

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

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**INDEPENDENT AUDITORS' REPORT**

**To the Members of Arvind Brands and Retail Limited**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **Arvind Brands and Retail Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of

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expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

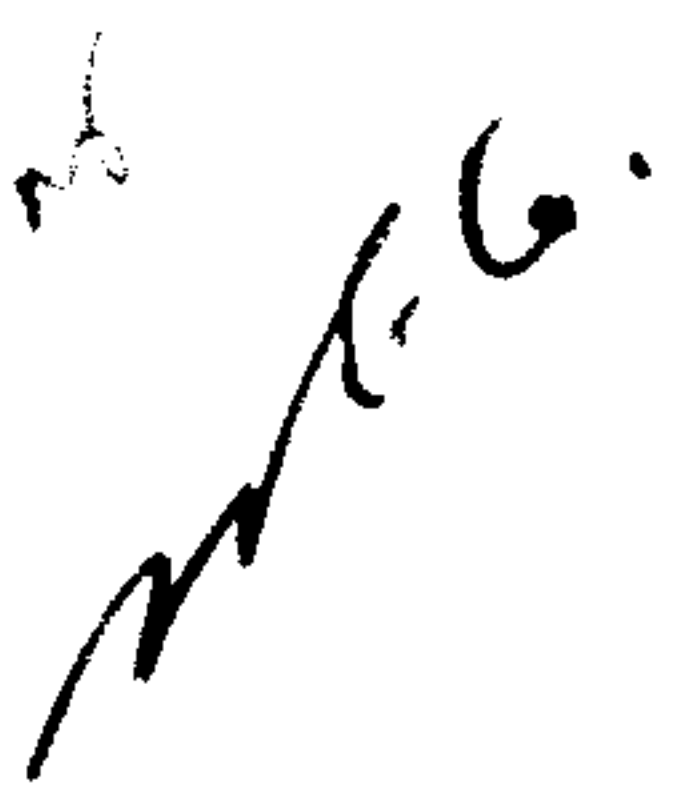
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

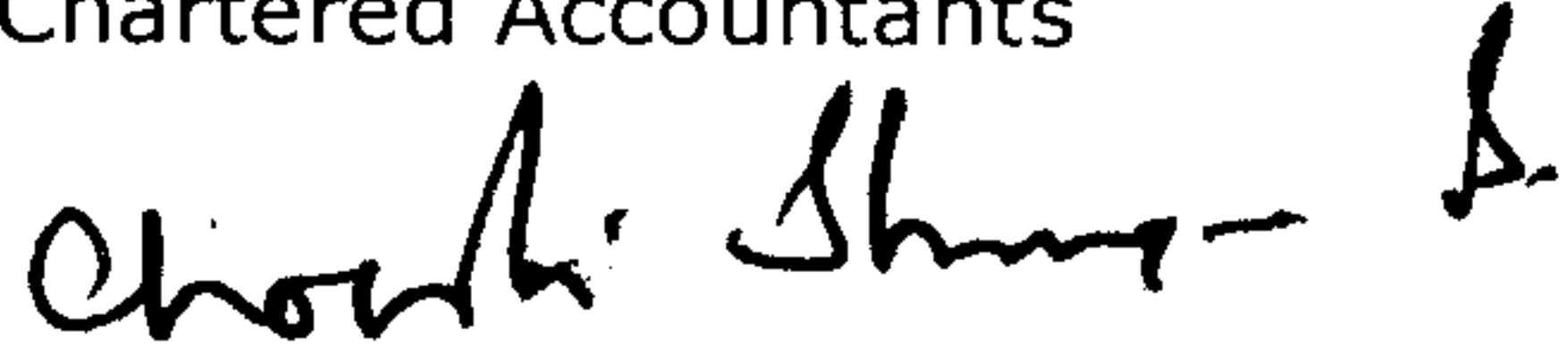
1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;



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

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



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

Ahmedabad  
May 6, 2015

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## **SORAB S. ENGINEER & CO. (Regd.)**

