company and fulfilment of performance parameters.	
Exercise period	3 to 5 years from the date of vesting	
Method of settlement	Through allotment of one equity share for each option granted.	

Notes to Consolidated Financial Statements

₹ in Crores

Note 37 : Share based payments (Contd.)

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Options		
Outstanding at the beginning of the year	**57,93,800**	27,69,500
Granted during the year	**-**	30,24,300
Outstanding at the end of the year	**57,93,800**	57,93,800
Exercisable at the end of the year	**38,13,278**	23,70,432
Weighted average exercise price per option (₹)	**₹ 10**	₹ 10

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

Grant date	Expiry date	Exercise price	March 31, 2018 Share options	March 31, 2017 Share options
October 15, 2015	April 30, 2019	10.00	57,93,800	27,69,500
April 01, 2016 and November 15, .2016	March 31, 2020	10.00	-	30,24,300
Weighted average remaining contractual life (Years)			4.86	5.86

AIL has granted Nil options during the year ended on March 31, 2018 (March 31, 2017 : 30,24,300). The fair value of the share based payment options granted is determined using the binomial model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Expense arising from share- based payment transactions

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

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Employee option plan	**5.75**	7.24
Total employee share based payment expense	**5.75**	7.24

Note 38 : Lease Rent

A. Where Group as a lessee in case of Operating Lease

The Group has various cancellable and non-cancellable operating leases for Buildings, Plant and Machineries and various residential and office premises. The lease has varying terms, escalation clauses and renewal rights. On renewal, terms of the leases are renegotiated. These leasing arrangements are ranging in between 11 months and 20 years generally. The Group has not given any property on sub-lease which is taken under operating lease contracts. Future minimum lease payments in respect of which are as follows:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Future Minimum lease rental payments on non-cancellable operating leases:	**250.45**	359.44
Not later than one year	**88.67**	139.11
Later than one year and not later than five years	**143.53**	192.85
Later than five years	**18.25**	27.48
Lease payment recognised in Statement of Profit and Loss	**382.73**	358.92

Notes to Consolidated Financial Statements

₹ in Crores

Note 38 : Lease Rent (Contd.)

B. Where Group as a lessor in case of Operating Lease

The Group has given Land and Buildings under non-cancellable operating lease, the future minimum lease payments receivables in respect of which are as under:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Future Minimum lease rental receivables on non-cancellable operating leases:	**0.79**	0.87
Not later than one year	**0.08**	0.08
Later than one year and not later than five years	**0.34**	0.34
Later than five years	**0.37**	0.45
Lease income recognised in Statement of Profit and Loss	**0.35**	0.36

Note 39 : Corporate Social Responsibility (CSR) Activities:

(a) The Group is required to spend ₹ 10.02 Crores (March 31, 2017 : ₹ 9.45 Crores) on CSR activities under section 135 of the Act

(b) Amount spent during the year towards CSR activities are as follows:

Particulars	Year ended March 31, 2018			Year ended March 31, 2017		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) Contribution to various Trusts / NGOs / Societies / Agencies and utilization thereon	**9.46**	**0.26**	**9.72**	9.12	-	9.12
(iii) Expenditure on Administrative Overheads for CSR	**0.43**	-	**0.43**	0.33	-	0.33

Note 40 : Fair value measurements

(a) Financial Instruments by category

(i) Financial assets by category

Particulars	As at March 31, 2018						As at March 31, 2017					
	Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total	Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total
Investments												
- Equity shares	**10.17**	**6.82**	-	**2.03**	-	**19.02**	181.54	26.13	-	2.11	-	209.78
- Debentures	-	-	-	-	**0.02**	**0.02**	-	-	-	-	10.00	10.00
- Government securities	-	-	-	-	**0.02**	**0.02**	-	-	-	-	0.02	0.02
- Limited liability partnership	**57.07**	-	-	-	**0.01**	**57.08**	56.70	-	-	-	0.17	56.87
Trade receivables	-	-	-	-	**1,766.98**	**1766.98**	-	-	-	-	794.82	794.82
Loans	-	-	-	-	**166.13**	**166.13**	-	-	-	-	124.98	124.98
Cash and cash equivalents	-	-	-	-	**39.46**	**39.46**	-	-	-	-	20.93	20.93
Other Bank balance	-	-	-	-	**26.03**	**26.03**	-	-	-	-	32.95	32.95
Other financial assets	-	-	-	**5.16**	**362.50**	**367.66**	-	-	-	49.02	371.06	420.08
Total Financial assets	**67.24**	**6.82**	-	**7.19**	**2,361.15**	**2,442.40**	238.24	26.13	-	51.13	1,354.93	1,670.43

Notes to Consolidated Financial Statements

Note 40 : Fair value measurements (Contd.)

₹ in Crores

(ii) Financial liabilities by category

Particulars	As at March 31, 2018				As at March 31, 2017			
	Fair value through Profit and Loss (FVTPL)	**Fair value through Other Compre-hensive Income (FVTOCI)**	**At Amortised cost**	**Total**	Fair value through Profit and Loss (FVTPL)	Fair value through Other Compre-hensive Income (FVTOCI)	At Amortised cost	Total
Borrowings	**-**	**-**	**3,112.49**	**3,112.49**	-	-	2,781.97	2,781.97
Trade payables	**-**	**-**	**2,147.22**	**2,147.22**	-	-	1,426.52	1,426.52
Other financial liabilities	**-**	**0.29**	**512.73**	**513.02**	0.92	-	381.41	382.33
Total Financial Liabilities	**-**	**0.29**	**5,772.44**	**5,772.73**	0.92	-	4,589.90	4,590.82

Note 41 : Fair value disclosures for financial assets and financial liabilities:

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	As at March 31, 2018	As at March 31, 2017	**As at March 31, 2018**	As at March 31, 2017
Financial assets				
Investments measured at fair value through OCI	**2.03**	2.11	**2.03**	2.11
Investments measured at amortized cost	**0.04**	10.02	**0.04**	10.02
Total	**2.07**	12.13	**2.07**	12.13
Financial liabilities				
Borrowings	**3,323.05**	2,926.00	**3,323.56**	2,927.63
Total	**3,323.05**	2,926.00	**3,323.56**	2,927.63

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at March 31, 2018 and March 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018 and March 31, 2017

Particulars	Fair value measurement using			
	Total	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
As at March 31, 2018				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, unquoted	2.03	-	-	2.03
Foreign exchange forward contracts (Cash flow hedge)	5.16	-	5.16	-
As at March 31, 2017				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, quoted	0.06	0.06	-	-
Investment in Equity shares, unquoted	2.05	-	-	2.05
Foreign exchange forward contracts (Cash flow hedge)	49.02	-	49.02	-

Notes to Consolidated Financial Statements

₹ in Crores

Note 41 : Fair value disclosures for financial assets and financial liabilities (Contd.)

