

86th  
Annual Report  
2016 - 17



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## 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 (With effect from 11th May, 2017)
Mr. Kulin S. Lalbhai	- Member (With effect from 11th May, 2017)

## Company Secretary

Mr. R.V. Bhimani

## Auditors

Sorab S. Engineer & Co.  
Chartered Accountants  
902, Raheja Centre, Free Press Journal Marg,  
Nariman Point, Mumbai - 400 021.

## Bankers

State Bank of India  
Bank of Baroda  
State Bank of Patiala  
HDFC Bank Ltd.  
Standard Chartered Bank  
ICICI Bank Ltd.  
YES Bank Ltd.  
Axis Bank Ltd.  
IDBI Bank Ltd.

## Registered Office

Naroda Road, Ahmedabad-380025, Gujarat, India.  
Website : [www.arvind.com](http://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 & Fax No. 079-26465179/86/87  
E-mail : [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)



## Message from Chairman

Dear Shareholders,

2016-17 has been a very interesting year. Trump and Brexit grabbed political headlines – in extreme interpretation even prompting questions about end of western liberalism, and clearly a mandate against globalization. Closer home, demonetization came as an unexpected shock to an economy preparing for arrival of the biggest tax reform since independence. On the other hand, technology and innovation continued their march and broke new grounds in diverse fields including Machine Learning, Artificial Intelligence, Nanotech, Autonomous Vehicles and Additive Manufacturing.

Global apparel industry grew 3.6% in FY16 on the back of strong growth in Asia-Pacific. Trends in the apparel industry are changing rapidly with new-age apparel gaining ground. Modern apparel is coming packed with features and functionalities never seen before – smart connectivity, ultra-light weight, active temperature management, multi-dimensional super-stretch are the areas where manufacturers are pushing new bar. There is a clear trend in shift towards sports and sports inspired clothing – which in turn requires specialty yarns such as performance polyester, polyamides and spandex. In general, I see cotton losing its predominance as the default fibre for making fabrics and apparel. While it still accounts for majority share in India, the global trends already reflect shift towards man-made fibres. On an overall basis, these man-made fibres end up being more cost effective and environment friendly. One more reality is the global success of European fast fashion majors which is clearly impact the supply chain for many of the global brands.

At the retail end, the transformation is even more pronounced. Online shopping accounts for over 20% of the US apparel sales. Retailers and brands especially in the developed markets have been pushing for extreme personalization and a seamless online-offline experience. Apparel retail in India is also slowly moving online with ~9% of the apparel sales being done on internet. Unlike some of the other major markets, apparel and fashion is the leading category driving the adoption of ecommerce in India and currently contributes almost 30% to the total e-commerce in India.

We at Arvind have always believed in being at the leading edge of transformations impacting our businesses. Innovation always excites us and we continue to experiment with new products, technologies and business models. For instance, our expanded apparel manufacturing facilities and the new plants in Ethiopia are designed to plug seamlessly into the global supply-chains of our customers, at least total cost and best supply times. The patented Neo process creates water-less dyed Indigo products which have significantly reduced environmental impact. During the year, we launched Azurite, which is our patented technology of premium saturated indigo fabrics.

Our brands and retail business is one of the most proactive adopters of omni-channel commerce, which enables our customers to create seamless offline-online shopping journeys. This proprietary platform has already been rolled out to more than 600 of our stores, and we will be connecting many more stores in the current year.

In terms of business, the US consumer market continued to remain steady with soaring housing prices and low interest rates. EU has been grappling with multiple years of slowdown. The Chinese economy also has clearly cooled down. Apparel exports from India remained flat, although overall textiles exports from India fell during the year primarily on account lower yarn and fabric exports. Despite the impact of demonetization in parts of Q3 and Q4, the domestic market grew by about 10% during the year. In this context, our key global accounts continued to remain strong provided helped our textiles business grow by a healthy 10%. The brands and retail business delivered a market leading growth of 26%.

Two key factors have been impacting the financial performance for all industry players including Arvind. Firstly, the cotton prices have unusually continued to stay high. This price movement is not driven by global demand and supply situation, but purely as a result of speculators holding on to their positions. Secondly, the continuing strength of the Indian currency impacts all exports adversely. Both these factors have had and will continue to have a significant bearing on our financial performance as well.

Implementation of GST will bring few fundamental shifts in the textile and apparel retail market. While estimates vary, we can safely assume at least 75% of the Indian apparel market today is unorganised. Once the initial hiccups related to GST implementation are resolved, I expect the apparel retail industry to shift towards organised sector, which augurs very well for players such as Arvind. Our value retail format "Unlimited" has been doing extremely well for last few quarters, and I expect an even better traction in the post-GST era.

Sustainability is central to our policies and practices – our Fundamentally Right philosophy guides our choices with regard to both environmental and social sustainability. Our innovative methods for conserving natural resources in our facilities got us multiple awards. We were also chosen as supplier of Zero Liquid Discharge system by the Ethiopian government for their largest apparel manufacturing park at Hawassa. As a responsible corporate citizen, our foundation runs the Gyanda program that provides a highly effective remedial education program for 1200+ children from less privileged backgrounds. We also run four health-clinics in collaboration with Swasth that provide comprehensive healthcare services including consultation, diagnostics and pharmacy – all for a small fee.

Change and adaptability is the key to success in the ever evolving textile and apparel market globally. I am confident that if we are able to adapt to the changing market, the future will be extremely rewarding for all our stakeholders. I take this opportunity to thank all our partners and stakeholders for their continued support and I look forward to an exciting journey ahead, together.

## Purpose

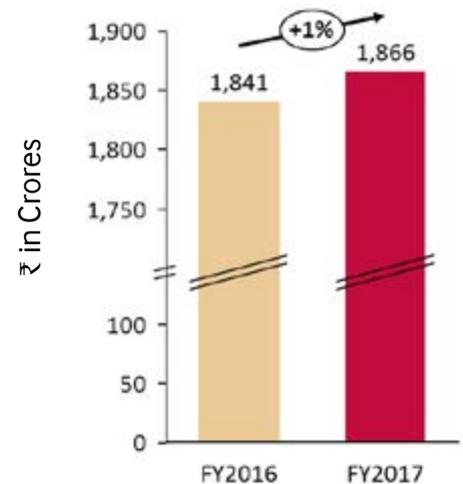
'To create impact by fashioning possibilities'

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

Company is headquartered in Ahmedabad, Gujarat and ranks amongst the top suppliers of fabric worldwide. With an annual production capacity of more than 100 mn meters in denim and 132 mn meters in woven fabric, your Company supplies fabric to many leading brands, both in India and across the world. The company, through its subsidiary Arvind Fashions Ltd has built a strong portfolio of brands that straddles consumer segments across income pyramid. We are also the garment maker of choice to many leading brands across the globe with manufacturing capacity of more than 25 mn pieces annually.

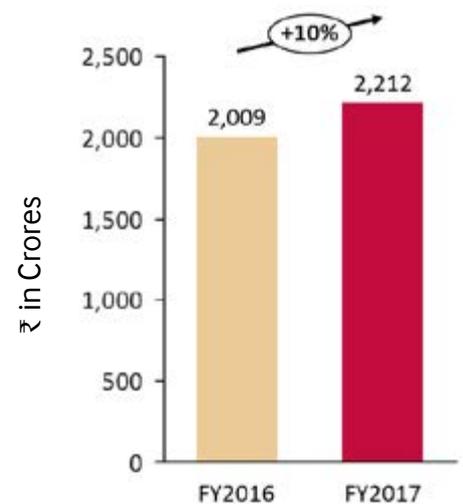
## Denim

- Company is one of the largest manufacturer of denim globally with annual capacity of more than 100 mn meters.
- In an industry plagued by over-capacity, Arvind is one of the few players with high capacity utilisation.
- Company's strong expertise in every step of denim fabric manufacturing value chain (including spinning, dyeing, weaving, finishing) and its high-end design capabilities has allowed it to maintain high utilisation rate and continuously improve profitability.



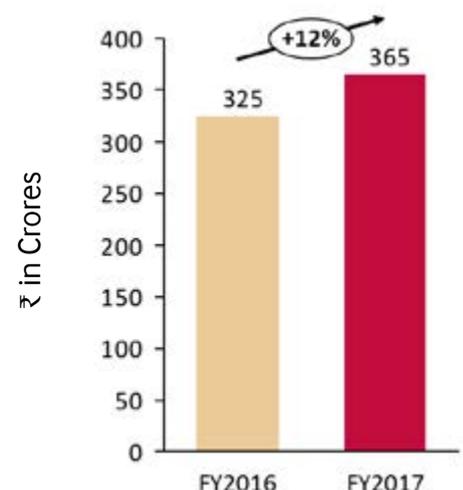
## Woven

- Company has an annual production capacity of 132 mn meters and is one of the leading players in the country.
- Over the years, Company's in-house R&D department has successfully developed and perfected a number of finishes adding value to its products and uniqueness to its range.
- In addition, company has a dedicated in-house design team constantly working on product innovation and fashion forecasts for the domestic and international markets, leading to strong connect with its customers.



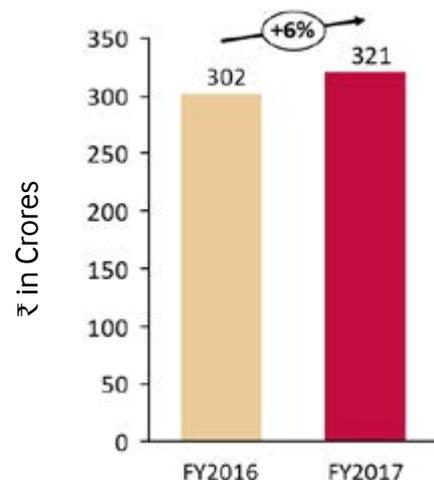
## Voiles

- Arvind is market leader in voiles with annual capacity of 40m meters and supplies its super fine fabric to both domestic and international markets.
- Company produces a range of Long Cloths, Dress Material, Blouse Material using materials like cotton, polyester viscose blend, polyester cotton blend etc.



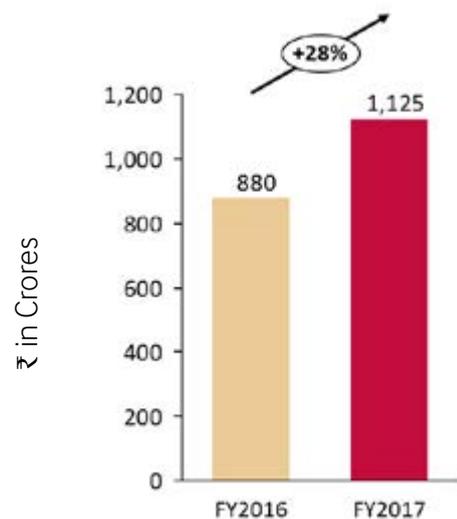
## Knits

- Your Company has an annual capacity of 9,400 tons and continues to grow rapidly.
- We manufacture both basic knits including jersey, pique, rib & interlock and specialty knits including yarn-dyed, auto strippers, jacquards & stretch.



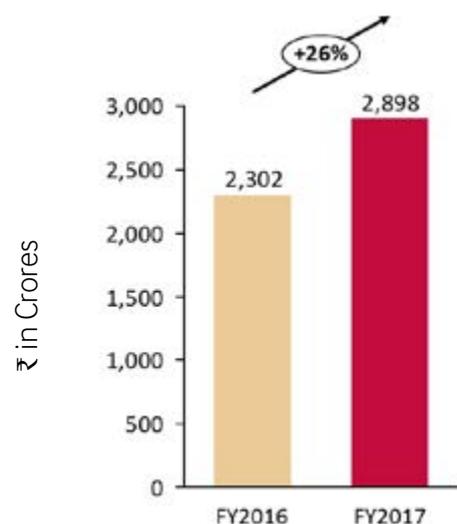
## Garment

- With an increasing production capacity, Arvind is fast becoming a key supplier of garments to leading brands across the globe.
- Your Company is a one-stop shop for apparel solutions catering to an array of national and international clients.
- Our specialised capabilities include automation in various processes and skilled artisans for hand processes.
- With Ethiopia operations starting, our capacity will significantly go up and allow us to continue the growth momentum of previous few years.