### **ANNEXURE TO THE AUDITORS' REPORT**

**Re: Arvind Brands & Retail Limited**

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

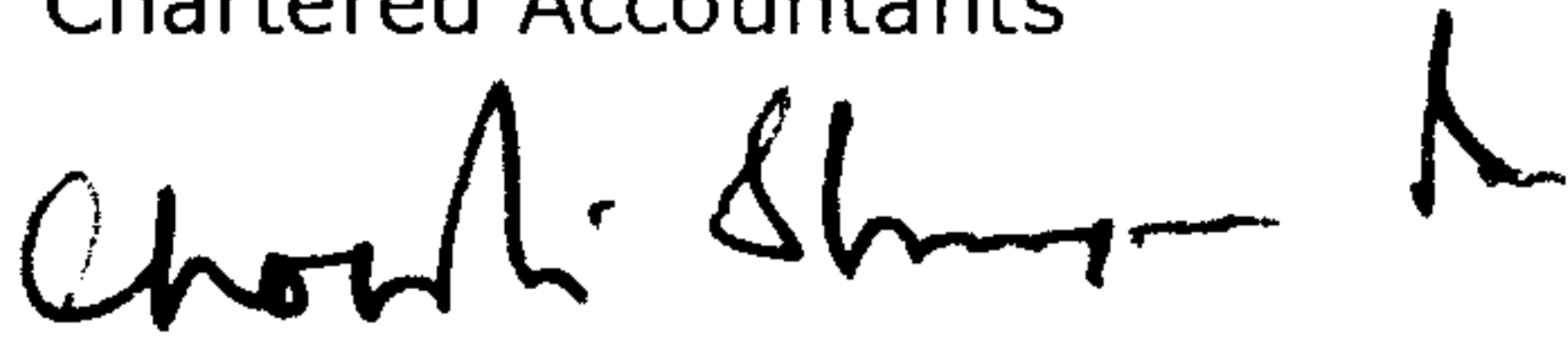
- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the period at reasonable intervals and no material discrepancies were noticed on such verification.
- (ii) In view of the nature of business the company does not have any Inventory. Accordingly the clauses 3(ii)(a) to (c) of the order are not applicable.
- (iii) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly clauses 3(iii)(a) & (b) of the order are not applicable.
- (iv) In our opinion and according to information and explanations given to us; there is adequate internal control system commensurate with the size of the Company and the nature of the business, with regard to purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 73 to 76 or other relevant provisions of the Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of the Company's product. Consequently, requirement of clause (vi) of paragraph 3 of the order is not applicable.
- (vii) (a) The Company is generally regular in depositing undisputed statutory dues including Income tax and other material statutory dues applicable to it with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (b) There are no disputed amounts outstanding as at March 31, 2015.
- (c) There were no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under during the year.
- (viii) The Company has neither any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

*M.G.*

**SORAB S. ENGINEER & CO. (Regd.)**

- (ix) According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company does not have any loans from any financial institution or bank, hence the requirement of clause (ix) of the Order is not applicable.
- (x) The Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, no long term loans have been obtained during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period under review.

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



**CA. Chokshi Shreyas B.**  
Partner  
Membership No. 100892  
Ahmedabad  
May 6, 2015

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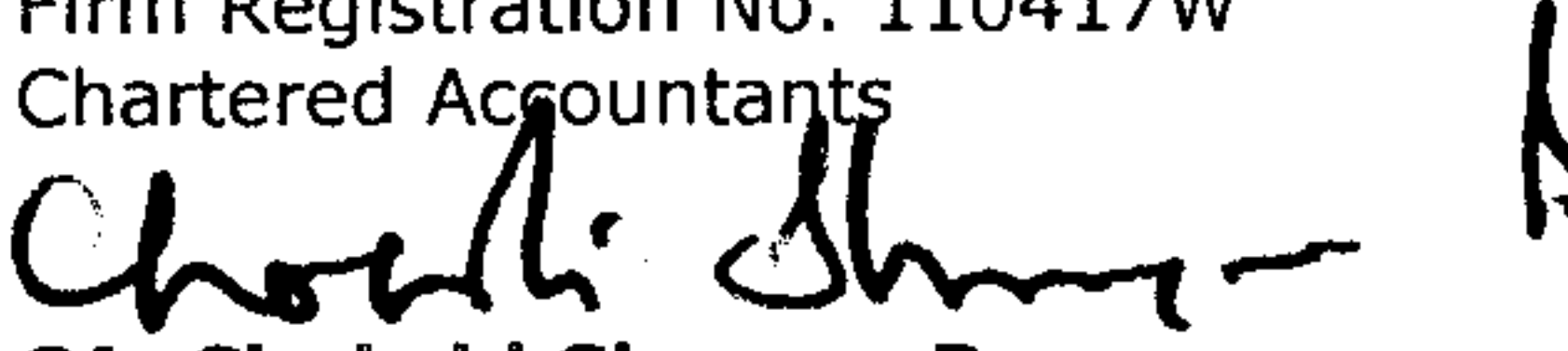
**Arvind Brands & Retail Limited**