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

Note 42 : Financial instruments risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. The Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk.

(a) Market risk

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates, interest rates, underlying equity prices, liquidity and other market changes.

Future specific market movements cannot be normally predicted with reasonable accuracy.

(a1) Interest rate risk

Interest rate risk refers to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate.

The Group is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Group are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

As at March 31, 2018, approximately 33% of the Group's Borrowings are at fixed rate of interest (March 31, 2017 : 38%).

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings ~~affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as~~

₹ in Crores

Particulars	Effect on profit before tax	
	March 31, 2018	March 31, 2017
Increase in 50 basis points	**(11.45)**	(11.18)
Decrease in 50 basis points	**11.45**	11.18

(a2) Foreign currency risk

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group. The major foreign currency exposures for the Group are denominated in USD and EURO.

Since a significant part of the Group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Group's performance. Exposures on foreign currency sales are managed through the Group's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance. The Group may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company. Hedge effectiveness is assessed on a regular basis.

Notes to Consolidated Financial Statements

Note 42 : Financial instruments risk management objectives and policies (Contd.)

₹ in Crores

Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure in USD, EURO and GBP with a simultaneous parallel foreign exchange rates shift in the currencies by 2% against the functional currency of the respective entities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in Currency rate	Effect on profit before tax in USD rate	in EURO rate	in GBP rate
March 31, 2018	+2%	4.07	(1.17)	0.04
	-2%	(4.07)	1.17	(0.04)
March 31, 2017	+2%	5.06	0.11	0.06
	-2%	(5.06)	(0.11)	(0.06)

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship. Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

The Group is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties. The Group does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable as of March 31, 2018 and March 31, 2017.

Trade receivables are non-interest bearing and are generally on 7 days to 180 days credit term.

With respect to derivatives, the Group's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Group closely monitors its liquidity position and deploys a robust cash management system.

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments

Particulars	< 1 year	>1 year but < 5 years	more than 5 years	Total
Year ended March 31, 2018				
Interest bearing borrowings*	2,318.48	983.35	6.64	3,308.47
Trade payables	2,147.22	-	-	2,147.22
Other financial liabilities#	456.18	56.84	-	513.02
	4,921.88	**1,040.19**	**6.64**	**5,968.71**
Year ended March 31, 2017				
Interest bearing borrowings*	2,123.96	476.26	411.92	3,012.14
Trade payables	1,426.52	-	-	1,426.52
Other financial liabilities#	337.35	44.98	-	382.33
	3,887.83	**521.24**	**411.92**	**4,820.99**

Notes to Consolidated Financial Statements

₹ in Crores

Note 42 : Financial instruments risk management objectives and policies (Contd.)

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

Other financial liabilities includes interest accrued but not due of ₹ 28.36 Crores (March 31, 2017 : ₹ 15.61 Crores). Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.

Note 43 : Capital management:

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Group is not subject to any externally imposed capital requirements.

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Interest bearing loans and borrowings (Note 15)	**3,323.05**	2,926.00
(b) Less: cash and bank balance (including other bank balance and book overdraft)	**(59.99)**	(47.22)
(c) Net debt (a) - (b)	**3,263.06**	2,878.78
(d) Equity share capital (Note 13)	**258.62**	258.36
(e) Other equity (Note 14)	**3,524.23**	3,308.62
(f) Total capital (d) + (e)	**3,782.85**	3,566.98
(g) Total Capital and net debt (c) + (f)	**7,045.91**	6,445.76
(h) Gearing ratio (c)/(g)	**46.31%**	44.66%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any long term borrowing in the current period except for two loans. The Group has obtained letter from the lender before the date of adoption of financial statements for not accelerating the payment of these loans within one year from the balance sheet date subject to regularisation of the breach by end of March 31, 2019. Accordingly, the management has considered the classification of loan based upon the original repayment schedule.

No changes were made in the objectives, policies or processes for managing capital during the current period.

Note 44 : Standards issued but not yet effective

Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from April 1,2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 21 is expected to be insignificant.

Ind AS 115 Revenue from contracts with customers

In March 2018, the Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 ("amended rules"). As per the amended rules, Ind AS 115 "Revenue from contracts with customers" supersedes Ind AS 11, "Construction contracts" and Ind AS 18, "Revenue" and is applicable for all accounting periods commencing on or after April 1,2018.

Ind AS 115 introduces a new framework of five step model for the analysis of revenue transactions. The model specifies that revenue should be recognised when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The new revenue standard is applicable to the Group from April 1,2018.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach)

The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 is

Notes to Consolidated Financial Statements

Note 44 : Standards issued but not yet effective (Contd.)

expected to be insignificant.

Ind AS 112 Disclosure of Interests in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

The amendment will come into force from April 1,2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 112 is expected to be insignificant.

Ind AS 12 Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The amendment will come into force from April 1,2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 12 is expected to be insignificant.

Ind AS 40 Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendment will come into force from April 1,2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 40 is expected to be insignificant.

Ind AS 28 Investment in Associates and Joint Ventures

The amendments clarify that a venture capital organisation or a mutual fund, unit trust and similar entities may elect, at initial recognition, to measure investments in an associate or joint venture at fair value through profit or loss separately for each associate or joint venture. Further, Ind AS 28 permits an entity that is not an investment entity to retain the fair value measurement applied by its associates and joint venture (that are investment entities) when applying the equity method. Therefore, this choice is available, at initial recognition, for each investment entity associate or joint venture.

The amendment will come into force from April 1,2018. The Group is evaluating the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 28 is expected to be insignificant.

Note 45 : Business Combinations

(I). Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by National Company Law Tribunal vide its order dated August 24, 2017, Arvind Brands and Retail Limited (ABRL), Arvind Garments Park Private Limited (AGPPL) and Dholka Textile Park Private Limited (DTPPL) (collectively referred as "subsidiaries" or "amalgamated entities") have been merged with the Company w.e.f April 1, 2016 (the appointed date). The Scheme came into effect on October 7, 2017, the day on which the order was delivered to the Registrar of the Companies. Entire business, assets and liabilities, income and expense have been transferred to the Company included w.e.f. April 1, 2016.

The comparative Ind AS financial statements of the Group for the year ended March 31, 2017 is approved by shareholders in its annual general meeting held on August 4, 2017 which is audited by the predecessor auditor. Subsequently, to give the effect of the scheme on account of amalgamation of the subsidiaries with the Company in accordance with Ind AS 103, comparative Ind AS financial statements of the Group for the year ended March 31, 2017 were restated.