## 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.
- Company's brands are present across multiple channels, price points and consumer segments.
- With more than 1,000 standalone stores, and a large third party distribution network, Arvind's brands are present across the country.



## Advanced Material Division

Advanced Material Division (AMD) is one of the youngest and fastest growing divisions of Arvind Ltd. We manufacture a range of advanced materials including coated fabrics, protective wear, composites, etc, which are used in variety of industrial applications.



## Sustainability @ Arvind

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Arvind is an organisation with a rich legacy of responsible stewardship. While, it is built on a strong foundation of time tested values, it continues to remain modern in both outlook and decisions. It is this synergy of age-old wisdom, modern management practices and new-age technology that has steered Arvind successfully through its sustainability journey and helped it deliver on its vision of 'Fashioning Possibilities'.

Keeping pace with the accelerated need for sustainability across the globe, we took large and rapid strides to make our operations more sustainable. Last year we unveiled our sustainability philosophy 'Fundamentally Right', this year to turn intent into wide-scale action, we are releasing our sustainability manifesto. The objective is to enable our 30,000+ employees, to translate the 'Fundamentally Right' philosophy into practise in their day-to-day decisions across all six key inputs - Cotton, People, Money, Energy, Water and Chemicals.

Cotton is the most commonly grown non-food plant in the world, accounts for two and a half per cent of arable land, and provides income for more than 250 million people worldwide. Add to it, the water intensive nature of the crop, large-scale use of fertilizers and pesticides, genetic modification, plus certification concerns and we have a complex environmental and social challenge. To gain deeper insights into the efficacy of various cultivation methods, during the reporting period, we undertook a detailed lifecycle analysis of BCI, Organic & Conventional Cotton and charted new five-year roadmaps.

There exists a tight fit between Arvind's mission of 'Fashioning Possibilities' and the overarching purpose of the Sustainable Development Goals. Energy is one parameter that is crucial for achieving almost all of the Sustainable Development Goals – from eradication of poverty through advancements in health, education, water supply and industrialisation,

to combating climate change. We continued to invest in processes, practices and technology to enhance our energy efficiency. The goal is to follow a globally benchmarked approach to achieve continual improvement of energy performance, including energy efficiency, energy use and consumption.

The world is changing, stakeholder demands are changing even more rapidly. The only way to keep delivering, is to ensure that our key assets - our people, are equipped with new skills and methodologies. Thus, training was given added impetus during the reporting period and we introduced a range of programmes across hierarchies. Through a combination of intensive training and implementation of safety best practices, we recorded a 56% reduction in injuries.

Fundamentally Right is Arvind's bespoke approach to sustainability which focusses on input management rather than tailpipe intercessions. It systematically embeds sustainability across our six key inputs thereby ensuring that we produce more value while consuming less resource.

Our policies, practices and processes are geared not only to optimise utilisation of these resources, but also nurture their source and thereby ensure that they remain in abundant supply. Our focus is on managing, enriching and getting these inputs fundamentally right and thereby making our business sustainably sound.



# Employees



To say that, good talent is a necessary condition for success across each of the triple bottom-lines, is like repeating a well-known truth. The key lies in how well one executes what is universally known to be fundamentally right. This collaborative approach ensures a tighter fit among talent, job profile, expectations and delivery. Integral to this purpose led employment is a culture that respects individual needs and ambitions, fosters a high standard of living and encourages work-life balance.

We are committed to the growth, development and well-being of our 31,000+ workforce. Towards these goals, we design and implement comprehensive employee engagement and development programmes, foster a conducive work environment, and consistently provide opportunities for professional and personal development.

## Safety

We continuously invest in the safety and health of our FLMs as we believe that people are our biggest assets and their well-being is first on our priority list.

Safety Performance	FY 13-14	FY 14-15	FY 15-16
Injuries	861	702	429
Man-days Lost	16,100	13,327	8,010
Frequency Rate	9.06	6.72	4.09
Severity Rate	169.52	127.72	76.46



# Cotton

Cotton was cultivated in the cradles of the civilisation. And today, despite a number of natural and artificial fibres, cotton still continues to remain in vogue. Being one of the largest producers of textiles and garments in India, cotton continues to remain a key input material for us - something that is essential for us to be fundamentally right. With the demand for garments growing, sustained supply of this vital ingredient, in sufficient volumes and at competitive rates, is material to us.

## Sustainable Cotton Sourcing

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 to ensure that cotton farmers, the communities and mother Earth reap the benefits of our fabrics.

Area Under Cultivation (in Acre)	FY 13-14	FY 14-15	FY 15-16
BCI	12,069	14,750	11,119
Organic Cotton	15,899	17,197	13,507
Other Crops	45,616	35,489	62,808
Total	73,584	67,436	87,434

# Energy



Ecological imbalance, sluggish pace of progress, increasing energy costs, and spiralling health issues - the implications of use, overuse, and abuse of energy are not just hindering the environment but also the business and the society. Over the years, we have been successful in improving our energy productivity by investing in energy efficient processes and practices. The aim is to entrench a 'continuous conservation culture'. 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 which is overseen by the CEO.

## Conservation

When it comes to energy conservation, every watt counts. Our teams, across units, remain on a vigil to continuously improve the processes and ferret out alternatives in order to use less energy per unit of produce. Our conservation efforts span both thermal and electrical energy. Over and above enthusing our employees to continuously conserve, we also enhance the energy conservation awareness of our vendors through trainings, workshops and seminars. This empowers us to conserve beyond our sphere of operations and thereby contribute to the climate narrative on a larger scale.

### SANTEJ UNIT

Replacement of 8,796 nos. 36-watt TFL with 18-watt LED lamps	3 mn kWh/Annum
Installation of two energy-efficient compressors in the loom shed	8.1 mn kWh/Annum

### NARODA UNIT

Introduced self-driven, energy-efficient turbo ventilation exhaust fans	1,080 mn kWh/Day
Installed transparent roof sheet at the Denim Plant	68,086 mn kWh/Year

### BENGALURU UNIT

Replacing Fluorescent tube lights and metal halide lamps with LED dome light	171 kWh/Day
Migration from electrical energy to steam energy in 3D IR crinkling	285 kWh/Day



# Water

Water is an important resource in textile production. The textile Industry ranks among the top ten water consuming industries, and natural fibre processing has a larger water footprint than artificial fibres. WE UNDERSTAND THAT WATER IS NOT SOMETHING THAT CAN BE COMPLETELY SUBSTITUTED IN THE MANUFACTURING PROCESS IN THE FORESEEABLE FUTURE, BUT IT CAN BE CONSUMED MORE JUDICIOUSLY AND RESPONSIBLY.

### To optimise our water footprint, we have adopted

- 1 Efficient treatment & recycling mechanisms
- 2 Well-thought-out conservation projects
- 3 Smarter monitoring
- 4 Identification and plugging of leaks in pipes as well as processes

Over the years due to persistent efforts and newer initiatives, we have achieved a consistent rise in the recycling and reuse of wastewater in various processes across our plants.

### Total Water Treated & Reused in Process in '000 m3

Units	FY 13-14	FY 14-15	FY 15-16
Woven & Knits (Santej)	4,654	5,036	5,550
GED (Bengaluru)	63	114	99
Ankur Textiles	54	55	33
Total	4,771	5,205	5,682

## SUSTAINABLE PRODUCT PORTFOLIO

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Arvind has a rich history of responding with products that cater to the need of the hour. With an urgent global need to combat environmental impacts and the rising demand for green fabrics, Arvind has developed a wide and diverse sustainable product portfolio.

### Neo-Denim

Neo Denim is produced using sustainable Neo-dyeing technology which is a closed-loop dye inject technology in Nitrogen environment. Sustainable characteristics of Neo Denim include elimination of dye drainage, reduction of dye consumption and reduction in water consumption.

### Corduroy Denim

The fabric is specially treated using the new Foam Indigo Dyeing technology which saves energy by more than 50% and brings down chemical consumption by 10 to 40%.

### Scafé Denim

Made from recycled coffee grounds

### Linen Denim

One of the few fabrics that remain strong even when wet



## Recycled Polyester

We produce recycled polyester from discarded PET bottles which would otherwise choke up landfills. It is estimated that recycling 1 ton of PET saves an equivalent of about 4.7 barrels of oil. Producing recycled polyester also consumes 86% less water compared to virgin polyester.

## Excel Denim

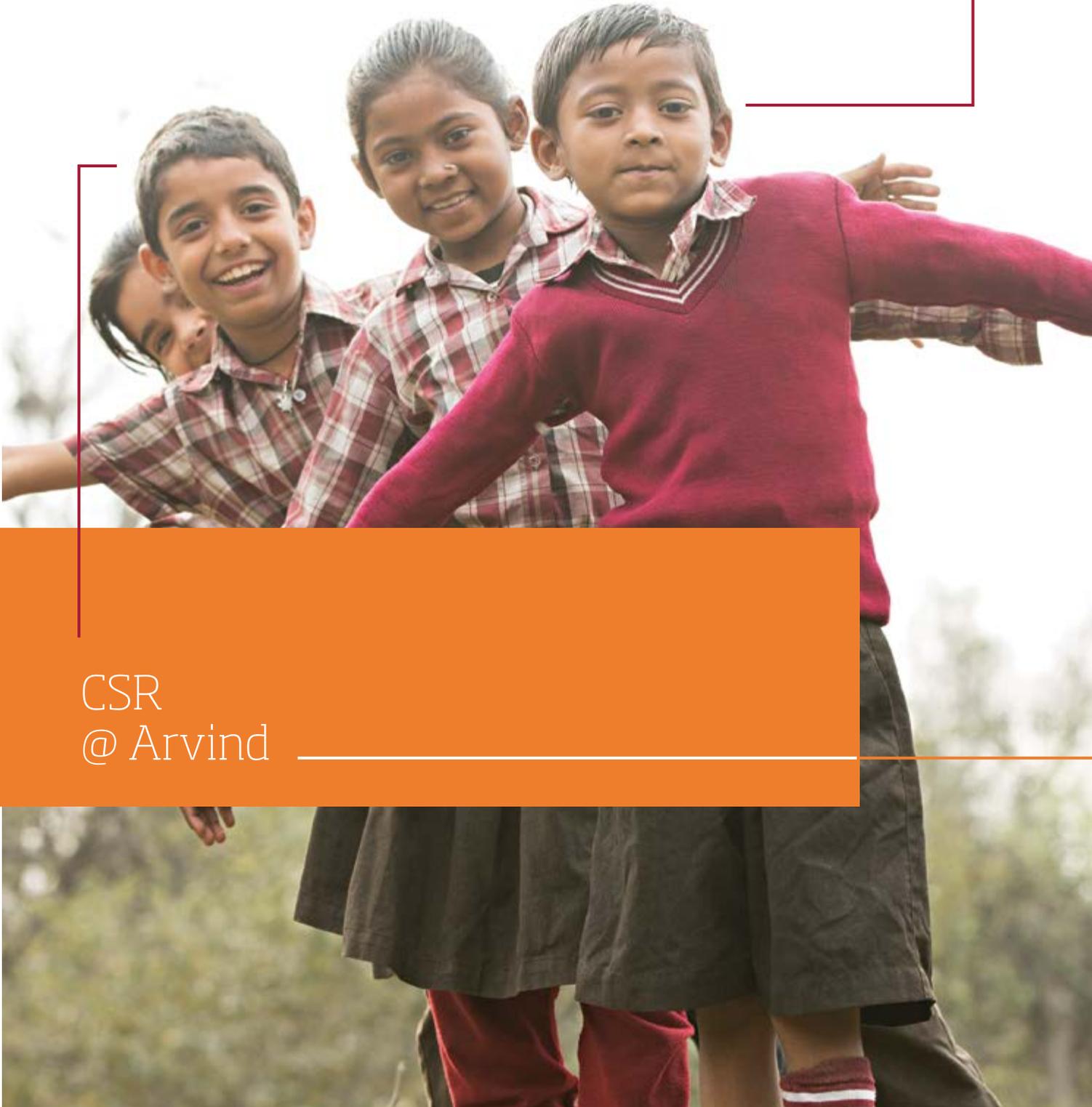
Made from choicest selection of wood pulp, a natural and renewable resource

## Khadi Denim

Khadi Denim is hand spun, hand hank dyed in natural indigo and woven on a handloom. It sports all the properties of natural denim like comfort, softness, and ageing. It also has antiinflammatory, anti-fungal & anti-bacterial properties.