**Balance Sheet**

**Amount in Rs.**

	Note	As at	
		March 31, 2015	March 31, 2014
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share Capital	3	117,175,200	107,100,000
Reserves and Surplus	4	5,558,969,235	3,050,871,572
<b>Share Application money pending allotment</b>	5	114,000,100	803,500,000
<b>Non-current liabilities</b>			
Deferred Tax Liabilities	6	592	592
<b>Current liabilities</b>			
Trade Payables	7	58,077	71,251
Other Current Liabilities	8	3,108,021	4,775,830
Short Term Provisions	9	53,369	110,481
<b>Total</b>		<b>5,793,364,594</b>	<b>3,966,429,726</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed Assets			
Tangible Assets	10	1,937	1,937
Non-current Investments	11	5,789,272,670	3,954,497,519
Long Term Loans and Advances	12	-	18,885
<b>Current assets</b>			
Short Term Loans and Advances	12	4,021,691	11,774,441
Cash and bank Balances	13	68,296	136,944
<b>Total</b>		<b>5,793,364,594</b>	<b>3,966,429,726</b>
<b>Significant Accounting Policies</b>	2		

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

As per our report of even date attached  
 For **Sorab S. Engineer & Co.**  
 Firm Registration No. 110417W  
 Chartered Accountants  
  
**CA. Chokshi Shreyas B.**  
 Partner  
 Membership No.100892  
 Ahmedabad  
 May 06, 2015

  
 Managing Director  
  
 Director  
  
 Company Secretary


**Arvind Brands & Retail Limited**




**Statement of Profit and Loss**

**Amount in Rs.**

	Note	Year ended	
		March 31, 2015	March 31, 2014
Other Income	14	2,160,187	6,720,790
<b>Total Revenue</b>		<b>2,160,187</b>	<b>6,720,790</b>
<b>Expenses:</b>			
Finance costs	15	41,614	-
Depreciation expense	16	-	5,391
Other expenses	17	2,609,821	854,403
<b>Total expenses</b>		<b>2,651,435</b>	<b>859,794</b>
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		<b>(491,248)</b>	<b>5,860,996</b>
Exceptional items		-	-
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(491,248)</b>	<b>5,860,996</b>
Extraordinary Items		-	-
<b>Profit/(Loss) before tax</b>		<b>(491,248)</b>	<b>5,860,996</b>
<b>Tax expense:</b>			
Current tax		136,000	292,000
Deferred tax		-	(1,406)
MAT Credit Entitlement		-	(18,885)
Excess Provision of Tax for earlier year		(111)	-
<b>Profit/(Loss) for the year</b>		<b>(627,137)</b>	<b>5,589,287</b>
<b>Earnings per equity share</b>	19		
(Nominal Value per Share Rs. 2/- (Previous year Rs. 2/-): Basic/Diluted		(0.01)	0.11
<b>Significant Accounting Policies</b>	2		

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

As per our report of even date attached  
For **Sorab S. Engineer & Co.**  
Firm Registration No. 110417W  
Chartered Accountants  
  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No.100892  
Ahmedabad  
May 06, 2015

  
Managing Director  
  
Director  
  
Company Secretary

Arvind Brands & Retail Limited

Cash Flow Statement

Amount in Rs.

	Year ended on	
	March 31, 2015	March 31, 2014
<b>A Cash Flow From Operating Activities</b>		
Profit Before taxation	(491,248)	5,860,996
Adjustments for:		
Depreciation	-	5,391
Interest Income	(557,113)	(1,200,825)
Share of Profit from Partnership Firm	(1,603,074)	(5,519,965)
<b>Operating Profit before Working Capital Changes</b>	<b>(2,160,187)</b>	<b>(6,715,399)</b>
Working Capital Changes:		
Increase / (Decrease) in trade payables	(13,174)	11,090
Increase / (Decrease) in other current liabilities	(1,667,809)	296,949
<b>Net Changes in Working Capital</b>	<b>(1,680,983)</b>	<b>308,039</b>
<b>Cash Generated from Operations</b>	<b>(4,332,418)</b>	<b>(546,364)</b>
Direct Taxes paid ( Net of Income Tax refund)	174,116	120,083
<b>Net Cash from Operating Activities</b>	<b>(4,506,534)</b>	<b>(666,447)</b>
<b>B Cash Flow from Investing Activities</b>		
Profit from Partnership Firm	1,603,074	5,519,965
Changes in Loans given	7,752,750	(350,517)
Interest Income	557,113	1,200,825
(Addition)/Withdrawal to/from Capital Account of 637 Developers	(1,603,074)	(1,047,959)
Change in Long Term Investments	(1,833,172,077)	(1,108,149,560)
<b>Net cash flow from Investing Activities</b>	<b>(1,824,862,214)</b>	<b>(1,102,827,246)</b>
<b>C Cash Flow from Financing Activities</b>		
Money received for Issue of Equity shares with Securities Premium and Share Application money	1,829,300,100	1,103,500,000
Changes in short term borrowings	-	-
<b>Net Cash flow from Financing Activities</b>	<b>1,829,300,100</b>	<b>1,103,500,000</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(68,648)</b>	<b>6,307</b>
Cash & Cash equivalent at the beginning of the period	136,944	130,637
Cash & Cash equivalent at the end of the period	68,296	136,944

a	Particulars	As at	
		March 31, 2015	March 31, 2014
	<b>Cash and cash equivalents comprise of: (Note 13)</b>		
	Cash on Hand	62	46
	Cheques on Hand	68,234	-
	Balances with Banks	-	136,898
	<b>Total</b>	<b>68,296</b>	<b>136,944</b>