(II). Summary of acquisition during the year ended March 31, 2018

(a) Acquiring controlling interest in Tommy Hilfiger Arvind Fashion Private Limited

The Group has acquired the control in Tommy Hilfiger Arvind Fashion Private Limited (hereinafter referred as "Tommy") through amendment in the contract w.e.f April 1, 2017 without consideration. Investment in the acquiree was previously accounted as equity method in accordance with Ind AS 28 which is discontinued on obtaining of control..

Tommy has the license to use Tommy Hilfiger trademarks in connection with the manufacture, import, distribution, promotion, advertising and sale of products in India. Tommy is engaged in marketing and wholesale trading activity of Tommy Hilfiger brand apparels, accessories and other products in India. Further the Tommy has also sublicensed its right to third parties for sale of other Tommy Hilfiger licensed products.

On account of certain amendment in the Shareholders Agreement between the Group and PVH BV and Tommy Hilfiger Europe B.V., the Group has obtained control over the operations.

On acquisition of control, the Group has measured the all identifiable assets and liabilities acquired through Business Combination in accordance

Notes to Consolidated Financial Statements

₹ in Crores

Note 45 : Business Combinations (Contd.)

with Ind AS 103. The Group has not incurred any transaction cost for acquiring control.

(b) Acquiring controlling interest in Calvin Klein Arvind Fashion Private Limited

The Group has acquired the control in Calvin Klein Arvind Fashion Private Limited (hereinafter referred as "CK") through amendment in the contract w.e.f April 1, 2017 without consideration. Investment in the acquiree was previously accounted as equity method in accordance with Ind AS 28 which is discontinued on obtaining of control.

CK is in the business of Cash and carry whole sale trading of fashion apparels and accessories in India.

On account of certain amendment in the Shareholders Agreement between the Group and PVH Singapore PTE Limited, the Group has obtained control over the operations.

On acquisition of control, the Group has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Group has not incurred any transaction cost for acquiring control.

(c) Acquiring controlling interest in Arya Omnitalk Wireless Solution Private Limited

The Group has acquired the control in Arya Omnitalk Wireless Solution Pvt. Ltd. (hereinafter referred as "Arya") w.e.f. July 1, 2017 by acquiring additional stake of 0.06% at a consideration of ₹ 0.05 crore. Investment in the Arya was previously accounted as equity method in accordance with Ind AS 28 which is discontinued on obtaining of control.

Acquiree is engaged in dealing in Walkie Talkie Radios,providing Fleet Traking Management Solutions and Auto Routing Solutions under its Mobile Data Application (MDA) and Highway Traffic Management Solution (HTMS) business.

On acquisition of control, the Group has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Group has not incurred any transaction cost for acquiring control.

Prior to obtaining control, the acquiree was being accounted using equity method in the consolidated financial statements which is discontinued on obtaining of control.

(d) Net Identifiable Assets acquired on acquisition date:

Particulars	Tommy	CK	Arya	Total
Acquisition Date	April 1,2017	April 1,2017	July 1,2017	
ASSETS				
Property, plant and equipment	21.71	9.49	3.58	**34.78**
Capital work-in-progress	0.13	-	-	**0.13**
Intangible assets	24.92	0.92	0.09	**25.93**
Inventories	98.48	86.78	18.90	**204.16**
Trade receivables	85.94	22.28	22.58	**130.80**
Loans	8.22	-	17.60	**25.82**
Deferred tax assets (net)	3.61	0.02	1.62	**5.25**
Cash and bank balances	0.33	3.79	0.95	**5.07**
Others financial assets (current and non-current)	2.12	1.08	2.08	**5.28**
Other assets (current and non-current)	11.95	5.47	0.88	**18.30**
Total Assets acquired (A)	**257.41**	**129.83**	**68.28**	**455.52**
LIABILITIES				
Non-current liabilities				
Borrowings	77.12	49.61	2.88	**129.61**
Trade payables	62.65	39.64	10.56	**112.85**
Other financial liabilities (current and non-current)	9.51	13.95	0.83	**24.29**
Provisions (current and non-current)	1.05	1.32	4.49	**6.86**
Current tax liabilities (net)	0.25	-	0.80	**1.05**
Deferred tax liabilities (net)	3.05	-	-	**3.05**
Other current liabilities	3.90	2.46	2.03	**8.39**
Total Liabilities assumed (B)	**157.53**	**106.98**	**21.59**	**286.10**
Net assets acquired (A) - (B)	**99.88**	**22.85**	**46.69**	**169.42**

Notes to Consolidated Financial Statements

₹ in Crores

Note 45 : Business Combinations (Contd.)

(e) Calculation of goodwill / Capital Reserve

Particulars	Tommy	CK	Arya	Total
Purchase consideration paid in cash	-	-	0.05	0.05
Non-controlling interest in the acquired entity	49.94	11.65	23.32	84.91
Group's previously held interest in the acquiree	49.86	122.43	31.19	203.48
	99.80	**134.08**	**54.56**	**288.44**
Less: Net identifiable assets acquired as stated above	(99.88)	(22.85)	(46.69)	(169.42)
Total Goodwill/(Capital Reserve) on acquisition of controlling interest	**(0.08)**	**111.23**	**7.87**	**119.02**

(f) The Group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on acquisition by acquisition basis. The Group has recognised gain on acquisition of controlling interest including gain till the acquisition of control in accordance with the requirement of Ind AS.

(g) Revenue and Profit contribution

Particulars	Tommy	CK	Arya	Total
Revenue	347.34	141.27	67.10	**555.71**
Profit before tax	5.21	(6.31)	11.60	**10.50**

On account of above, the previous period numbers are not comparable with the current period.

(III). In the board meeting held on November 8, 2017, the Board of Directors of the Company has approved a scheme of arrangement between the Company and its subsidiary companies, Arvind Fashions Limited (AFL) and The Anup Engineering Limited (Anup) as well as with Anveshan Heavy Engineering Limited (Anveshan) whereby it is proposed to demerge Branded Apparel Undertaking and Engineering undertaking of the Company to AFL and Anveshan respectively and Anup will be merged with Anveshan. Subsequently, as part of the Scheme AFL and Anup would be demerged from the Group. The Scheme is subject to approval of relevant regulatory authorities. Pending such approvals, the Group has not given effect of the scheme in the financial statements for the year ended March 31, 2018.

(IV). The Company has acquired the business of "Aditexfab LLP" w.e.f June 1, 2017 at a consideration of ₹ 34.50 crores. Fair value of net assets acquired is determined at ₹34.50 crores, consequently no goodwill has been recognized. The management believes that the fair value of the net assets acquired is not likely to remain significantly different from the book value of the net assets acquired. Accordingly, Management has exercised the option to measure the business purchase on provisional basis for a period of 12 months in accordance with Ind AS 103 – "Business Combination".