## Advanced Denim

Manufactured using a ground-breaking technology that reduces water and energy consumption by up to 92% and 30% respectively



CSR  
@ Arvind

Arvind Ltd. believes in inclusive development of the community where we operate and the society at large. Our development programs endeavour to create a positive impact on the community by empowering people with knowledge and skills and providing institutional support for growth and development. We have created a synergistic alignment between our social and economic goals while working with the underserved community.

Our initiatives in the realm of social development are undertaken by Strategic Help Alliance for Relief to Distressed Areas (SHARDA)

Trust and Narottam Lalbhai Rural Development Fund (NLRDF). Both these organizations have been working on programs of social renewal with urban and rural poor respectively. In addition to this, we set up The Arvind Foundation in the year 2015-16 as a Section 8 company to act as an umbrella organization to strengthen and expand the present initiatives.

We also partner with likeminded individuals, organisations, Government, Corporate, Academic Institutions, Research, Development and Training bodies and NGOs which bring specific expertise.



# Initiatives undertaken by SHARDA Trust

Gyanda

Primary Health Centres – Powered By Arvind

Rural Development Initiatives undertaken by NLRDF

# 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, while focusing on improving their academic performance and overall personality development, leading them to become last generation in poverty. The Gyanda approach works on a multipronged strategy - providing academic support in form of tutoring and mentoring, financial support in the form of sponsorships for continuing education, mentoring support for overall personality development and parent support in each and every stage of their education to have a dream about their children.

At present there are around 1200 students in our system and we plan to expand the program rapidly.



## Primary Health Centres



Considering the lack of facilities for credible, affordable and quality primary healthcare in Ahmedabad, Arvind Limited established Arvind Medical Centres in Association with Swasth India Foundation. These Primary Health Centres provide quality healthcare to people that include -Doctor (consultation), Diagnosis (Pathological Tests), Drug (Strip Packed Quality Medicines), Dental Care and Day Time Care when required.

3 centres have been set up during the financial year - 2 in Ahmedabad and 1 in Khatraj (Taluka -Kalol, District-Gandhinagar). All the 3 centres are operational and are providing quality care to people.



## Rural Development Initiatives

NLRDF focuses its efforts to make the rural community self reliant, prosperous and growth oriented. We are currently working in 3 districts of Gujarat reaching out to a population of around 35,000 people. NLRDF believes in creating synergies and hence we actively work towards linking government programmes with the rural poor to increase the efficiency and effectiveness of the delivery process.

Through NLRDF, the company has undertaken initiatives of women and child development (focusing on improving maternal and infant nutrition), HIV / AIDS awareness, promoting organic farming, skill development program for women and youth, community health, better sanitation practices, micro enterprise development and many more.





## Notice

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Friday, the 4<sup>th</sup> August, 2017 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, 2017 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. Jayesh Shah (holding DIN 00008349), who retires by rotation in terms of Article 168 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint the Statutory Auditors and to fix their remuneration and 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 Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, M/s Deloitte Haskins & Sells LLP (ICAI Firm Registration Number: 117366W/W-100018), Chartered Accountants, 19th Floor, "Shapath V", S. G. Highway, Ahmedabad - 380 015, be and are hereby appointed as the Statutory Auditors of the Company (in place of M/s. Sorab S. Engineers & Co., Chartered Accountants, the retiring Auditors) for a term of five years commencing from the Company's financial year 2017-18 to hold office from the conclusion of the 86th Annual General Meeting of the Company till the conclusion of the 91st Annual General Meeting to be held in 2022 (subject to ratification of their appointment by the Members at every intervening Annual General Meeting held after this Annual General Meeting) on such remuneration plus service tax, out-of-pocket expenses etc. as may be mutually agreed upon by the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be considered necessary, proper or expedient to give effect to this Resolution.

### SPECIAL BUSINESS

5. 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(3) and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad having Firm Registration No. 000025, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained

by the company in respect of Textiles, Electronics and Pultruded Products for the financial year ending March 31, 2018, amounting to ₹ 3.75 lakhs (Rupees Three lakhs seventy five thousand only) as also the payment of service tax as applicable and re-imbusement of out of pocket expenses incurred by them in connection with the aforesaid audit, be and is hereby ratified and confirmed.

6. 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 Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and also subject to the approval of the Central Government, if required, the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Punit Lalbhai (holding DIN 05125502) as Executive Director of the Company for a period of five years from 1st August, 2017 to 31st July, 2022 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the Chairman for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Punit Lalbhai.

7. 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 Sections 196, 197, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and also subject to the approval of the Central Government, if required, the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Kulin Lalbhai (holding DIN 05206878) as Executive Director of the Company for a period of five years from 1st August, 2017 to 31st July, 2022 on the terms and conditions of appointment and remuneration as set out in the draft agreement of the reappointment submitted to the meeting and initialed by the Chairman for identification and that he be paid remuneration by way of salary, perquisites, allowances and commission as approved by the Board of Directors of the Company and the Nomination and Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination and Remuneration Committee be and are hereby severally authorized to alter and vary such terms of reappointment and remuneration so as to not exceed the limits specified in Schedule

V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Kulin Lalbhai.

8. 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.

Registered Office:  
Naroda Road  
Ahmedabad-380025

Date: May 11, 2017

By Order of the Board

**R. V. Bhimani**  
Company Secretary

## NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person for shareholder.
2. Proxies, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than 48 hours before the meeting. 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.
3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
4. Members are requested to bring their copy of the Annual Report to the meeting. The Members/Proxies should bring the Attendance Slip sent herewith duly filled in for attending the meeting.
5. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the Annual General Meeting.
6. The members, holding shares in physical form, are requested to intimate any change in their address or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Link Intime India Pvt. Ltd, Unit : Arvind 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. Those holding shares in dematerialized form may intimate any change in their address or bank details / mandates to their Depository Participants (DP) immediately. Members holding shares in dematerialized form may note that bank details registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request directly received from any member holding shares in dematerialized form for any change in such details. Such changes are to be advised only to the DP of the members.
7. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 29<sup>th</sup> July, 2017 to Friday, the 4<sup>th</sup> August, 2017 (both days inclusive).
8. The dividend on equity shares for the year ended 31st March, 2017, 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 4<sup>th</sup> August, 2017 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 28<sup>th</sup> July, 2017.
9. 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 2015-16 will be transferred to this fund on 3rd November, 2019, 3rd September, 2020, 4th September, 2021, 11th September, 2022 and 10<sup>th</sup> September, 2023 respectively. Those members who have so far not encashed their dividend warrants for the said financial years are requested to approach the Company or 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 for such dividend.
10. Documents referred to in the Notice and the Explanatory Statement attached hereto are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day upto and including the date of the Annual General Meeting of the Company.
11. The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2017 are uploaded on the Company's website [www.arvind.com](http://www.arvind.com) and may be accessed by the members.
12. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, form integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
13. Electronic copy of the Annual Report for the year 2016-17 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Annual Report for the year 2016-17 is being sent in the permitted mode.
14. Electronic copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copy of the Notice of the Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
15. The route map showing directions to reach the venue of the Eighty Sixth 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 2016-17 to enable them to cast their votes through e-voting.

Registered Office:  
Naroda Road  
Ahmedabad-380025

By Order of the Board

**R. V. Bhimani**  
Company Secretary

Date: May 11, 2017

**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No.5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as Cost Auditors to conduct the audit of the cost records maintained by the Company in respect of Textiles, Electronics and Pultruded Products for the financial year ending March 31, 2018 at a remuneration of ₹3.75 lakhs plus service tax 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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

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

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested in the above resolution.

**Item No. 6 & 7**

Resolutions under Item No. 6 & 7 of the Notice relate to the reappointments of Mr. Punit Lalbhai (holding DIN 05125502) and Mr. Kulin Lalbhai (holding DIN 05206878) as Executive Directors of the Company for a further period of five years from 1st August, 2017 to 31st July, 2022 and approval of their remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 11th May, 2017, had recommended the reappointments of Mr. Punit Lalbhai and Mr. Kulin Lalbhai as Executive Directors of the Company and terms of remuneration payable to them for a further period of five years from 1st August, 2017 to 31st July, 2022. The Board of Directors, at its meeting held on 11th May, 2017, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that they are fit and proper persons to hold the said offices and their reappointments will be in the interest of the Company.

The material terms of remuneration of Mr. Punit Lalbhai effective from 1st August, 2017 to 31st July, 2022 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 11th May, 2017 are as under:

**Remuneration:****(a) Basic Salary :**

₹ 3,45,000 (Rupees three lakhs forty five thousand only) per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, but subject to maximum salary of ₹10,00,000 (Rupees ten lakhs only) per month.

**(b) Perquisites and Allowances:**

In addition to salary, the following perquisites / allowances shall be allowed to the Executive Director:

**CATEGORY – A****(i) Housing:**

The Company shall provide furnished accommodation to the

Executive Director. If the Executive Director is having his own accommodation, the Company shall pay house rent allowance at the rate of 40 % of the Basic Salary.

The Company shall provide equipment and appliances, furniture, fixtures and furnishing at the residence of the Executive Director at the entire cost of the Company. The Company shall reimburse the expenses of maintenance, electricity, servants etc.

**(ii) Leave Travel Concession:**

The Company shall provide leave travel fare for the Executive Director and his family once in a year.

**(iii) Other Allowances:**

The Company shall pay other allowances as per the Company's policy.

**(iv) Personal Accident Insurance:**

The Company shall pay / reimburse Personal Accident Insurance Premium upto ₹ 25,000 for the Executive Director.

**(v) Club Fees:**

The Company shall reimburse annual fees for a maximum of 2 clubs.

The aggregate value of perquisites for (i) to (v) above for each year shall be computed as per the provisions of Income-tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under the Income-tax Act, the perquisites value of such benefit shall be taken at actual cost.

**(vi) Medical Reimbursement:**

Medical Expenses actually incurred for self and family shall be reimbursed by the Company.

**CATEGORY – B**

The Company shall contribute towards Provident Fund/ Superannuation Fund/ Annuity Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act.

**(i) The Company shall pay Gratuity as per rules of the Company.****(ii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.**

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

**CATEGORY – C****(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.****(ii) The Company shall provide telephone and other communication facilities at the residence of the Executive Director at the entire cost of the Company.****CATEGORY – D**

The Executive Director shall be entitled to Performance Linked Variable Pay/Special Allowance/ Role Award/ Bonus/Commission on profits etc. or in any other form as the Nomination and Remuneration Committee and

the Board of Directors may determine from time to time within the overall limit of 5% of net profit and the overall limits of remuneration prescribed under Section 197 and other applicable provisions of the Companies Act, 2013.