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

*Chokshi Shreyas B.*  
CA. Chokshi Shreyas B.  
Partner  
Ahmedabad  
May 06 2015

*[Signature]*  
Managing Director

*[Signature]*  
Director  
*Ankita*  
Company Secretary



## **Arvind Brands & Retail Limited**

### **Notes to the financial statements**

#### **1. COMPANY BACKGROUND**

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

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Basis of Preparation of Financial Statement**

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

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

##### **b. Use of Estimates**

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

##### **c. Inflation**

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

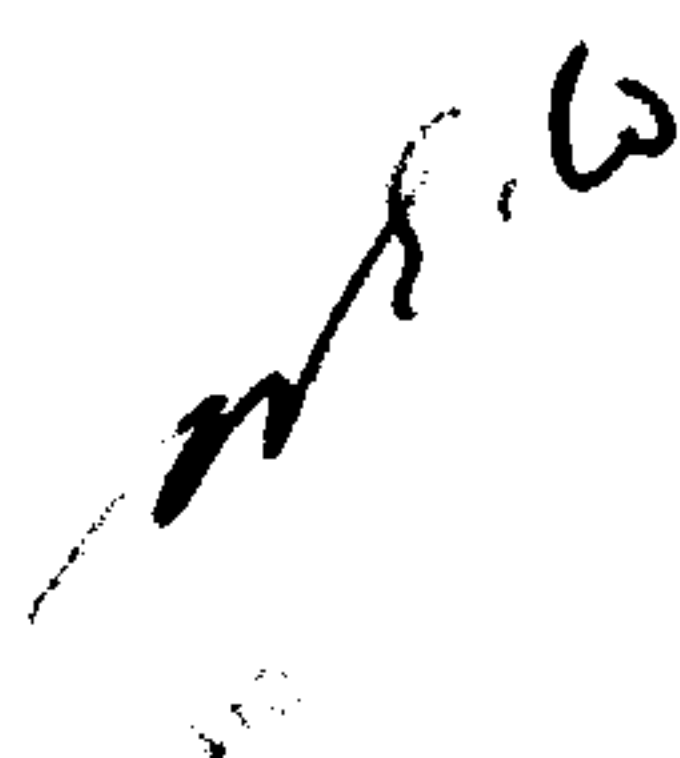
##### **d. Revenue Recognition**

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

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

##### **e. Investments**

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



**f. Fixed Assets & Depreciation**

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

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

**g. Taxation**

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

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

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

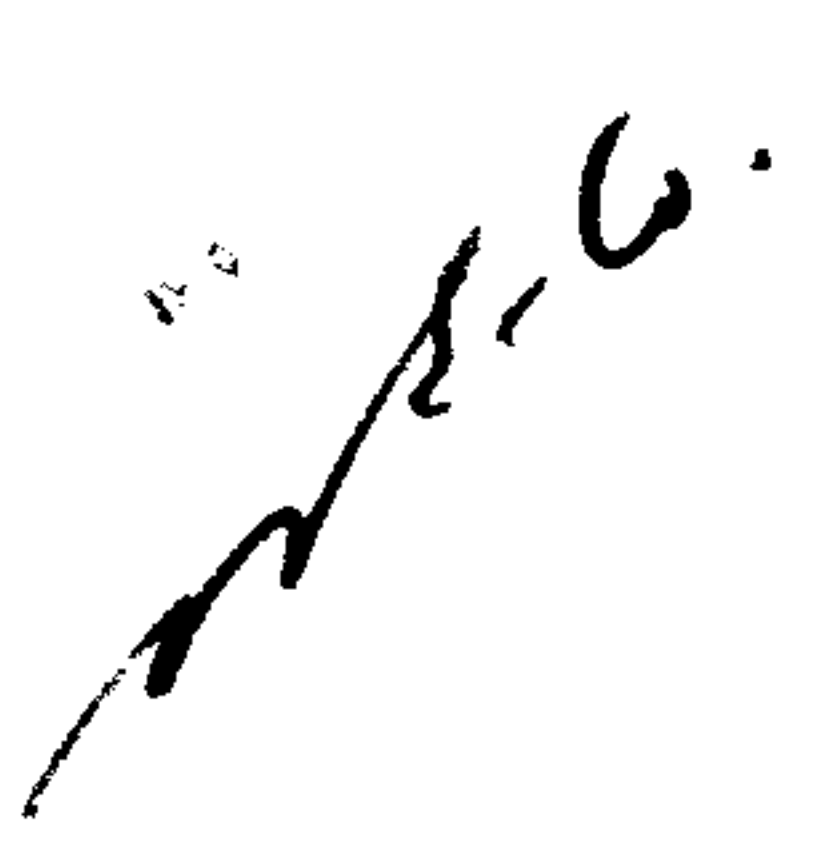
Deferred tax assets arising from unabsorbed depreciation or carry forward losses under tax laws are recognised only to the extent that there is virtual certainty of realization. Other deferred tax assets are recognised and carried forward to the extent that there is reasonable certainty of realization.