Aditexfab LLP was engaged in the business of the giving looms for Spinning and Weaving to Arvind Limited on lease basis.

Particulars	Amount
Property, Plant & Equipments	36.08
Current Assets	1.42
Total Assets acquired (A)	**37.50**
Liabilities:	
Current Liabilities	3.00
Total Liabilities assumed (B)	**3.00**
Net Identifiable Assets Acquired (A - B)	**34.50**

Notes to Consolidated Financial Statements

Note 46 : Interest in Other Entities

Sr. No.	Name of Entities	Country of Incorporation	Remarks	Activities	Proportion of Ownership of Interest As at March 31, 2018	Proportion of Ownership of Interest As at March 31, 2017
	Subsidiaries					
	- Indian Subsidiaries					
1	The Anup Engineering Limited	India		Engineering	**93.54%**	93.54%
2	Arvind Envisol Limited (formerly known as Arvind Accel Limited)	India		Engineering	**100%**	100%
3	Arvind Fashions Limited	India		Branded Garments	**89.69%**	89.69%
4	Arvind Lifestyle Brands Limited	India	*	Branded Garments	**100%**	100%
5	Calvin Klein Arvind Fashion Private Limited	India	*	Branded Garments	**50.00%**	-
6	Tommy Hilfiger Arvind Fashions Private Limited	India	*	Branded Garments	**50.00%**	-
7	Syntel Telecom Limited	India		Telecom	**100%**	100%
8	Arya Omnitalk Wireless Solutions Private Limited	India		Telecom	**50.06%**	-
9	Arvind PD Composites Private Limited	India		Technical Textile	**51%**	51%
10	Arvind OG Nonwovens Private Limited	India		Technical Textile	**74%**	74%
11	Arvind Goodhill Suit Manufacturing Private Limited	India		Garments	**51%**	51%
12	Arvind Beauty Brands Private Limited	India	*	Beauty Products	**100%**	100%
13	Arvind Internet Limited	India		E-Commerce	**100%**	100%
14	Arvind Ruf & Tuf Private Limited	India		Garments	**100%**	100%
15	Arvind Premium Retail Limited	India		Garments	**51%**	51%
16	Arvind True Blue Limited	India		Garments	**87.50%**	87.50%
17	Arvind Smart Textiles Limited	India		Textiles	**100%**	-
18	Arvind Transformational Solutions Private Limited	India		Textiles	**100%**	-
19	Arvind Foundation	India	!	CSR Activity	**100%**	100%
	- Foreign Subsidiaries					
20	Arvind Worldwide Inc.	USA		Textiles	**100%**	100%
21	Arvind Worldwide (M) Inc.	Mauritius	^	Textiles	**100%**	100%
22	Westech Advance Materials Limited	Canada		Textiles	**51%**	51%
23	Brillaries Inc.	Canada	##	Textiles	**100%**	-
24	Arvind Niloy Exports Private Limited	Bangladesh		Textiles	**70%**	70%
25	Arvind Textile Mills Limited	Bangladesh		Textiles	**100%**	100%
26	Arvind Overseas (Mauritius) Limited	Mauritius	^	Textiles	**100%**	100%
27	Arvind Spinning Limited	Mauritius	^	Textiles	**100%**	100%
28	Arvind Lifestyle Apparel Manufacturing PLC	Ethiopia	$	Garments	**100%**	100%
29	Arvind Envisol PLC	Ethiopia	&	Engineering	**100%**	100%
30	Arvind Enterprises (FZE)	U.A.E		Telecom	**100%**	-
	- Limited Liability Partnerships					
31	Maruti Ornet and Infrabuild LLP	India	#	Construction	**100%**	100%
32	Enkay Converged Technologies LLP	India	@	Telecom	**100%**	100%
	- Joint Ventures					
33	Arya Omnitalk Wireless Solutions Private Limited	India	^^	Telecom	**-**	50%
34	Arya Omnitalk Radio Trunking Services Private Limited	India		Telecom	**50%**	50%
35	Tommy Hilfiger Arvind Fashions Private Limited	India	^^	Branded Garments	**-**	50%
36	Calvin Klein Arvind Fashion Private Limited	India	^^	Branded Garments	**-**	49%
37	Arudrama Developments Private Limited	India		Construction	**50%**	50%
38	Arvind and Smart Value Homes LLP	India		Real Estate	**50%**	50%

* Held by Arvind Fashions Limited

@ Jointly held by Arvind Limited and Syntel Telecom Limited

Jointly held by Arvind Limited and Arvind Internet Limited

Held by Westech Advanced Material Limited

$ Jointly held by Arvind Limited and Arvind Ruf & Tuf Private Limited

& Jointly held by Arvind Limited and Arvind Envisol Limited

^ Not considered for the purpose of consolidation for the financial year 2017-18 and 2016-17 respectively being defunct status.

^^ Tommy Hilfiger Arvind Fashions Private Limited and Calvin Klein Arvind Fashion Private Limited converted from Joint Venture to Subsidiary w.e.f April 1, 2017 while Arya Omnitalk Wireless Solutions Private Limited converted from Joint Venture to Subsidiary w.e.f July 1, 2017

! The Group has made investment of Rs. 0.01 Crores in the equity shares of Arvind Foundation, which is a Company incorporated under Section 8 of the Act for the sole purpose of CSR activities. Since the Group has no intention of earning variable returns from the voting rights, the above investment doesn't meet the definition of control under Ind AS 110 and hence, not consolidated in the Consolidated Financial Statements.

Material party-owned subsidiaries : The Group does not have any subsidiaries that have non-controlling interests that are material.

Notes to Consolidated Financial Statements

₹ in Crores

Note 46 : Interest in Other Entities (Contd.)

(A) Group's Share in Contingent Liability of Joint Ventures

Sr.	Particulars	As at 31st March, 2018	As at 31st March, 2017
1	Disputed Demand in respect of :		
	Sales Tax	**-**	0.02
	Service Tax	**0.44**	0.44
2	Claims against the Company not acknowledged as debts	**0.14**	0.61

Note : The above figures are considered based on unaudited financial statements of the respective Joint Ventures.