The material terms of remuneration of Mr. Kulin Lalbhai effective from 1st August, 2017 to 31st July, 2022 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 11th May, 2017 are as under:

## Remuneration:

### (a) Basic Salary :

₹ 3,45,000 (Rupees three lakhs forty five thousand only) per month with such increase as may be decided by the Board of Directors (which includes any Committee thereof) from time to time, but subject to maximum salary of ₹10,00,000 (Rupees ten lakhs only) per month.

### (b) Perquisites and Allowances:

In addition to salary, the following perquisites / allowances shall be allowed to the Executive Director:

## CATEGORY – A

### (i) Housing:

The Company shall provide furnished accommodation to the Executive Director. If the Executive Director is having his own accommodation, the Company shall pay house rent allowance at the rate of 40 % of the Basic Salary.

The Company shall provide equipment and appliances, furniture, fixtures and furnishing at the residence of the Executive Director at the entire cost of the Company. The Company shall reimburse the expenses of maintenance, electricity, servants etc.

### (ii) Leave Travel Concession:

The Company shall provide leave travel fare for the Executive Director and his family once in a year.

### (iii) Other Allowances:

The Company shall pay other allowances as per the Company's policy.

### (iv) Personal Accident Insurance:

The Company shall pay / reimburse Personal Accident Insurance Premium upto ₹ 25,000 for the Executive Director.

### (v) Club Fees:

The Company shall reimburse annual fees for a maximum of 2 clubs. The aggregate value of perquisites for (i) to (v) above for each year shall be computed as per the provisions of Income-tax Act, 1961. In case of benefits for which no specific rule of valuation is provided under the Income-tax Act, the perquisites value of such benefit shall be taken at actual cost.

### (vi) Medical Reimbursement:

Medical Expenses actually incurred for self and family shall be reimbursed by the Company.

## CATEGORY – B

The Company shall contribute towards Provident Fund/ Superannuation Fund/ Annuity Fund provided that such contributions either singly or put together shall not exceed the tax-free limit prescribed under the Income-tax Act.

(i) The Company shall pay Gratuity as per rules of the Company.

(ii) Leave on full pay and allowances, as per rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per rules of the Company.

The above shall not be included in the computation of ceiling on remuneration or perquisites aforesaid.

## CATEGORY – C

(i) The Company shall provide car(s) with driver at the entire cost of the Company for use on Company's business and the same will not be considered as perquisites.

(ii) The Company shall provide telephone and other communication facilities at the residence of the Executive Director at the entire cost of the Company.

## CATEGORY – D

The Executive Director shall be entitled to Performance Linked Variable Pay/Special Allowance/Role Award/Bonus/Commission on profits etc. or in any other form as the Nomination and Remuneration Committee and the Board of Directors may determine from time to time within the overall limit of 5% of net profit and the overall limits of remuneration prescribed under Section 197 and other applicable provisions of the Companies Act, 2013.

## Overall and Minimum Remuneration Limit:

The overall limit of remuneration payable to Directors including Managing Directors, Whole time Directors and Managers in a financial year is 11% of the net profit of the company computed in accordance with Section 198 of the Companies Act, 2013. The aforesaid remuneration is subject to the limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013.

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of tenure of the Executive Directors, the Company has no profits or its profits are inadequate, the Company will pay remuneration for a period not exceeding three years by way of salary, commission and perquisites as provided above or the maximum remuneration payable as per the limits set out in Section II of Part II of Schedule V of the Companies Act, 2013.

The above mentioned remuneration may be altered, amended, varied, enhanced or modified from time to time by the Board of Directors of Company or the Nomination and Remuneration Committee as it may, in its discretion, deem fit, within the maximum amount payable to Managing and Whole time Directors in accordance with the provisions of the Companies Act, 2013, including those of Schedule V or any amendments thereto made hereafter in this regard within the overall limits approved by the Company in General Meeting.

The resolutions at Item No. 6 & 7 are put before the members as Special Resolutions.

As required under Schedule V to the Companies Act, 2013, the relevant details for Item No. 6 & 7 to be sent along with the notice calling the general meeting are as under:

## I. General Information

1. Nature of industry: Textiles Industry.
2. Date or expected date of commencement of commercial production :  
The Company was incorporated on 1st June, 1931 and commenced commercial production thereafter.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
4. Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2017)

Particulars	₹ in crores
Revenue from Operations	5956
EBIDTA	722
Net Profit	271

5. Foreign investments or collaborators, if any: Not Applicable.

## II. Information about the appointee

1. Background details:

### Mr. Punit Lalbhai

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

Mr. Punit Lalbhai is an MBA from INSEAD (France) specialized in Strategy and General Management, along with Post-Graduate degree in Masters of Environmental Science from Yale University and a Bachelor's degree in Science (Conservation Biology) from University of California, USA. He has several awards and honors during his career including Research Grants, Presidential Fellowship Grants, J.M. Long Endowed Scholarship and inclusion in Dean's Lists for consistent Academic Excellence. He is passionate about nature conservation and sustainability.

### Mr. Kulin Lalbhai

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 businesses. 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 management consulting with McKinsey & Co's Mumbai office.

2. Past remuneration:

### Mr. Punit Lalbhai

Particulars	₹ in crores	
	FY. 16-17	FY. 15-16
Salary	1.48	1.29
Perquisites/allowances/ Contribution to Provident Fund & Superannuation Fund	0.12	0.11
Commission/Bonus	1.10	0.50
Total	2.70	1.90

### Mr. Kulin Lalbhai

Particulars	₹ in crores	
	FY. 16-17	FY. 15-16
Salary	1.48	1.29
Perquisites/allowances/ Contribution to Provident Fund & Superannuation Fund	0.12	0.11
Commission/Bonus	1.10	0.50
Total	2.70	1.90

3. Recognition or awards: ---
4. Job profile and their suitability:

### Mr. Punit Lalbhai

Mr. Punit Lalbhai has been appointed as the Executive Director of the Company. He will work on building new businesses for the company such as Advanced Materials, Engineering & Agribusiness. He will also be deeply involved in sustainability conservation.

### Mr. Kulin Lalbhai

Mr. Kulin Lalbhai has been appointed as the Executive Director of the Company. He will drive new initiatives in the consumer businesses of the group. He will also spearhead Arvind's foray into e-commerce space. He will also play an active role in the overall corporate strategy for the group with particular focus on B2C businesses.

In addition to the above business specific responsibilities, they will carry out such duties as may be entrusted to them by the Chairman and Managing Director but subject to supervision and control of Board of Directors, from time to time.

Taking into consideration their qualifications and expertise in the relevant fields, they are suited for the responsibilities assigned to them by the Board of Directors.

5. Remuneration proposed: Since the same have been already explained in detail hereinabove, the same are not repeated.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin):  
Considering the size of the Company, the profiles of Mr. Punit Lalbhai and Mr. Kulin Lalbhai, the responsibilities shouldered by them and the industry benchmarks, the remuneration proposed to be paid to them is commensurate with the remuneration packages paid to similar appointees in other companies.
7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, Mr. Punit Lalbhai and Mr. Kulin Lalbhai do not have any pecuniary relationship with the Company. Mr. Punit Lalbhai and Mr. Kulin Lalbhai are brothers and they are sons of Mr. Sanjay Lalbhai, Chairman and Managing Director of the Company.

## III. Other Information:

1. Reasons of loss or inadequate profits: N.A.
2. Steps taken or proposed to be taken for improvement: N.A.
3. Expected increase in productivity and profits in measurable terms: N.A.

The Board recommends the Special Resolutions set out at item no. 6 & 7 of the accompanying Notice for the approval of the Members.

The Drafts of Agreements to be entered into between the Company and Mr. Punit Lalbhai and Mr. Kulin Lalbhai for remuneration are available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day.

Since the resolutions at Item No. 6 & 7 relate to re-appointment and payment of remuneration to Mr. Punit Lalbhai and Mr. Kulin Lalbhai, they and Mr. Sanjay Lalbhai, Chairman and Managing Director of the Company,

being father of Mr. Punit Lalbhai and Mr. Kulin Lalbhai, are deemed to be concerned or interested in the said resolutions. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolutions set out at Item No. 6 & 7.

#### Item No. 8

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 non-convertible redeemable 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. 8 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. 8.

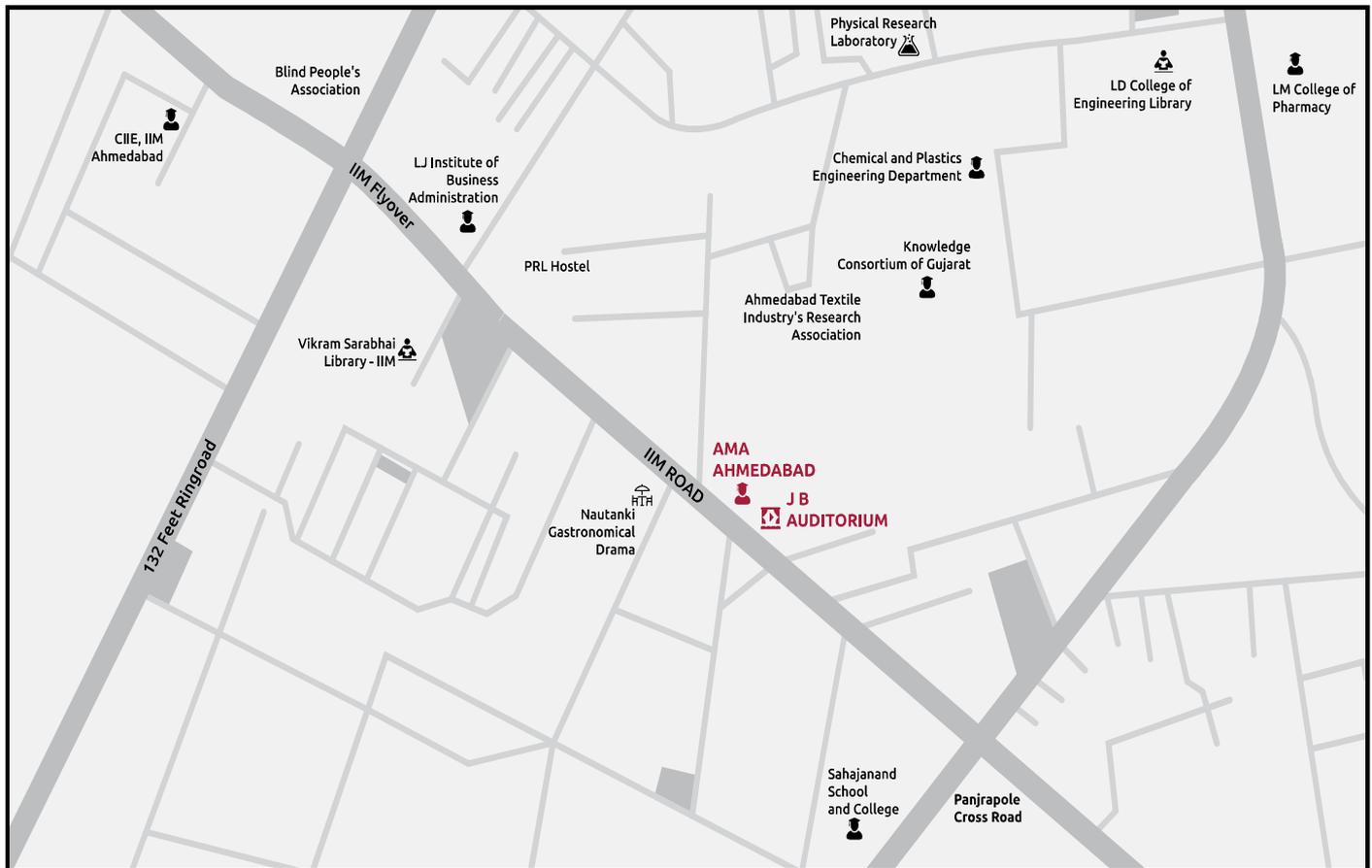
### ANNEXURE TO ITEM NO.3, 6 AND 7 OF THE NOTICE