**h. Earning Per Share**

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

**i. Provisions, Contingent Liabilities and Contingent Assets**

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



**Arvind Brands & Retail Limited**

**3 Share Capital**

	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
<b>Authorised</b> 62,500,000 Equity Shares (Previous Year 62,500,000) Par Value of Rs. 2/- per share	125,000,000	125,000,000
	<b>125,000,000</b>	<b>125,000,000</b>
<b>Issued</b> 58,587,600 Equity Shares (Previous Year 53,550,000) Par Value of Rs. 2/- per share	117,175,200	107,100,000
	<b>117,175,200</b>	<b>107,100,000</b>
<b>Subscribed and fully paid up</b> 58,587,600 Equity Shares (Previous Year 53,550,000) Par Value of Rs. 2/- per share fully paid up	117,175,200	107,100,000
<b>Total</b>	<b>117,175,200</b>	<b>107,100,000</b>

**a Reconciliation of Number of Shares**

Particulars	As At			
	March 31, 2015		March 31, 2014	
	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
Balance at the beginning of the year	53,550,000	107,100,000	52,250,000	104,500,000
Add : Shares issued during the year	5,037,600	10,075,200	1,300,000	2,600,000
Balance at the end of the year	<b>58,587,600</b>	<b>117,175,200</b>	<b>53,550,000</b>	<b>107,100,000</b>

**b Rights, Preferences and Restrictions attached to Equity Shares**

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

**c Shares held by Holding Company and their Subsidiaries**

Particulars	As at	
	March 31, 2015	March 31, 2014
Holding Company - Arvind Limited	54,987,600	53,300,000

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

Particulars	As at	
	March 31, 2015	March 31, 2014
Holding Company - Arvind Limited	54,987,600 93.86%	53,300,000 99.53%
Fellow Subsidiary Company - Arvind Accel Limited	3,600,000 6.14%	- -

**e Shares reserved for issue under options**

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

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**Arvind Brands & Retail Limited**

4 Reserves and Surplus	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
<b>Securities Premium Account</b>		
Balance as per last financial statements	3,043,400,000	2,396,000,000
Add: Received during the year	2,508,724,800	647,400,000
<b>Balance at the end of the year</b>	<b>5,552,124,800</b>	<b>3,043,400,000</b>
<b>Surplus in Statement of Profit and Loss</b>		
Balance as per last financial statements	7,471,572	1,882,285
Add : Profit/(Loss) for the year	(627,137)	5,589,287
<b>Balance at the end of the year</b>	<b>6,844,435</b>	<b>7,471,572</b>
<b>Total</b>	<b>5,558,969,235</b>	<b>3,050,871,572</b>

5 Share Application money pending Allotment	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Share Application money pending allotment (Note a)	114,000,100	803,500,000
<b>Total</b>	<b>114,000,100</b>	<b>803,500,000</b>

a Share Application money pending Allotment represents application received from Holding Company - Arvind Limited which comprises of 228,000 Equity shares of face value Rs. 2 each fully paid up proposed to be issued at a premium of Rs. 498/-.

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

6 Deferred Tax Liabilities (Net)	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
<b>Deferred Tax Liability</b>		
In respect of Fixed Assets	592	592
<b>Net Deferred Tax Liability</b>	<b>592</b>	<b>592</b>

7 Trade Payables	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Creditors in respect of goods and services (Note a)	58,077	71,251
<b>Total</b>	<b>58,077</b>	<b>71,251</b>

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

- Amount due and outstanding to suppliers as at the end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and
- Interest accrued and unpaid at the end of the accounting year

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

8 Other Current Liabilities	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Statutory dues - TDS Payable	116,668	-
Book Overdraft	118,289	-
Others	2,873,064	4,775,830
<b>Total</b>	<b>3,108,021</b>	<b>4,775,830</b>

9 Short Term Provisions	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
Provision for Income Tax (Net of Advance Tax Rs. 355,746/-, Previous Year Rs. 200,519/-)	53,369	110,481
<b>Total</b>	<b>53,369</b>	<b>110,481</b>

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Arvind Brands & Retail Limited