Note 47 : Additional information pursuant to Schedule III of Companies Act 2013

Name of Entities	For the financial year ending on / as at March 31, 2018							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
Parent :								
Arvind Limited	75.49%	3,085.96	80.80%	250.04	171.79%	(37.21)	73.95%	212.83
Subsidiaries :								
- Indian								
The Anup Engineering Limited	5.17%	211.26	13.71%	42.43	(0.42%)	0.09	14.77%	42.52
Arvind Lifestyle Brands Limited	18.32%	748.83	(1.32%)	(4.09)	5.36%	(1.16)	(1.82%)	(5.25)
Syntel Telecom Limited	0.06%	2.59	0.57%	1.75	0.00%	-	0.61%	1.75
Arvind Envisol Limited	0.83%	33.84	6.37%	19.71	(0.05%)	0.01	6.85%	19.72
Arvind Internet Limited	0.28%	11.31	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Arvind PD Composites Private Limited	0.60%	24.65	(0.29%)	(0.90)	0.18%	(0.04)	(0.33%)	(0.94)
Arvind OG Nonwovens Private Limited	0.72%	29.46	0.13%	0.41	(0.09%)	0.02	0.15%	0.43
Arvind Goodhill Suit Manufacturing Private Limited	1.20%	48.97	1.51%	4.68	0.88%	(0.19)	1.56%	4.49
Arvind Beauty Brands Private Limited	1.80%	73.56	(1.21%)	(3.73)	(0.05%)	0.01	(1.29%)	(3.72)
Arvind Fashions Limited	30.11%	1,231.05	17.26%	53.40	0.28%	(0.06)	18.53%	53.34
Arvind Ruf & Tuf Private Limited	0.22%	9.00	(1.42%)	(4.39)	0.00%	-	(1.53%)	(4.39)
Arvind Premium Retail Limited	(0.01%)	(0.56)	(0.79%)	(2.44)	0.00%	-	(0.85%)	(2.44)
Arvind True Blue Limited	(0.16%)	(6.35)	(4.32%)	(13.36)	0.18%	(0.04)	(4.66%)	(13.40)
Arvind Smart Textiles Limited	0.00%	(0.02)	(0.01%)	(0.03)	0.00%	-	(0.01%)	(0.03)
Arvind Transformational Solutions Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Calvin Klein Arvind Fashion Private Limited *	0.89%	36.41	(2.04%)	(6.31)	0.60%	(0.13)	(2.24%)	(6.44)
Tommy Hilfiger Arvind Fashions Private Limited *	3.38%	138.21	1.11%	3.43	0.46%	(0.10)	1.16%	3.33
Arya Omnitalk Wireless Solutions Private Limited **	1.03%	41.96	2.33%	7.20	0.00%	-	2.50%	7.20
- Foreign								
Arvind Worldwide Inc.	0.12%	4.91	0.05%	0.17	(0.09%)	0.02	0.07%	0.19
Westech Advance Materials Limited	0.91%	37.27	0.32%	1.00	2.95%	(0.64)	0.13%	0.36
Brillaries Inc.,Canada	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Arvind Niloy Exports Private Limited	(0.03%)	(1.03)	0.00%	-	0.00%	-	0.00%	-
Arvind Textile Mills Limited	0.01%	0.28	(0.07%)	(0.22)	(0.05%)	0.01	(0.07%)	(0.21)
Arvind Lifestyle Apparel Manufacturing PLC	3.54%	144.76	(5.38%)	(16.65)	(80.79%)	17.50	0.30%	0.85
Arvind Envisol PLC, Ethiopia	(0.02%)	(0.65)	(0.68%)	(2.10)	(0.69%)	0.15	(0.68%)	(1.95)
Arvind Enterprises (FZE)	0.00%	0.03	(0.05%)	(0.17)	0.55%	(0.12)	(0.10%)	(0.29)

Notes to Consolidated Financial Statements

Note 47 : Additional information pursuant to Schedule III of Companies Act 2013 (Contd.)

₹ in Crores

Name of Entities	For the financial year ending on / as at March 31, 2018							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
- LLP								
Maruti Ornet and Infrabuild LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Enkay Converged Technologies LLP	(0.03%)	(1.30)	(0.42%)	(1.30)	0.00%	-	(0.45%)	(1.30)
Sub Total		**5,904.41**		**328.52**		**(21.88)**		**306.64**
Less: Inter Company Elimination and Consolidation Adjustments	(53.54%)	(2,188.80)	(4.99%)	(15.42)	0.75%	(0.16)	(5.42%)	(15.58)
Total	**90.89%**	**3,715.61**	**101.17%**	**313.10**	**101.75%**	**(22.04)**	**101.13%**	**291.06**
Add: Non Controlling Interest in Subsidiaries	7.46%	305.28	(2.05%)	(6.34)	(1.66%)	0.36	(2.08%)	(5.98)
Add: Joint Ventures								
(Investment as per Equity method)								
Arya Omnitalk Radio Trunking Services Private Limited	0.20%	8.12	0.19%	0.59	0.00%	-	0.20%	0.59
Arya Omnitalk Wireless Solutions Private Limited **	0.00%	-	0.58%	1.78	0.00%	-	0.62%	1.78
Arudrama Developments Private Limited	0.05%	2.05	0.00%	-	0.00%	-	0.00%	-
Arvind and Smart Value Homes LLP	1.40%	57.07	0.11%	0.34	(0.09%)	0.02	0.13%	0.36
Grand Total	**100%**	**4,088.13**	**100%**	**309.47**	**100%**	**(21.66)**	**100%**	**287.81**

* Became Subsidiary w.e.f. April 1, 2017

** Became Subsidiary w.e.f. July 1, 2017

Name of Entities	For the financial year ending on / as at March 31, 2017							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
Parent :								
Arvind Limited	79.03%	2,938.75	5.90%	18.56	110.01%	71.41	23.71%	89.97
Subsidiaries :								
- Indian								
The Anup Engineering Limited	4.54%	168.66	10.12%	31.83	(0.05%)	(0.03)	8.38%	31.80
Arvind Lifestyle Brands Limited	13.54%	503.60	8.32%	26.17	(0.79%)	(0.51)	6.76%	25.66
Syntel Telecom Limited	0.02%	0.84	0.42%	1.31	0.00%	-	0.35%	1.31
Asman Investments Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Arvind Envisol Limited	0.38%	14.11	3.85%	12.10	(0.35%)	(0.23)	3.13%	11.87
Arvind Internet Limited	0.30%	11.32	(0.03%)	(0.10)	0.00%	-	(0.03%)	(0.10)
Arvind PD Composites Private Limited	0.65%	24.17	1.44%	4.53	0.00%	-	1.19%	4.53
Arvind OG Nonwovens Private Limited	0.78%	29.03	0.72%	2.25	0.00%	-	0.59%	2.25
Arvind Goodhill Suit Manufacturing Private Limited	1.02%	37.97	0.76%	2.40	0.31%	0.20	0.69%	2.60
Arvind Beauty Brands Private Limited	1.75%	65.23	(3.18%)	(10.02)	0.15%	0.10	(2.61%)	(9.92)
Arvind Fashions Limited	21.30%	791.84	(1.10%)	(3.47)	(0.14%)	(0.09)	(0.94%)	(3.56)
Arvind Ruf & Tuf Private Limited	(0.02%)	(0.71)	(0.23%)	(0.72)	0.00%	-	(0.19%)	(0.72)
Arvind Premium Retail Limited	(0.05%)	(1.77)	0.00%	-	0.00%	-	0.00%	-
Arvind True Blue Limited	(0.02%)	(0.87)	0.00%	-	0.00%	-	0.00%	-
- Foreign								
Arvind Worldwide Inc., USA	0.13%	4.71	0.10%	0.31	(0.12%)	(0.08)	0.06%	0.23
Westech Advance Materials Limited	0.99%	36.91	0.79%	2.49	2.50%	1.62	1.08%	4.11
Arvind Niloy Exports Private Limited, Bangladesh	(0.03%)	(1.03)	0.00%	(0.01)	0.09%	0.06	0.01%	0.05
Arvind Textile Mills Limited, Bangladesh	0.01%	0.49	(0.12%)	(0.39)	0.02%	0.01	(0.10%)	(0.38)
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	1.64%	61.03	(4.00%)	(12.58)	(7.69%)	(4.99)	(4.63%)	(17.57)