#### Details of Directors seeking appointment and 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. Jayesh Shah	Mr. Punit Lalbhai	Mr. Kulin Lalbhai
Director Identification Number (DIN)	00008349	05125502	05206878
Date of Birth	25 <sup>th</sup> May, 1960	12 <sup>th</sup> March, 1982	13 <sup>th</sup> August, 1985
Nationality	Indian	Indian	Indian
Date Appointment on the Board	20 <sup>th</sup> November, 2002	26 <sup>th</sup> July, 2012	26 <sup>th</sup> July, 2012
Qualifications	<ul style="list-style-type: none"> <li>Commerce Graduate, Gujarat University</li> <li>Chartered Accountant, ICAI</li> </ul>	<ul style="list-style-type: none"> <li>B.Sc. (Conservative Biology), University of California, USA</li> <li>MES (Environmental Science), Yale University, USA</li> <li>MBA (Strategy &amp; General Management), INSEAD, France</li> </ul>	<ul style="list-style-type: none"> <li>B.Sc. (Electrical Engineering), Stanford University, USA</li> <li>MBA, Harvard Business School, USA</li> </ul>
Expertise in specific functional area	Wide experience in Finance, Accounts, MIS, Merger, Acquisition, Expansion, Diversification, Project funding, Euro-issue and Financial Restructuring.	Advanced Materials, Engineering and Agribusiness	Consumer Businesses, Corporate Strategy, B2C Business and E-Commerce Business.
Number of Shares held in the Company	Nil	3714 Shares	Nil
List of the Directorships held in Other companies (excluding Foreign, private and Section 8 companies)	<ol style="list-style-type: none"> <li>Fairchem Speciality Limited</li> <li>Arvind Fashions Limited</li> <li>Arvind Lifestyle Brands Limited</li> <li>E-Infochips Limited</li> <li>The Anup Engineering Limited</li> <li>Arvind Internet Limited</li> </ol>	<ol style="list-style-type: none"> <li>Arvind Envisol Limited</li> <li>Arvind Internet Limited</li> <li>The Anup Engineering Limited</li> </ol>	<ol style="list-style-type: none"> <li>Zydu Wellness Limited</li> <li>Arvind Smartspaces Limited</li> <li>Arvind Fashions Limited</li> <li>Arvind Internet Limited</li> </ol>
Memberships/Chairmanships of Audit and Stakeholders' Relationship Committees across public companies including Arvind Limited	<ol style="list-style-type: none"> <li>Chairman – Audit Committee (Fairchem Speciality Limited)</li> <li>Member – Audit &amp; Stakeholders' Relationship Committee (Arvind Limited)</li> <li>Member – Audit Committee (Arvind Fashions Limited)</li> <li>Member – Audit Committee (Arvind Lifestyle Brands Limited)</li> </ol>	Nil	<ol style="list-style-type: none"> <li>Member – Audit Committee (Zydu Wellness Limited)</li> </ol>
Relationships between Directors inter-se	Nil	Mr. Punit Lalbhai is a son of Mr. Sanjay Lalbhai, Chairman and Managing Director and a brother of Mr. Kulin Lalbhai, Executive Director of the Company.	Mr. Kulin Lalbhai is a son of Mr. Sanjay Lalbhai, Chairman and Managing Director and a brother of Mr. Punit Lalbhai, Executive Director 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 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

## 1. FINANCIAL RESULTS

Highlights of Financial Results for the year are as under:

₹ in crores

	Standalone		Consolidated	
	2016-2017	2015-2016	2016-2017	2015-2016
Turnover & Operating Income	5955.68	5364.82	9235.54	8010.57
<b>Profit before Finance Costs, Depreciation and Amortisation Expenses, Extraordinary Items &amp; Tax Expenses</b>	<b>819.77</b>	891.41	<b>1021.38</b>	1033.13
Less: Finance costs	234.28	292.16	288.41	358.63
<b>Profit before Depreciation and Amortisation Expenses, Extraordinary Items &amp; Tax Expenses</b>	<b>585.49</b>	599.25	<b>732.97</b>	674.50
Less: Depreciation and Amortisation Expenses	184.79	149.16	297.08	240.48
<b>Profit before Extraordinary Items and Tax Expenses</b>	<b>400.70</b>	450.09	<b>435.89</b>	434.02
Less: Exceptional Items	18.06	-1.37	18.06	-1.37
<b>Profit Before Tax</b>	<b>382.64</b>	451.46	<b>417.83</b>	435.39
Current Tax	105.16	95.99	134.97	105.93
Deferred Tax	6.6	34.83	(35.29)	18.69
Share of profit/(loss) of Joint Ventures	NIL	NIL	1.91	5.37
<b>Profit After Tax</b>	<b>270.88</b>	320.64	<b>320.06</b>	316.14

## 2. OPERATIONS

FY2016-17 was a mixed year for global economies with improving economic condition but new challenges emerging. Global trade growth in 2016 recorded its weakest performance since the global financial crisis. US saw a marked slowdown in economic growth in 2016 over the previous year. However, in spite of relatively weak underlying growth, unemployment in the economy continues to decline leading to high consumer confidence. Euro zone was shaken by UK's referendum on exiting the European Union which led to sharp depreciation both in Euro and GBP. However, the Euro zone showed a lot of resilience post the Brexit and confidence in the

regions remained high. Consumer demand was steady for most of the year thanks to continuously falling unemployment rate. China continues to face pressure on capital outflows and saw its currency depreciating in FY17 which provided some support to their exports.

Indian economy continued to grow at a strong pace albeit slower than previous year. Government Agencies expect the economy to grow at 7.1% in 2016-17, slowing from 7.6% in the previous financial year. A few key acts including long awaited GST Act was finally approved paving the way for its implementation in the current financial year. Consumer spending got a huge shock when Government demonetised two highest denominated currency bills. However, as the year progressed, demand recovered and achieved normalcy by 4<sup>th</sup> quarter. Thanks to the sustained lower crude prices and good monsoon, inflation also remained in check.

In this economic scenario, your company delivered a growth of 15.3% in revenue while Operating Earnings before Interest, Depreciation and Taxes (EBITDA) was down 1% during FY2016-17. Strong growth of 26% in our brands and retail business drove the growth in overall revenue. Profit before taxes for the year was ₹ 436 crores, a growth of 0.4% 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 31<sup>st</sup> March, 2017. The dividend, if approved by the members, would involve a cash outflow of ₹ 74.67 crores (inclusive of tax on dividend).

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. The Board has approved and adopted the Dividend Distribution Policy and the same is available on the Company's Website at:

<http://www.arvind.com/pdf/shareholding/2016/Policies/DividendDistributionPolicy.pdf>

## 4. TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to reserves.

## 5. SHARE CAPITAL

During the year 2016-17, your Company has allotted 1,16,000 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 ₹ 258.36 crores.

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

## 6. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has instituted the Employees 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 Nomination and Remuneration Committee has granted 9 lakhs stock options to the wholetime Director and Chief Financial Officer of the Company at an exercise price of ₹ 316.50 per option, representing one equity share for each option upon exercise. 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.

#### 7. 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.

#### 8. FINANCE

The Company has repaid the installments of Term Loans amounting to ₹ 995 crores during the current year. The Company has also made fresh borrowings of ₹ 583 crores (₹ 530 crores from subsidiaries) for funding capital expenditure and other requirements. Long Term Debt of the Company stands to ₹ 1189 crores (₹ 530 crores loan from subsidiaries) as on 31st March, 2017.

#### 9. 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 read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, the requirement of furnishing details of deposits which are not in compliance with Chapter V of the Act, is not applicable.

#### 10. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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.

#### 11. INDIAN ACCOUNTING STANDARDS (Ind AS)

As mandated by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ("Ind AS") from 1<sup>st</sup> April, 2016 with a transition date of 1<sup>st</sup> April, 2015. The Financial Results for the year 2016-17 have been prepared in accordance with Ind AS, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other recognized accounting practices and policies to the extent applicable. The Financial Results for all the periods of 2016-17 presented have been prepared in accordance with Ind AS.

#### 12. 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.

#### 13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Arvind Ltd. believes in inclusive development of the community where we operate and the society at large. Our development programs endeavour to create a positive impact on the community by empowering people with knowledge and skills and providing institutional support for growth and development. We have created a synergistic alignment between our social and economic goals while working with the underserved community.

Our initiatives in the realm of social development are undertaken by Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust and Narottam Lalbhai Rural Development Fund (NLRDF). Both these organizations have been working on programs of social renewal with urban and rural poor respectively. In addition to this, we set up The Arvind Foundation in the year 2015-16 as a Section 8 company to act as an umbrella organization to strengthen and expand the present initiatives.

We also partner with likeminded individuals, organisations, Government, Corporate, Academic Institutions, Research, Development and Training bodies and NGOs which bring specific expertise.

##### Initiatives undertaken by SHARDA Trust:

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, while focusing on improving their academic performance and overall personality development, leading them to become last generation in poverty. The Gyanda approach works on a multipronged strategy - providing academic support in form of tutoring and mentoring, financial support in the form of sponsorships for continuing education, mentoring support for overall personality development and parent support in each and every stage of their education to have a dream about their children.

At present there are around 1200 students in our system and we plan to expand the program rapidly.

Primary Health Centres - Powered By Arvind: Considering the lack of facilities for credible, affordable and quality primary healthcare in Ahmedabad, Arvind Limited established Arvind Medical Centres in Association with Swasth India Foundation. These Primary Health Centres provide quality healthcare to people that include -Doctor (consultation), Diagnosis (Pathological Tests), Drug (Strip Packed Quality Medicines), Dental Care and Day Time Care when required. 3 centres have been set up during the financial year - 2 in Ahmedabad and 1 in Khatraj (Taluka -Kalo, District- Gandhinagar). All the 3 centres are operational and are providing quality care to people.

##### Rural Development Initiatives undertaken by NLRDF:

NLRDF focuses its efforts to make the rural community self-reliant, prosperous and growth oriented. We are currently working in 3 districts of Gujarat reaching out to a population of around 35,000 people. NLRDF believes in creating synergies and hence we actively work towards linking government programmes with the rural poor to increase the efficiency and effectiveness of the delivery process.

Through NLRDF, the company has undertaken initiatives of women and child development (focusing on improving maternal and infant

nutrition), HIV / AIDS awareness, promoting organic farming, skill development program for women and youth, community health, better sanitation practices, micro enterprise development and many more.

The Annual Report on CSR ACTIVITIES in prescribed format is enclosed with this in “Annexure-B”.

#### 14. 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.

#### 15. 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 19 Risks - 4 Strategic Risks, 12 Operational Risks & 3 Regulatory Risks. Key Strategic Risks include geographical concentration of its manufacturing capacity, reputational risk, changing customer preference from cotton to blends & business continuity planning. Key Operating Risks include fluctuation in cotton prices, labour unrest, increased global and local competition, customers credit risk, sales channel disruption, 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.

#### 16. 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.

#### 17. 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 [www.arvind.com](http://www.arvind.com)

#### 18. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on 31<sup>st</sup> March, 2017, the Company has 22 subsidiaries (Direct or Indirect) and 5 joint venture companies.

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

1. Arvind Fashions Limited (Subsidiary)
2. Arvind Ruf & Tuf Private Limited (Subsidiary)
3. Arvind Premium Retail Limited (Subsidiary)
4. Arvind True Blue Limited (Subsidiary)

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

1. Asman Investments Limited
2. Arvind Accel 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](http://www.arvind.com)

The Company has framed a policy for determining material subsidiaries, which has been uploaded on company's website [www.arvind.com](http://www.arvind.com)

#### 19. 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 4<sup>th</sup> August, 2016, Mr. Sanjay Lalbhai (DIN: 00008329) was appointed as the Chairman and Managing Director of the

Company for a period of five years, with effect from 1st April, 2017.