10 Tangible Assets

Particulars	Gross Block						Depreciation			Net Block	
	As on 01.04.2014	Additions	Disposals	As on 31.03.2015	As on 01.04.2014	Additions	Deductions	As on 31.03.2015	As on 31.03.2015	As on 31.03.2014	
	Laptop	38,750	-	-	38,750	36,813	-	-	36,813	1,937	1,937
<b>Total</b>	<b>38,750</b>	-	-	<b>38,750</b>	<b>36,813</b>	-	-	<b>36,813</b>	<b>1,937</b>	<b>1,937</b>	
Previous Year	38,750	-	-	38,750	31,422	5,391	-	36,813	1,937	7,328	

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**Arvind Brands & Retail Limited**

**11 Non Current Investments**

Particulars	Face Value Per Share	No of Shares	Amount in Rs.	
			As at	
			March 31, 2015	March 31, 2014
<b>Trade Investments (At Cost)</b>				
<b>Investments in Equity Shares (Unquoted- Fully paid up)</b>				
<i><b>In Subsidiaries</b></i>				
Arvind Lifestyle Brands Limited (2,065,088 shares acquired during the year)	Rs. 10/-	29,935,100	4,151,431,290	3,145,300,000
Arvind Internet Limited (Shares acquired during the year)	Rs. 10/-	718,600	334,800,000	-
<i><b>In Joint Venture</b></i>				
Premium Garments Wholesale Trading Private Limited	Rs. 10/-	22,050	808,149,560	808,149,560
Tommy Hilfiger Arvind Fashion Private Limited (Shares acquired during the year)	Rs. 10/-	11,461,839	378,240,687	-
<i><b>In Partnership Firm</b></i>				
637 Developers			2,651,033	1,047,959
<b>Share Application Money</b>			114,000,100	-
<b>Total</b>			<b>5,789,272,670</b>	<b>3,954,497,519</b>

a	Aggregate amount of quoted investments	-	-
	Market value of quoted investments	-	-
	Aggregate amount of unquoted investments	5,675,272,570	3,954,497,519

**b Disclosure as per AS 13 - Accounting for Investments**

Long Term Investments	5,675,272,570	3,954,497,519
Current Investments	-	-
<b>Total</b>	<b>5,675,272,570</b>	<b>3,954,497,519</b>

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

Names of Partners	% Profit Sharing Ratio		Capital Amount	
	2014-15	2013-14	March 31, 2015	March 31, 2014
Arvind Brands and Retail Limited	35.00	35.00	2,651,033	1,047,959
Chetas A. Shah	2.00	2.00	(551,368)	(642,972)
Dahyabhai Maneklal Private Limited	15.00	15.00	4,164,727	3,477,696
Darshan Jhaveri	7.00	7.00	570,207	249,592
Jigen H. Shah	12.00	12.00	941,782	392,157
Pankaj C. Shah	3.00	3.00	(727,055)	(864,461)
Shaan Zaveri	17.75	17.75	(1,630,905)	(2,443,892)
Mischa Gorchov	8.25	8.25	663,102	285,234
<b>Total:</b>	<b>100.00</b>	<b>100.00</b>	<b>6,081,523</b>	<b>1,501,313</b>

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

*M.F.B.*

**Arvind Brands & Retail Limited**

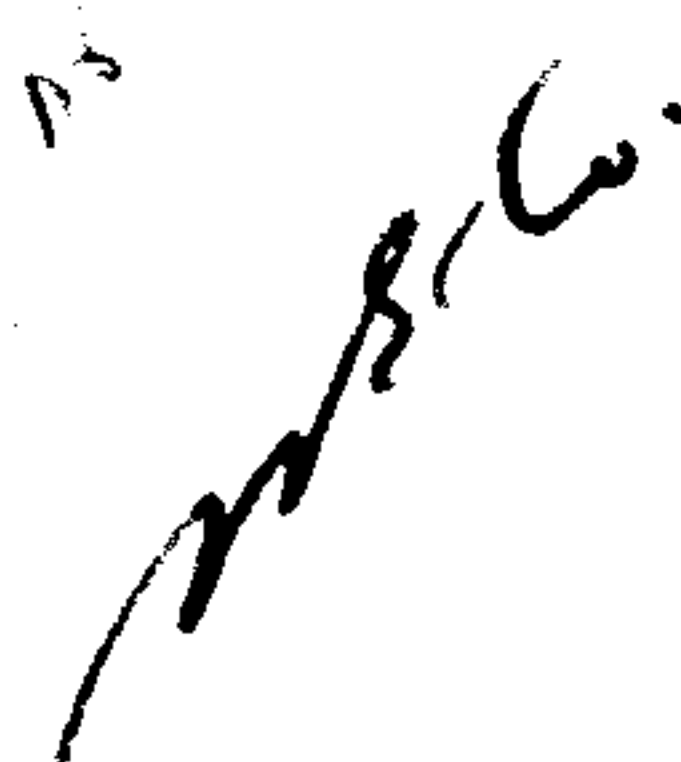
**Amount in Rs.**

**12 Loans and Advances**

	Long Term		Short Term	
	As at		As at	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Loans and Advances:				
To Others	-	-	4,021,691	11,774,441
MAT Credit Entitlement	-	18,885	-	-
<b>Total</b>	-	<b>18,885</b>	<b>4,021,691</b>	<b>11,774,441</b>