Notes to Consolidated Financial Statements

Note 47 : Additional information pursuant to Schedule III of Companies Act 2013 (Contd.)

₹ in Crores

Name of Entities	For the financial year ending on / as at March 31, 2017							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
- LLP								
Maruti Ornet and Infrabuild LLP	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Sub Total		**4,684.29**		**74.66**		**67.47**		**142.13**
Less: Inter Company Elimination and Consolidation Adjustments	(36.44%)	(1,355.55)	77.62%	244.28	(3.80%)	(2.47)	63.71%	241.81
Total	**89.52%**	**3,328.74**	**101.38%**	**318.94**	**100.14%**	**65.00**	**101.16%**	**383.94**
Add: Non Controlling Interest in Subsidiaries	4.08%	151.43	(1.98%)	(6.22)	(0.02%)	(0.01)	(1.64%)	(6.23)
Add: Joint Ventures								
(Investment as per Equity method)								
Arya Omnitalk Wireless Solutions Private Limited	0.58%	21.54	1.46%	4.58	(0.09%)	(0.06)	1.19%	4.52
Arya Omnitalk Radio Trunking Services Private Limited	0.20%	7.54	0.31%	0.98	(0.06%)	(0.04)	0.25%	0.94
Tommy Hilfiger Arvind Fashions Private Limited	1.39%	51.77	0.66%	2.09	0.00%	-	0.55%	2.09
Calvin Klein Arvind Fashion Private Limited	2.65%	98.64	(1.74%)	(5.46)	0.00%	-	(1.44%)	(5.46)
Arudrama Developments Private Limited	0.06%	2.05	0.00%	-	0.00%	-	0.00%	-
Arvind and Smart Value Homes LLP	1.52%	56.70	(0.09%)	(0.28)	0.03%	0.02	(0.07%)	(0.26)
Grand Total	**100%**	**3,718.41**	**100%**	**314.63**	**100%**	**64.91**	**100%**	**379.54**

Note 48 : Disclosure in respect of Construction / Job work Contracts

Particulars	**Year ended March 31, 2018**	Year ended March 31, 2017
Amount of Contract Revenue recognized	**116.58**	64.95
Contracts in progress at the end of the reporting period		
Contract cost incurred and recognised profits less recognised losses	**154.21**	100.60
Less : Progress Billing	**154.21**	100.60
	-	-
Recognized and included in the financial statements as amounts due:		
-from customers under construction contracts	**-**	-
-to customers under construction contracts	**-**	-
	-	-
Amount of Advance Received from Customers	**55.14**	6.03
Amount of Retention from Customers	**0.13**	0.13

₹ 21.51 crores is the amount of revenue deferred on account of percentage of completion for the year ended March 31, 2018 (March 31, 2017 - ₹ Nil)

Notes to Consolidated Financial Statements

₹ in Crores

Note 49 : Expenditure on Research and Development

The Group has separate in- House Research and Development Centre at Naroda, Santej, Khatraj & Pune locations. All Centers are involved into new products development, new process development etc. and out of four locations, Naroda, Santej & Khatraj are duly recognized and approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The details of Capital and Revenue Expenditure incurred on Research and Development by all Centers are as under:-

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Naroda Centre		
Capital Expenditure	**0.03**	1.98
Revenue Expenditure	**5.53**	4.56
Total Expenditure at Naroda Centre	**5.56**	6.54
Santej Centre		
Capital Expenditure	**1.40**	0.70
Revenue Expenditure	**29.11**	27.17
Total Expenditure at Santej Centre	**30.51**	27.87
Khatraj Centre		
Capital Expenditure	**1.64**	0.36
Revenue Expenditure	**3.58**	2.98
Total Expenditure at Khatraj Centre	**5.22**	3.34
Pune Centre		
Capital Expenditure	**-**	-
Revenue Expenditure	**1.60**	1.15
Total Expenditure at Pune Centre	**1.60**	1.15
Total Research and Development Expenditure	**42.89**	38.90

Note 50 : Regrouped, Recast, Reclassified

Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/classification.

Note 51 : Events Occurring After the Reporting Period

(i) The Board of Directors recommended dividend of ₹ 2.40 per equity share (March 31, 2017 : ₹ 2.40 per equity share) of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