As per the provisions of Section 152 (6) of the Act, Mr. Jayesh Shah (DIN:00008349) 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.

The Board of Directors had, on recommendation of Nomination and Remuneration Committee, re-appointed Mr. Punit Lalbhai and Mr. Kulin Lalbhai as Executive Directors of the Company for a further period of 5 years from 1<sup>st</sup> August, 2017 to 31<sup>st</sup> July, 2022 and approved the remuneration payable to them for the said period.

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.

## 20. 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.

## 21. 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.

## 22. FAMILIARIZATION PROGRAMME 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 programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report are also available on the Company's website [www.arvind.com](http://www.arvind.com)

## 23. 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.

## 24. 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.

## 25. 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:

- in preparation of the annual accounts for the financial year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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;
- 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;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls, which are adequate and are operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 26. 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. 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 [www.arvind.com](http://www.arvind.com)

## 27. 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.

**28. AUDITORS****A. Statutory Auditors**

As per the provisions of Section 139 of the Companies Act 2013, the term of office of M/s. Sorab S. Engineer & Co. Chartered Accountants, (ICAI Registration No.110417W), as Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s. Sorab S. Engineer & Co. as the Statutory Auditors of the Company.

Subject to the approval of the Members, the Board of Directors of the Company has recommended the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117366W/W-100018) as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013.

Members' attention is drawn to a Resolution proposing the appointment of Deloitte Haskins & Sells LLP, Chartered Accountants, as Statutory Auditors of the Company which is included at Item No. 4 of the Notice convening the Annual General Meeting.

Further, the report of M/s. Sorab S. Engineer & Co., the Statutory Auditors, along with notes to Financial Statements is enclosed to this annual report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

**B. Cost Auditors**

On the recommendation of the Audit Committee, the Board of Directors appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000025), as Cost Auditors of the Company for the year 2017-18 under Section 148 of the Companies Act 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014. M/s Kiran J. Mehta & Co. have confirmed that they are free from disqualification specified under Section 141 (3) and proviso to Section 148 (3) read with Section 141 (4) of the Companies Act, 2013 and that their appointment meets the requirements of Section 141 (3) (g) of the Companies Act, 2013. They have further confirmed their independent status and an arm's length relationship with the Company.

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 for seeking Members' ratification for the remuneration payable to M/s Kiran J. Mehta & Co., Cost Auditors is included at item No. 5 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 2016-17. The Secretarial Audit Report is annexed herewith as "Annexure-C". The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

**29. 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.

**30. 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 separate 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.

**31. BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report for the year ended 31st March, 2017 as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is annexed which forms part of this Annual Report.

**32. 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".

**33. 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".

**34. 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.

**35. 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 2016-17, the Company has received 2 (two) complaints on sexual harassment. AICC conducted the proceedings as defined in the Policy. Out of which one complaint did not qualify to be considered as a Sexual Harassment case as defined in the policy. The second case was dealt with, as per the policy guidelines and ICC recommendations were given, in a fair and just manner.

**36. 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 11, 2017  
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:

The details of ESOP 2008 for the year ended March 31, 2017 are as under:

1	Description of ESOP 2008:	
(a)	Date of shareholder approval	23-Oct-2007
(b)	Total number of shares approved under ESOP 2013	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: 175,000 options vested on August 31, 2016 and 50,000 options vested on March 25, 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	10,50,000
(b)	Options granted during the year	9,00,000
(c)	Options forfeited /lapsed during the year	0
(d)	Options vested during the year	225,000
(e)	Options exercised during the year	116,000
(f)	Number of shares arising as a result of exercise of option	116,000
(g)	Money realised by exercise of options (₹)	₹23,252,200
(h)	Loan repaid by the Trust during the year from exercise price received	NA
(i)	Options Outstanding at the end of the year	1,834,000
(j)	Options Exercisable at the end of the year	0
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	₹72.25 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	Mr. Jayesh Shah (CFO) – 900,000 options. 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	₹313.70 ₹316.50 37.82% Payout of ₹2.4 considered 6.73% None Binomial Option Pricing Model Expected Exercise Period 1 year The daily volatility of the Company’s stock price on NSE over the expected life of the options has been considered None

## 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**

“Care for society” has been the intrinsic value guiding our efforts in the realm of social development. The Lalbhai Group was instrumental in setting up pioneering institutions for sustaining and improving Educational, Social, Cultural and Religious conditions that supported these values and thereby Ahmadabad's social and economic progress. Over the years, we have undertaken multiple projects to enhance the quality of life of the underserved community. The Sanjaynagar Slum Upgradation project undertaken in 1997 has been a hallmark and much appreciated by the community and international agencies alike. The vocational training provided to youth enhanced their capabilities and improved their financial well-being. Similarly, the health program took care of the medical needs of the community by setting up primary health centres.

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 a copy of the CSR Policy is enclosed with this report. The Policy can also be reached at our website through this link:

<http://www.arvind.com/csr/policy/CSRPolicy.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 in social, economic, educational, infrastructural, environmental, health and cultural advancement.

The projects and programs of ALPCSR will be synergetic to the thematic areas as defined or will be defined from time to time 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**. Arvind Foundation has been set up to act as an umbrella organization for undertaking CSR activities. 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, one such initiative is our partnership with **Swasth Foundation** to set up primary health centres in Ahmedabad and its neighboring areas.

**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 1200 students in our system, which also includes college students (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 such as hiring human resource base (qualified and dedicated teachers), management staff, software for student information management, etc.
- During 2016-17, we set up 3 **Primary Health Centres**- 2 centres in Ahmedabad and 1 in Khatraj (Taluka –Kalol, District- Gandhinagar). 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 solutions to people including consultation, pathological tests, medicines (strip packed quality medicines), dental care, day time care and more. We will set up 2 more centres during 2017-18. During 2017-18, after analysing the impact of the five centres, we will open new centres in both urban and rural areas in the coming years.

#### **Initiatives in rural areas- undertaken by NLRDF**

- **HIV/AIDS control program:** NLRDF conducted awareness programs and health camps on HIV/AIDS and sexually transmitted diseases for industrial workers in Dahej industrial area of Bharuch district. Awareness meeting, dramas, rallies, inter personal communication and personal visits were organized benefitting around 9621 migrant workers.
- **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. Under this program 1670 pregnant women, 1864 Lactating women and 1107 malnutrition children were covered under various services. Multiple trainings have been organized to sensitize the personnel involved.
- **Promoting hygiene and sanitation:** For improving hygiene condition of girls attending primary school, NLRDF has constructed new RCC Sanitation Blocks for the girl students in the village Sanavad and Khatraj of Kalol Taluka, benefitting around 285 girl students. Awareness program on good sanitation practices was also carried out in two blocks and 30 villages of Pratij and Himmatnagar Taluka.
- **Capacity building** program for the farmer community benefitted 225 farmers, who got equipped with latest knowledge on organic farming. Cotton growing farmers too discussed better cotton initiative with experts. We also formed 2 Farmer Producer Organizations covering 1241 farmers. Various trainings and exposure visits were organized for the members.

- **Skill development** training programmes were organized on various trades like sewing, beauty parlour, mehendi etc for 40 women across 11 villages.
- Under **Pradhan Mantri Awas Yojna**, we have provided training to 20 youth belonging to BPL category on masonry work. During this training 4 Awas were constructed in two villages.

### Project of Promotion of Indology

The company supported Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) for a project on “Promotion of Indology”. It aims to work on maintenance and restoration of old manuscripts as well as education and research in the field of Indology. As the requirement is significant, Company has decided to continue with the corpus grant of ₹ 1.00 Crore each during 2015-16 and 2016-17 making it a total corpus grant of ₹ 3.00 Crores.

### Creating a corpus for Arvind Foundation

The company is committed to put in place a strategy to ensure financial sustainability of 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 envisages continuous investment in corpus fund. During 2016-17, ₹ 5.65 crores was invested in the corpus of Arvind Foundation.

A brief account of the projects and programs supported by the company during 2016-17, 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:

- Mr. Sanjay Lalbhai (Chairman & Managing Director)
- Mr. Punit Lalbhai (Executive Director)
- Mr. Jayesh Shah (Wholetime Director and CFO)
- Dr. Bakul Dholakia (Independent Director)

## Section 3

### Average net profit of the company for last three financial years

The average net profit of the company is ₹ 438 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 2016-17 is ₹ 8.76 Crores.

## Section 5

### Details of CSR Spend during the financial year

Total amount to be spent for the financial year: ₹ 8.85 Crores

Amount Unspent, if any: None

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			

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
			(2) Specify the State and district where projects or programmes was undertaken		(2) Overhead			
	<b>From 2% CSR Fund</b>					<b>₹ Lacs</b>		
1	Project Expenses for Health Project	Promoting Health care	Project of setting up primary health centres in Ahmedabad	100	100		Through SHARDA Trust: Company's Implementing Agency	
2	Promotion of Indology	National Heritage, Art & Culture	Ahmedabad, Gujarat	100	100	200	Through Implementing Agency- Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) -Towards Corpus	
3	Promoting Education	Promoting Education	Improving Infrastructure of Gyanmandal Laxmipura	20	20	220	Through SHARDA Trust: Company's Implementing Agency	
4	Animal Welfare	Animal Welfare	Vadodara	24	24	244	Through Implementing Agency - Sheth A. K. Chhapariyali Panjarapole Sarvjanik Trust	
5	Animal Welfare	Animal Welfare	Godhra	10	12	256	Through Implementing Agency - Shri Jivkalyan Panjarapole Trust, Godhra	
6	Other CSR Projects Supported			21	21	277		
7	Corpus Donation	Promoting Education, Promoting Skills, Promoting Health, Promoting Sanitation, Promoting other CSR projects as per schedule VII	Interest to be used in the projects in these areas.	565	565	842	For creating a copus for Arvind Foundation -company's own foundation created for undertaking CSR initiative.	
7	Administrative Expenses				43	885		
	<b>Total</b>				<b>885</b>			
	<b>Programmes supported through Funds of company promoted Trusts over and above 2% CSR Funds</b>							
1	Gyanda: Education Support Programme for Underprivileged students	Promoting Education	Shahpur, Khanpur, Shahibaug areas of Ahmedabad, Gujarat. Other Areas Proposed.		107		Through SHARDA Trust's own & other sources	Operational Expenses - Unaudited
2	NLRDF Programmes	Promoting Health, Promoting Sanitation, Skills and Trainine	Gujarat		120	227	Through NLRDF's own & other sources	Operational Expenses - Unaudited
	<b>Total Spend (₹ Lacs)</b>				<b>227</b>	<b>227</b>		
	<b>Grand Total</b>				<b>1112</b>	<b>1112</b>		

**Details of the Implementation Agencies:**

Details of Implementation Agency			
Project and Programs	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	Cultural Development	Lalbai Dalpatbhai Bhartiya Sanskriti Vidyamandir, Ahmedabad	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 3 <sup>rd</sup> August, 2015 and under section 7 and rule 8 (Incorporation) Rules, 2014, Incorporated as Section 8 of the Company Act.
Project on Animal Welfare	Animal Welfare	Through Implementing Agency - Sheth A.K. Chhapariyali Panjarapole Sarvjanik Trust AND Through Implementing Agency - Shri Jivkalyan Panjarapole Trust, Godhra	
Improving Infrastructure of Gyanmandal School Laxmipura, Khedbrahma	Promoting Education	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.

**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 31<sup>ST</sup> MARCH, 2017

[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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 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; **(Not Applicable as the Company did not issue any such securities during the financial year)**
  - (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 there were no specific events/actions having a major bearing on the Company's affairs.