**13 Cash and Bank Balances**

	Amount in Rs.	
	As at	
	March 31, 2015	March 31, 2014
<b>Cash and Cash Equivalents:</b>		
<b>Cash on Hand</b>	62	46
<b>Cheques on Hand</b>	68,234	-
<b>Balances with Banks</b>		
In Current Account with HDFC Bank Limited	-	136,898
<b>Total</b>	<b>68,296</b>	<b>136,944</b>

As  


**Arvind Brands & Retail Limited**

**14 Other Income**

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Interest Income	557,113	1,200,825
Share of Profit from Partnership Firm- 637 Developers	1,603,074	5,519,965
<b>Total</b>	<b>2,160,187</b>	<b>6,720,790</b>

**15 Finance Cost**

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Interest		
Others	41,614	-
<b>Total</b>	<b>41,614</b>	<b>-</b>

**16 Depreciation Expense**

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Depreciation on Tangible assets	-	5,391
<b>Total</b>	<b>-</b>	<b>5,391</b>

**17 Other Expenses**

	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
Professional Fees	21,368	7,750
Printing and Stationary	1,771	7,000
Filing Fees	14,724	104,090
Share issue Expenses	2,518,800	650,000
Auditor's Remuneration - As Auditors	16,854	16,854
Bank Charges	2,596	68,709
NSDL Fees	33,708	-
<b>Total</b>	<b>2,609,821</b>	<b>854,403</b>

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**Arvind Brands & Retail Limited**

**18 Related Party Disclosures :**

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

**a List of Related Parties & Relationship :**

Arvind Limited	Holding Company
Arvind Lifestyle Brands limited (ALBL)	Subsidiary Company
Arvind Internet Limited	Subsidiary Company
Premium Garments Wholesale Trading Private Limited	Joint Venture Company
Tommy Hilfiger Arvind Fashion Private Limited	Joint Venture Company
637 Developers	Associate Firm
Arvind Infrastructure Limited	Fellow Subsidiary Company

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

**b Related Party Transactions :**

Nature of Transactions	Amount in Rs.	
	Year ended	
	March 31, 2015	March 31, 2014
<b>Purchase of shares of Subsidiary/Joint Venture Company</b>		
Arvind Internet Limited	334,800,000	-
Tommy Hilfiger Arvind Fashion Private Limited	378,240,687	-
<b>Investment in Equity Shares</b>		
Arvind Lifestyle Brands limited	1,006,131,290	300,000,000
Premium Garments Wholsales Private Limited	-	808,149,560
<b>Share Application Money Given</b>		
Premium Garments Wholesale Trading Private Limited	98,000,100	-
Arvind Internet Limited	16,000,000	-
<b>Issue of Equity Shares (Including premium)</b>		
Arvind Limited	2,518,800,000	650,000,000
<b>Share Application Money Received</b>		
Arvind Limited	114,000,100	803,500,000
<b>Interest Income</b>		
Arvind Infrastructure Limited	-	395,890
<b>Addition to Capital</b>		
637 Developers	1,603,074	-
<b>Share in Profit/(Loss)</b>		
637 Developers	1,603,074	5,519,965
<b>Loan Recovered</b>		
Arvind Infrastructure Limited	-	11,423,924
<b>Outstanding :</b>		
<b>Payable in respect of Current account</b>		
Arvind Limited	-	6,174
Arvind Lifestyle Brands limited	1,752,964	1,752,964

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Arvind Brands & Retail Limited

c Transactions and Balances :

Particulars	Amount in Rs.							
	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Joint Venture Company/ Associates	
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015	Year ended March 31, 2014
<b>Transactions:</b>								
Purchase of shares of Subsidiary Company	-	-	334,800,000	-	-	-	378,240,687	-
Investment in Equity Shares	-	-	1,006,131,290	300,000,000	-	-	-	806,396,596
Share Application Money Given			16,000,000				98,000,100	
Issue of Equity Shares (Including premium)	2,518,800,000	650,000,000	-	-	-	-	-	-
Share Application Money Received	114,000,100	803,500,000	-	-	-	-	-	-
Interest Income	-	-	-	-	-	395,890	-	-
Addition to Capital	-	-	-	-	-	-	1,603,074	-
Share in Profit/(Loss)	-	-	-	-	-	-	1,603,074	-
Loan Recovered	-	-	-	-	-	11,423,924	-	-
<b>Outstanding:</b>								
Payable in respect of Current account	-	6,174	1,752,964	1,752,964	-	-	-	-