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

Sanjay S. Lalbhai
Chairman & Managing Director
DIN: 00008329

Jayesh K. Shah
Director & Chief Financial Officer
DIN: 00008349

R. V. Bhimani
Company Secretary

Place: Ahmedabad
Date: May 9, 2018

FOOM AOC - 1

(Persuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "A" : Subsidiaries

₹ in crores

Sr. no.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Share Holding
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(I)	(j)	(k)	(l)	(m)
1	The Anup Engineering Limited	March 31, 2018	INR	13.60	197.66	290.67	79.41	-	222.57	53.64	11.21	42.43	Nil	93.54%
2	Arvind Internet Limited	March 31, 2018	INR	33.06	(21.75)	11.50	0.19	-	0.02	(0.01)	0.00	(0.01)	Nil	100%
3	Arvind Lifestyle Brands Limited	March 31, 2018	INR	81.28	667.55	2199.47	1450.64	0.02	2589.61	(11.94)	(7.85)	(4.09)	Nil	100%
4	Syntel Telecom Limited	March 31, 2018	INR	0.05	2.54	15.87	13.28	-	25.50	2.43	0.68	1.75	Nil	100%
5	Arvind PD Composites Private Limited	March 31, 2018	INR	0.31	24.34	51.87	27.22	-	56.39	(0.83)	0.07	(0.90)	Nil	51%
6	Arvind Envisol Limited	March 31, 2018	INR	0.21	33.63	273.70	239.86	-	171.55	32.44	12.73	19.71	Nil	100%
7	Arvind Goodhill Suit Manufacturing Private Limited	March 31, 2018	INR	0.97	48.00	112.69	63.72	-	99.27	7.26	2.58	4.68	Nil	51%
8	Arvind OG Nonwovens Pvt. Limited	March 31, 2018	INR	3.13	26.34	66.39	36.92	-	47.37	1.14	0.73	0.41	Nil	74%
9	Arvind Worldwide Inc. USA	March 31, 2018	1 USD = ₹ 65.1750	2.20	2.70	21.88	16.98	-	7.01	0.45	0.28	0.17	Nil	100%
10	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	March 31, 2018	1 ETB = ₹ 2.3614	145.44	(0.68)	165.69	20.93	-	34.43	(16.65)	0.00	(16.65)	Nil	100%
11	Arvind Textile Mills Limited, Bangladesh	March 31, 2018	1 TAKA = ₹ 0.7843	5.17	(4.89)	0.42	0.14	-	0.15	(0.22)	0.00	(0.22)	Nil	100%
12	Arvind Niloy Exports Pvt. Ltd., Bangladesh	March 31, 2018	1 TAKA = ₹ 0.7843	0.65	(1.68)	0.20	1.23	-	0.00	0.00	0.00	0.00	Nil	70%
13	Westech Advanced Materials Limited	March 31, 2018	1 CAN$ = ₹ 50.6500	31.63	5.64	48.14	10.87	-	39.38	1.14	0.14	1.00	Nil	51%
14	Arvind Beauty Brands Retail Pvt Ltd	March 31, 2018	INR	7.69	65.86	122.31	48.76	-	133.04	(3.85)	-0.12	(3.73)	Nil	100%
15	Arvind Fashions Limited	March 31, 2018	INR	23.17	1207.88	1517.19	286.14	-	847.52	74.01	20.61	53.40	Nil	89.69%
16	Arvind Ruf & Tuf Private Limited	March 31, 2018	INR	0.95	8.06	22.66	13.65	-	(0.19)	(4.39)	0.00	(4.39)	Nil	100%
17	Arvind Premium Retail Limited	March 31, 2018	INR	0.02	(4.63)	10.39	15.00	-	2.39	(2.44)	0.00	(2.44)	Nil	51%
18	Arvind True Blue Limited	March 31, 2018	INR	16.01	(22.36)	22.14	28.49	-	9.52	(13.36)	0.00	(13.36)	Nil	87.50%
19	Arvind Smart Textiles Limited	March 31, 2018	INR	0.01	(0.04)	0.04	0.07	-	0.00	(0.03)	0.00	(0.03)	Nil	100%
20	Arvind Envisol PLC	March 31, 2018	1 ETB = ₹ 2.3614	1.28	(1.93)	10.97	11.62	-	0.16	(2.10)	0.00	(2.10)	Nil	100%
21	Brillaries Inc.	March 31, 2018	1 CAN$ = ₹ 50.6500	(₹ 4,962)	0.00	3.70	3.70	-	11.24	0.00	0.00	0.00	Nil	100%
22	Calvin Klein Arvind Fashion Private Limited	March 31, 2018	INR	1.01	35.39	129.95	93.55	-	141.27	(6.31)	0.00	(6.31)	Nil	50%
23	Tommy Hilfiger Arvind Fashions Private Limited	March 31, 2018	INR	29.90	108.31	306.24	168.03	-	347.34	5.22	1.79	3.43	Nil	50%
24	Arya Omnitalk Wireless Solutions Private Limited	March 31, 2018	INR	2.00	39.96	91.72	49.76	-	67.10	11.60	4.40	7.20	Nil	50.06%
25	Arvind Enterprises (FZE)	March 31, 2018	1 AED = ₹ 17.7450	0.26	(0.22)	0.20	0.16	-	0.23	(0.17)	0.00	(0.17)	Nil	100%
26	Arvind Transformational Solutions Private Limited	March 31, 2018	INR	0.01	0.00	0.01	0.00	-	0.00	0.00	0.00	0.00	Nil	100%

Notes

(A) Investments Exclude Investments in Subsidiaries and LLPs

(B) The Following Subsidiaries are yet to commence operation :

[1] Arvind Smart Textiles Limited

[2] Arvind Envisol PLC

[3] Arvind Transformational Solutions Private Limited

(C) In the above statement following Foreign Subsidiaries not included as they are treated as "Defunct Company".

[1] Arvind Spinning Limited

[2] Arvind Overseas (Mauritius) Limited

[3] Arvind Worldwide (M) Inc. Mauritius

FOOM AOC - 1

(Persuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

Part "B" : Joint Venture

₹ in crores

Sr. no.	Particulars	Arya Omnitalk Radio Trunking Services Private Limited	Arudrama Developers Private Limited
		(b)	**(e)**
1	Latest Audited Balance Sheet Date	31-03-2018	31-03-2017
2	Shares of Joint Ventures held by company on the year end		
	i) Numbar	10,05,000	50,000
	ii) Amount of Investment in Joint Ventures	6.01	2.05
	iii) Extend of Holding%	50%	50%
3	Description of how there is significant influence	Note A	Note A
4	Reason why the joint venture is not consolidated	Not Applicable	Not Applicable
5	Net worth attributable to shareholding as per latest Audited Balance sheet	7.73	2.05
6	Profit / (Loss) for the year		
	i) Considered in Consolidation	0.59	-
	ii) Not Considered in Consolidation	-	-

Note :

A There is Significant influence due to percentage(%) of Share Capital.

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

Sanjay S Lalbhai
Chairman &
Managing Director
DIN:00008329
Ahmedabad
May 9, 2018

Jayesh K Shah
Director &
Chief Financial Officer
DIN:00008349
Ahmedabad
May 9, 2018