Place: Ahmedabad  
Date: May 11, 2017

Hitesh Buch  
Proprietor  
For, Hitesh Buch & Associates  
FCS No.: 3145  
CP 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.

Place: Ahmedabad  
Date: May 11, 2017

Hitesh Buch  
Proprietor  
For, Hitesh Buch & Associates  
FCS No.: 3145  
CP No.: 8195

## ANNEXURE -D TO THE DIRECTORS' REPORT FOR THE YEAR 2016-2017

**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:**

Location	Type	Work Done	Qty	Saving in units	Total saving in units	Saving per Hour	Saving day	Remarks
Naroda	Energy	Installation of New Zero Loss Trap : 6 Nos C-35, C-50 & C.90 compressor all air receivers - Saving in CFM	6	20	120	19.08	457.92	24 hrs. operation.
	Energy	Installation of New LED Street light fittings at main premises : 450 W flood replaced by 144 W LED flood light : 20 No - Saving in Kw	20	306	6.12	6.12	61.2	10 hrs. Operation.
Arvind Intex	Energy	Installation of New LED Street light fittings at main premises : 450 W flood HPMV replaced by 144 W LED flood light : 8 No - Saving in Kw	8	306	2.448	2.448	24.48	10 hrs. Consumption pattern.
	Energy	RS-1 dept A/C-1 main motor speed optimization - Saving in Kw	1	2000	2	2	48	24hrs. operation.
	Energy	Energy efficient mono block pump for RS-3 Inter H Plant - Saving in Kw	1	1800	1.8	1.8	43.2	24hrs. operation.
	Energy	Stabilizer provided for ₹-3 R/F dept (600 nos. Tube light) - Saving in Kw	1	1666	1.666	1.666	39.984	24hrs. operation.
	Energy	RS-4 Card Luwa Radial fan speed optimization - Saving in Kw	1	16666	16.67	16.666	399.98	24hrs. operation.
	Energy	RS-1 Card line 2 M T Fan motor replaced from 7.5 kw to 5.5 kw - Saving in Kw	1	833	0.833	0.833	19.992	24hrs. operation.
	Energy	RS-3 Dept B/R motor (02 NOS) replaced by new energy eff. motor (7.5 kw)	1	1250	1.25	1.25	30	24hrs. operation.
Santej Denim	Energy	DSSP area 700 nos. tubelights replaced from 36watts to 15watts LED tubelights.	700	21	14.7	14.7	352.8	24hrs. operation.
	Energy	1710 area - 225 nos tubelights replaced from 36watts to 18watts LED tubelights	225	18	4.05	4.05	97.2	24hrs. operation.

- 249.6 kwp Roof Top Grid Connected Solar PV Plant Comprising of 780 No. Modules of 325 Wp each, 01 nos. x 50 KW, 05 nos. x 30 KW and 01 nos. x 20 KW invertors along with associated equipment installation work completed where concerned authority approval wip by concerned agency. These are expected to be operational in 1st quarter of 2017-18.
- A Solar operated Loom & Charkha (370watt capacity) installed at NLRC Lab towards a step of adapting new technology - Operational in Mar'17.

**Santej Units - Electricity Conservation:**

No.	Initiatives	Energy savings
1.	200 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.	1800 tube lights replaced by energy efficient LED lights at Santej plant	800 Kwh/Day

### Ankur Textiles (AT) and Arvind Intex (AI)

1. Use of 80 nos. of LED tube fittings in place of conventional tube light fittings resulted in saving of 27500 Units per year (AT).
2. By alternative working of Aerators at Sewage Treatment and Effluent Treatment Plants and installation of invertors at STP, saved ₹ 32 Lakhs per year (AT).
3. Installation of variable frequency drives on Boiler ID fan motors and saved about 35000 Units per year (AT).
4. Replaced Air compressor from 1400 CFM to 1000 CFM. Saved 2,16,000 Units per year(AT).
5. Installation of pressure reducing valve on steam line of 6 nos. of Comby Jigger machines and reduced steam consumption by 8% of those machines (AT).
6. 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 (AT).
7. Monitoring of airline leakages to reduce the compressor working hour and to save power. (AT & AI)
8. Installation of timers in street lights for saving in power. (AT & AI)
9. Proper preventive maintenance of all machines including utilities (AI).
10. Economical operation of humidification plants looking to the atmospheric condition in all seasons which reduces the electrical energy units (AI).
11. Monitoring of power consumption and production data to sustain lowest possible kwh/kg through minimum operation of machines and aligning maintenance schedule and production program (AI).
12. Installation of power capacitors in electrical distribution network for power factor control and subsequent rebates obtained from grid supplier (AI).
13. Diverted in open access power and took benefit of low cost (AI).
14. Installation of high frequency ballast in lighting for saving of power and for higher lumen output (AI).
15. Installation of new meters and ct pt to fulfill the requirement for open access power (AI).
16. Modification of Old DG set cooling tower water line for IHE - 5 Compressor Cooling Tower (AI).
17. Maximum demand controlled by installing controller and saved penalty charges (AI).
18. Installation of inverter drives in spinning machines (AI).
19. Regular checking and repairing of water leakages for reduction in energy consumption (AI).
20. Replacement of existing fans by energy efficient fans in pneumatic fan section of ring frame machines (AI).

### 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

Type	Work done	Qty	Saving in units	Total saving in units	Saving per hour	Saving day	Remarks
Water	Compressor C.90 stage moisture collection-Saving in m <sub>3</sub> (RO water)	1	0.41	0.41	0.41	9.84	24hrs. operation.
Water	AEP WF-5 water recycle unit installed. Saving-m <sub>3</sub>	1	0.83	0.83	0.83	19.92	24 hrs. operation.
Water	Osthoff drain water recycle unit installed. Saving-m <sub>3</sub>	1	0.41	0.41	0.41	9.84	24 hrs. operation.
Water	AEP singeing water recycling. Saving - m <sub>3</sub> 9.84	1	0.83	0.83	0.83	19.92	24 hrs. operation.
Water	Beninger steam condensate collection & usage for boiler. Saving - m <sub>3</sub>	1	0.41	0.41	0.41	9.84	24 hrs. operation.
Steam	Dhall mercerize/desize steam (PID) control valve installed at Drycan - Saving Ton	1	0.025	0.025	0.025	0.6	24 hrs. operation.
Water	AML MF 7 rubber water recovery system installed. Saving-m <sub>3</sub>	1	0.41	0.41	0.41	9.84	24 hrs. operation.
Steam	Workshop area return steam leakages (condensate) recovery utilization for boiler. Saving -Ton	1	0.104	0.104	0.104	2.496	24 hrs. operation.

**Santej Units**

No.	Initiatives	Savings
1.	Steam condensate adopted to reduce water/steam consumption	50000 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

**Arvind Intex**

No.	Initiatives	Savings
1.	RS-3 & RS-4 worker toilet renovated and its water line replaced	5000 Ltr/Day
2.	Monsoon water used to fill reservoir tank of hydrant	1300 Ltr/Day
3.	RS-1 water tank leakage attended and reduced water wastage	3000 Ltr/Day
4.	RS-2 Hacoba plant water pipe line repaired and reduced water wastage	2000 Ltr/day
5.	IHE-7 Compressor Tank Leakage attended	5000Ltr/day

**Ankur Textiles**

- In view of saving of natural resources, we started Sewage Treatment plant at Ankur and as of today, we take 1200 KL raw sewage from AMC, treat it and use it as process water.
  - Installed and started pressure transducer in water supply system and linked with inverter drive pump to maintain optimum water supply pressure. With this, we save about 40000 KL of water per year.
  - Almost 90 KL per day machine cooling water as hot process water is reused in processing area.
  - Regular checking for wasteful use of water followed by remedial action.
  - Steam condensate recycling in various areas adopted in order to reduce water and steam consumption.
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:

**Santej Units****Electricity**

Title	Reduction of 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**

Title	Reduction in water consumption
1	Recycling & reuse of process water
2	Sucker Muller Dye house water recycling

**Steam Conservation**

Title	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

Title	Metering
1	Central data monitoring for steam/water/energy

### Ankur Textiles

- Spent ₹ 7 lakhs for Invertors.
- Planned for ₹ 2 Lakhs investment for Energy conservation by way of installation of LED fittings, invertors, replacement of thermodynamic steam traps by float traps. Use of high efficient submersible pumps in place of low efficient pumps.

### Arvind Intex

#### Electricity

Title	Reduction of Power consumption
1	LED lights in place of CFL or incandescent lamps (6500 Nos)
2	Energy efficient motors in place of regular (IE3 in place of old)

### Other Projects

- Installation of LED fittings and invertors.
- Replacement of old humidification pumps by new energy efficient pumps.
- Modification of RS1 waste system and thereby reduction in power consumption.
- Installation of Voltage Stabilizer in lighting circuit to reduce power consumption.
- Installation of LED tube lights in departments.
- Energy Audit for different manufacturing units to minimize the wasteful use of power.

### 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 and thirst for innovation is increasing. Awareness of customer on sustainability, raw material and change of fashion trends and innovation offered, creates new dimension of denim business. We follow strategy of Design, Innovation and Sustainability and more research is being done in this dimension to keep business predictable, sustainable and profitable and to de-risk our product portfolio.

- The stretch yarn is made by post-consumer recycled cotton fiber, thus, increases the scope of using more recycled fiber in denim.
- The use of various performance fiber in denim, thus, open up for scope for using denim fabric in differentiated market.
- Gollar machine is custom designed to perform different processes like desizing, scouring, bleaching, single box causticization, reactive dyeing, sulphur dyeing. This machine has added flexibility to system to carry out multiple finishes. This machine creates an all together a different class of denim fabrics.
- Developed denim fabric with conductive yarn as part of co-creation with leading brand.
- Use of indigo dyed yarn as weft creates a complete new category of Denim fabric, called Azurite.
- New blends of Modal, Wool, Acrylic and steel introduced in denim. All these fiber exhibit their unique property in denim, thus, result into differentiated denim fabric.
- Solar powered loom is installed a part of sustainability drive.

##### Shirting Business- Santej

- Development of fabrics with Recycle poly, Scafe, Celliant, BCI, Tencel, Sorona, Bemberg etc. focusing towards sustainability.
- Development of fabric with Coolmax, Thermolite and all season performance fiber.
- Developing Bi-Stretch and super stretch products.
- Developing finer count products.
- Development of Sustainable & eco-friendly substitutes of special finishes like flame retardant, oil-water repellent, resin application etc.

**Advanced Materials Division – Santej**

- Development of woven and non-woven filtration fabrics for chemical, pharmaceutical, mining, power, cement and steel industries.
  - ▶ State of art warping, weaving and processing facility to develop these fabrics. Arvind's technical marketing and product development team works with customers to provide complete solution. Arvind has a joint venture with Japanese company to manufacture nonwoven fabrics for hot-gas and liquid filtration.
  - ▶ Have developed woven fabrics for Oil and water filtration.
  - ▶ Have developed Nonwoven fabrics for meeting pollution control norms of <30 mg/cu.M emission.
- Development of fire retardant fabrics and garments for steel, safety services and metal plants.
  - ▶ Arvind leverages its spinning, weaving, processing and garmenting expertise to supply fabrics and garment in this segment.
  - ▶ Have developed fabrics which are metal splash resistant.
- Have developed Basalt based fabrics for conveyor belting application. These fabrics are used to make belts for mining application.

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

Product development, value addition, cost reduction, sustainable and environment friendly products and entry into big brands.

**III. Information regarding technology imported during the three years:**

Technology imported:	1. PTFE Membrane Lamination. 2. Development of Nonwoven fabrics for Hot-gas filtration application from Japan. 3. Yarn sheet dyeing under Nitrogen Atmosphere.
Year of Import:	1. 2016-17 2. 2014-15 3. 2013-14
Has technology been fully absorbed? :	1. PTFE membrane lamination application absorbed. 2. Nonwoven fabrics for Hot-gas filtration application absorbed. 3. Yarn sheet dyeing absorbed.