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**19 Earning Per Share (EPS) :**

		Year ended	
		March 31, 2015	March 31, 2014
Profit for the year available to equity shareholders	Rs.	(627,137)	5,589,287
Weighted average no. of Equity Shares	Nos.	55,387,493	52,913,715
Nominal value of Equity Shares	Rs.	2.00	2.00
Basic/Diluted Earning Per Share	Rs.	(0.01)	0.11

**a Weighted average number of Equity Shares**

		Year ended	
		March 31, 2015	March 31, 2014
Opening No. of Shares for Basic EPS		53,550,000	52,250,000
Weighted average number of shares issued during the year		1,837,493	663,715
Weighted average number of shares considered for calculating EPS		55,387,493	52,913,715

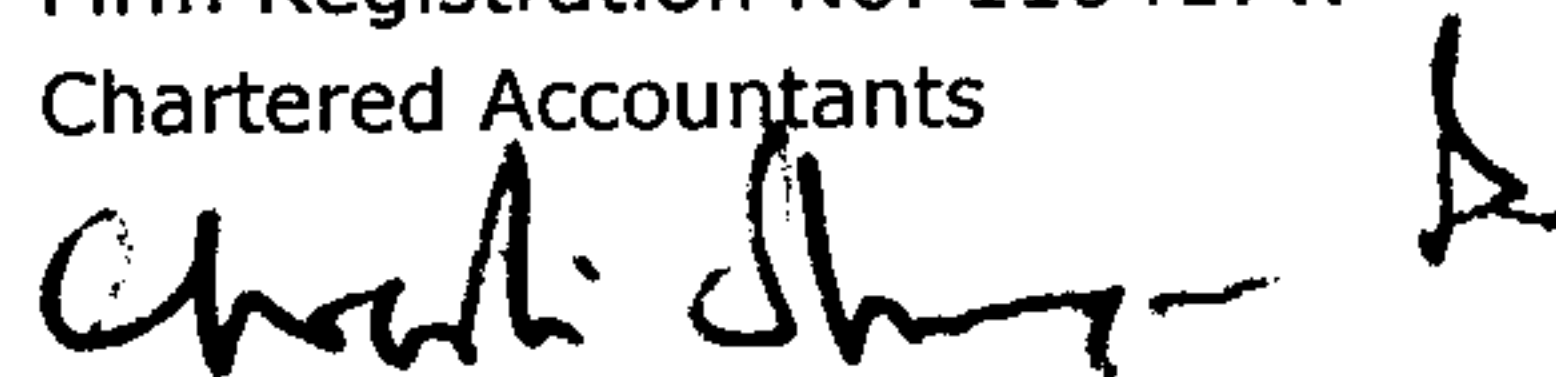
**20 Employee Share Based Payment :**

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

Scheme	ESOP 2011
Total Number of Option Granted	1,754,071
Exercise Price	Rs.54/-
Vesting Conditions	Based on passage of time and continued employment with the company.  Options would also be subject to performance of the Company/ Individual/ both as mentioned in the letter of grant.
Vesting Period	Options may vest not earlier than one year from the date of grant and not later than five years from the date of grant.
Exercise Period	All the vested options can be exercised not earlier than three years from the date of vesting of options or date of listing of company's equity shares whichever is earlier.

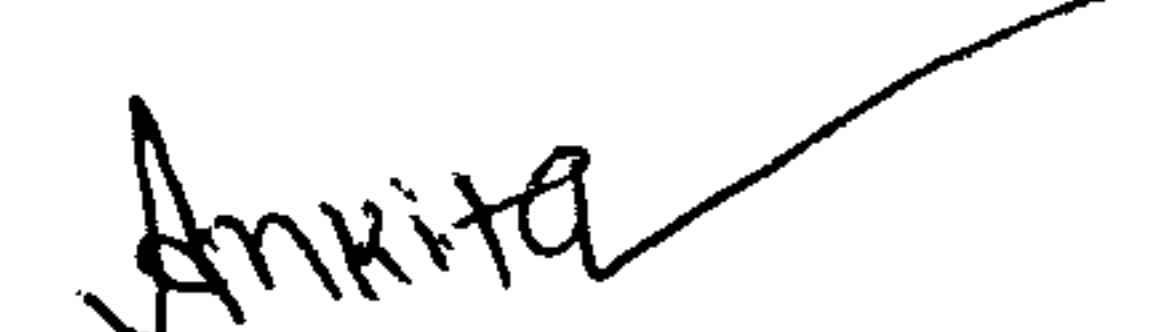
- 21** In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.
- 22** Previous year figures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

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

  
**CA. Chokshi Shreyas B.**  
Partner  
Membership No.100892  
Ahmedabad  
May 06, 2015

  
Managing Director

  
Director

  
Company Secretary