R. V.Bhimani
Company
Secretary
Ahmedabad
May 9, 2018

LOCATIONS & SITES FOR THE YEAR 2017-18

Locations & Sites

Lifestyle Fabrics – Denim Arvind Limited Naroda Road Ahmedabad – 380 025 Gujarat, India Tel : +91-79-30138000 / 30138164 Fax:+91-79-30138671 E-mail : saurabh.samnol@arvind.in	Lifestyle Fabrics – Voiles Ankur Textiles Outside Raipur Gate Ahmedabad – 380 022 Gujarat, India Tel : +91-79-30137200 Fax:+91-79-30137350 E-mail : brijesh.bhati@arvind.in	Lifestyle Fabrics – Shirting, Khakis and Knitwear Arvind Limited PO Khatrej, Taluka Kalol Dist. Gandhinagar – 382 721 Gujarat, India Tel : +91-2764-395000 Fax:+91-2764-395040 E-mail : pranav.dave@arvind.in
Lifestyle Apparel – Knits Arvind Limited PO Khatrej, Taluka Kalol Dist. Gandhinagar – 382 721 Gujarat, India Tel : +91-2764-395410 E-mail : nitin.seth@arvind.in	Lifestyle Apparel – Jeans Arvind Limited #26/2 ,27/2, Kenchenahalli Mysore Road, Near Bangalore University Bangalore – 560 059 Tel : +91-80-33719000 E-mail : aamir.akhtar@arvind.in	Lifestyle Apparel – Shirts Arvind Limited # 63/9, Dodda Thogur Village Electronic City, Hosur Road Bangalore-560100, Karnataka, India Tel : +91-80-33717000 E-mail : susheel.kaul@arvind.in
Arvind Intex (Division of Arvind Limited) Rajpur Road, Gomtipur Ahmedabad - 380 021, Gujarat, India Tel : +91-79-30139200 E-mail : jigger.shastri@arvind.in	Arvind Polycot Khatrej, Taluka Kalol Dist. Gandhinagar- 382 721 Gujarat, India Tel : +91-2764-395000	Arvind Cotspin D-64, MIDC, Gokul Shirgaon, Tal. Karveer Kolhapur – 416 234, Maharashtra, India Tel : +91-0231-2672455/56/57 E-mail : cr.jamdar@arvind.in

Subsidiaries & Joint Ventures

Arvind Lifestyle Brands Limited 8th Floor, Du parc Trinity, 17, M. G. Road, Bangalore-560001 Tel : +91-80-41550650 Fax:+91-80-41550651 E-mail : sureshj@arvindbrands.com	Arvind Goodhill Suit Manufacturing Private Limited Plot No.50 B1 & 50 C1, Survey No. 299 Bommasandra Industrial Area, Bangalore - 560099 Tel : 080-49461026 E-mail:ravi.bhargava@arvindgoodhill.com	Arvind PD Composites Private Limited Village: Moti Bhoyan Ta: Kalol Dist: Gandhinagar, Gujarat –382721 Tel :02764 396223-02764 395000 Fax:02764-396220 E-mail : shreyans.patel@arvind-pd.in
Arvind OG Nonwovens Private Limited Block No. 315/p, Plot No. 92 Village : Kharanti, P.O. Simej, Ta. Dholka Dist. Ahmedabad - 382 265, Gujarat Phone No. : 02764 395000 E-mail : amit.pal@arvind.in	The Anup Engineering Limited Behind 66 KV Electric Sub Station, Odhav Road, Ahmedabad-382415, Gujarat, India Tel : +91-079-22870622, 079-40258920 Fax:+91-079-22870642 E-mail : rakesh.poddar@arvind.in	Arvind Envisol Limited Arvind Mill Premises, Naroda Road Ahmedabad – 380 025 Tel: 079-30136019 / 6038 / 6039 Fax:079-30138677 E-mail : service@envisol.co.in; dinesh.yadav@arvind.in
Arya Omnitalk Wireless Solutions Private Limited Unit No.202, 2nd Floor, Summer Court, Magarpatta City, Pune – 411 013 Tel : +91-20- 67470100 (Board line) Fax : +91-20- 67470199 E-mail:manoj.kottil@aryaomnitalk.com	Arvind Fashions Limited 8th Floor, Du parc Trinity, 17, M.G. Road, Bangalore – 560001 Tel : +91-80-40487501	

Overseas Offices

Arvind Worldwide Inc. 525, 7th Ave, Suite 1211 New York, NY - 10018 Ph : 212-431-4256 E-mail : viresh@arvinddenimlab.com	Arvind Limited Plot # 221 Bir Uttam Mir Shawkat Road (Gulshan – Tejgaon Link Road) Tejgaon I/A, Dhaka – 1208, Bangladesh Tel : +880-2-9887123 / 124 E-mail : p.anilkumar@arvind.in	

ATTENDANCE SLIP

ARVIND LIMITED

(CIN: L17119GJ1931PLC000093)
Registered Office: Naroda Road, Ahmedabad-380 025.
Email: investor@arvind.in Website: www.arvind.com
Phone: 079-30138000 Fax: 079-30138668

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*			Folio No.	
Client Id*			No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER / PROXY____

____

I hereby record my presence at the **87TH ANNUAL GENERAL MEETING** of the Company held on Thursday, the 30th August, 2018 at 9:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

* Applicable for investors holding shares in electronic form.

____
Signature of Shareholder / Proxy

PROXY FORM

ARVIND LIMITED

(CIN: L17119GJ1931PLC000093)
Registered Office: Naroda Road, Ahmedabad-380 025.
Email: investor@arvind.in Website: www.arvind.com
Phone: 079-30138000 Fax: 079-30138668

Form No. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):
Registered address:
E-mail Id:
Folio No. / Client ID:
DP ID:

I/We, being the member(s) of ______________ shares of the above named company, hereby appoint

1. Name: ____________________ Address: ____________________
   E-mail Id: ____________________ Signature: ____________________ or failing him;
2. Name: ____________________ Address: ____________________
   E-mail Id: ____________________ Signature: ____________________ or failing him;
3. Name: ____________________ Address: ____________________
   E-mail Id: ____________________ Signature: ____________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 87th Annual General Meeting of the Company, to be held on 30th August, 2018 at 9:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional *	
Ordinary Business		For	Against
1	Ordinary Resolution for adoption of Audited Financial Statements including Consolidated Financial Statements for the financial year ended 31st March, 2018 and Reports of Directors and Auditors thereon.		
2.	Ordinary Resolution for declaration of dividend on equity shares.		
3.	Ordinary Resolution for re-appointment of Mr. Sanjay Lalbhai as Director of the Company, liable to retire by rotation.		

Resolution No.	RESOLUTIONS	Optional *	
Special Business		For	Against
4.	Ordinary Resolution for Ratification of the remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants for the financial year ending 31st March, 2019.		
5.	Special Resolution for approval of offer or invitation to subscribe to Non-convertible Debentures on private placement basis upto ₹ 500 crores.		
6.	Special Resolution for the amendment to the "Arvind Limited - Employee Stock Option Scheme 2008."		

Signed this________ day of____________, 2018

Signature of Shareholder________________________________

Signature of Proxy holder(s)_____________________________

Affix
Revenue
Stamp

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 87th Annual General Meeting.

*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

4. Please complete all details including details of member(s) in above box before submission.

Arvind Limited

Regd. Office: Naroda Road, Ahmedabad - 380 025

For any enquiry, suggestion or feedback, e-mail us on customer.care@arvind.com

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