**IV. Expenditure on R & D:**

The Company has separate in- House Research & Development Centre at Naroda, Santej & Khatraj locations. All three Centers are involved into new products development, new process development etc. and 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 three Centers are as under:

		₹ in crores	
		Year ended	
	Particulars	March 31, 2017	March 31, 2016
<b>(a)</b>	<b>Capital Expenditure</b>		
	Naroda Centre	1.98	0.00
	Santej Centre	0.70	8.23
	Khatraj centre	0.36	0.00
	<b>Sub Total</b>	<b>3.04</b>	<b>8.23</b>
<b>(b)</b>	<b>Revenue Expenditure</b>		
	Naroda Centre	4.56	4.09
	Santej Centre	27.17	20.95
	Khatraj centre	2.98	0.00
	<b>Sub Total</b>	<b>34.71</b>	<b>25.04</b>
<b>(c)</b>	<b>Total R &amp; D Expenditure</b>	<b>37.75</b>	<b>33.27</b>
<b>(d)</b>	<b>Total R &amp; D Expenditure as a percentage of total turnover</b>	<b>0.62%</b>	<b>0.62%</b>

Note: Khatraj Center (Composite Division) got recognition during FY 2016-17 and hence comparable figures for FY 2015-16 are not given.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Total Foreign Exchange used and earned:

		₹ in crores	
		2016-17	2015-16
	Total foreign exchange used	497.63	524.44
	Total foreign exchange earned	2350.67	2053.49

# ANNEXURE – E TO THE DIRECTORS’ REPORT

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN as on financial year ended on 31.03.2017**

**(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 506-508, 5th Floor, Amarnath Business Centre (ABC-1), Beside Gala Business Centre, Nr. St. Xavier’s College Corner, Off C.G. Road, Ellisbridge, Ahmedabad - 380006. Phone & Fax No.: 079 - 26465179/86/87 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	74.86
2	Garments	14101	18.91

**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 Brands and Retail Limited Arvind Mill Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52609GJ2007PLC051974	Subsidiary	100	2(87)
5	Arvind PD Composites Private Limited Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2011PTC066160	Subsidiary	51	2(87)
6	Arvind Envisol Limited Arvind Mill Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U29100GJ2008PLC053226	Subsidiary	100	2(87)

<b>Sr. No.</b>	<b>Name &amp; Address of the Company</b>	<b>CIN/ GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of Shares Held</b>	<b>Applicable Section</b>
7	Arvind Goodhill Suit Manufacturing Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17121GJ2012PTC071968	Subsidiary	51	2(87)
8	Arvind OG Nonwovens Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2013PTC073807	Subsidiary	74	2(87)
9	Dholka Textile Park Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2013PTC073596	Subsidiary	100	2(87)
10	Arvind Garments Park Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2013PTC073597	Subsidiary	100	2(87)
11	Arvind Internet Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U72400GJ2013PLC074576	Subsidiary	100	2(87)
12	Arvind Beauty Brands Retail Private Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52100GJ2015PTC082996	Subsidiary	100	2(87)
13	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)
14	Arvind Fashions Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52399GJ2016PLC085595	Subsidiary	89.69	2(87)
15	Arvind Ruf & Tuf Private Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52609GJ2016PTC093051	Subsidiary	100	2(87)
16	Arvind Premium Retail Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52390GJ2016PLC085946	Subsidiary	51	2(87)
17	Arvind True Blue Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52100GJ2015PLC085165	Subsidiary	87.50	2(87)
18	Arvind Worldwide Inc. 584, Broadway, Suite # 801 New York, NY 10012, 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 - 1208, 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	Arya Omnitalk Wireless Solutions Private Limited Arvind Mills Limited, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U31100GJ1995PTCo24599	Associate (Joint Venture)	50	2(6)
24	Tommy Hilfiger Arvind Fashion Private Limited The Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U18101GJ2003PTCo46421	Associate (Joint Venture)	50	2(6)
25	Arya Omnitalk Radio Trunking Services Private Limited Unit No. A-202, 2nd Floor, Summer Court, Magarpatta City, Pune - 411013, Maharashtra, India.	U64120PN2003PTCo18154	Associate (Joint Venture)	50	2(6)
26	Arudrama Developments Private Limited 1134, 1st Floor, 100 Ft. Road, HAL 2nd Stage, Bangalore - 560008, Karnataka, India.	U45201KA1995PTCo17371	Associate (Joint Venture)	50	2(6)
27	Calvin Klein Arvind Fashion Private Limited (Formerly Premium Garments Wholesale Trading Private Limited) Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52190GJ2011PTCo84513	Associate (Joint Venture)	49	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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	1155458	0	1155458	0.45	351208	0	351208	0.14	-0.31
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	111912849	0	111912849	43.34	110922549	0	110922549	42.93	-0.40
d) Banks/Fls	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
<b>SUB TOTAL : (A)(1)</b>	<b>113068307</b>	<b>0</b>	<b>113068307</b>	<b>43.78</b>	<b>111273757</b>	<b>0</b>	<b>111273757</b>	<b>43.07</b>	<b>-0.71</b>
<b>(2) Foreign</b>									
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 Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/Fls	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
<b>SUB TOTAL : (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>113068307</b>	<b>0</b>	<b>113068307</b>	<b>43.78</b>	<b>111273757</b>	<b>0</b>	<b>111273757</b>	<b>43.07</b>	<b>-0.71</b>

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>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	29934795	11513	29946308	11.60	28236347	11513	28247860	10.93	-0.66
b) Banks/FIs	136413	7729	144142	0.06	11215497	8129	11223626	4.34	4.29
c) Central Govt.	500	0	500	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	300	0	300	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	12228439	400	12228839	4.74	0	0	0	0.00	-4.74
g) FIs	20245572	21807	20267379	7.85	0	0	0	0.00	-7.85
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
(i-i) Foreign Banks/IFCW	963	150	1113	0.00	0	0	0	0.00	0.00
(i-ii) Foreign Portfolio Investor	0	0	0	0.00	62698548	21957	62720505	24.28	24.28
<b>SUB TOTAL : (B)(1)</b>	<b>62546682</b>	<b>41599</b>	<b>62588281</b>	<b>24.24</b>	<b>102150692</b>	<b>41599</b>	<b>102192291</b>	<b>39.55</b>	<b>15.32</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
i) Indian	8567655	51599	8619254	3.34	8510336	0	8510336	3.29	-0.04
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	22959233	3047378	26006611	10.07	21879194	2986103	24865297	9.62	-0.45
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakhs	6993984	28638	7022622	2.72	7469303	44926	7514229	2.91	0.19
c) Others (specify)									
(c-i) NRIs	967784	165725	1133509	0.44	1233508	164570	1398078	0.54	0.10
(c-ii) OCBs	2900	0	2900	0.00	2900	0	2900	0.00	0.00
(c-iii) Trusts	635514	0	635514	0.25	652679	0	652679	0.25	0.01
(c-iv) Clearing Members	1103291	0	1103291	0.43	606234	0	606234	0.23	-0.19
(c-v) Foreign Portfolio-Corporate	38062780	0	38062780	14.74	0	0	0	0.00	-14.74
(c-vi) Hindu Undivided Family	0	0	0	0.00	1341818	0	1341818	0.52	0.52
(c-vii) Foreign Portfolio Investor (Individual)	0	0	0	0.00	1450	0	1450	0.00	0.00
<b>SUB TOTAL : (B)(2)</b>	<b>79293141</b>	<b>3293340</b>	<b>82586481</b>	<b>31.98</b>	<b>41697422</b>	<b>3195599</b>	<b>44893021</b>	<b>17.38</b>	<b>-14.60</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>141839823</b>	<b>3334939</b>	<b>145174762</b>	<b>56.22</b>	<b>143848114</b>	<b>3237198</b>	<b>147085312</b>	<b>56.93</b>	<b>0.71</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>254908130</b>	<b>3334939</b>	<b>258243069</b>	<b>100.00</b>	<b>255121871</b>	<b>3237198</b>	<b>258359069</b>	<b>100.00</b>	<b>0.00</b>

Note: The Company has allotted 116000 Equity Shares of ₹ 10/- each under the Employee Stock Option Scheme 2008 to the employees on 14.09.2016 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 shareholding 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	97362310	37.70	0.00	95561810	36.99	0.62	-0.71
2	AML Employees' Welfare Trust	6327317	2.45	0.00	6327317	2.45	1.35	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	Sanjaybhai Shrenikbhai Lalbhai	811564	0.31	0.00	1564	0.00	0.00	-0.31
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	173797	0.07	0.00	0.00
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 Limited	84505	0.03	0.00	84505	0.03	0.00	0.00
14	Samvegbhai Arvindbhai	46347	0.02	0.00	46347	0.02	0.00	0.00
15	Anamikaben Samvegbhai Lalbhai	40032	0.02	0.00	40032	0.02	0.00	0.00
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	20000	0.01	0.00	0.00
18	Swati S Lalbhai	7712	0.00	0.00	9712	0.00	0.00	0.00
19	Adhinami Investments Private Limited	6000	0.00	0.00	6000	0.00	0.00	0.00
20	Badlani Manini Rajiv	5402	0.00	0.00	7152	0.00	0.00	0.00
21	Tara S Lalbhai	4074	0.00	0.00	4074	0.00	0.00	0.00
22	Punit Sanjaybhai	3714	0.00	0.00	3714	0.00	0.00	0.00
23	Sunil Siddharth Lalbhai	3437	0.00	0.00	5437	0.00	0.00	0.00
24	Vimlaben S Lalbhai	970	0.00	0.00	970	0.00	0.00	0.00
25	Jayshreeben Sanjaybhai Lalbhai	345	0.00	0.00	345	0.00	0.00	0.00
26	Akshita Holdings Private Limited	136	0.00	0.00	136	0.00	0.00	0.00
27	Arvind J&M Limited (Now Arvind Fashions Limited)	100	0.00	0.00	0	0.00	0.00	0.00
28	Kalpanaben Shripalbhai Morakhia	12	0.00	0.00	12	0.00	0.00	0.00
29	Avadh Material and Equipment Suppliers LLP	0	0.00	0.00	810000	0.31	0.00	0.31
30	Aura Merchandise Private Limited	0	0.00	0.00	100	0.00	0.00	0.00
31	Aura Securities Private Limited	0	0.00	0.00	100	0.00	0.00	0.00
32	Fast Credit Consulting Private Limited (Now Aura Business Enterprise Private Limited)	0	0.00	0.00	100	0.00	0.00	0.00
<b>Total</b>		<b>113068307</b>	<b>43.78</b>	<b>0.18</b>	<b>111273757</b>	<b>43.07</b>	<b>2.15</b>	<b>-0.71</b>

## (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	<b>Aura Securities Private Limited</b>				
	At the beginning of the year	97362310	37.70	--	--
	Sale - 21.03.2017	-1800500	-0.70	95561810	36.99
	At the end of the year	--	--	95561810	36.99
2	<b>Sanjaybhai Shrenikbhai Lalbhai</b>				
	At the beginning of the year	811564	0.31	--	--
	Sale - 27.03.2017	-810000	-0.31	1564	0.00
	At the end of the year	--	--	1564	0.00
3	<b>Avadh Material and Equipment Suppliers LLP</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase - 27.03.2017	810000	0.31	810000	0.31
	At the end of the year	--	--	810000	0.31
4	<b>Swati S Lalbhai</b>				
	At the beginning of the year	7712	0.00	--	--
	Purchase - 16.12.2016	2000	0.00	9712	0.00
	At the end of the year			9712	0.00
5	<b>Badlani Manini Rajiv</b>				
	At the beginning of the year	5402	0.00	--	--
	Purchase - 28.10.2016	1000	0.00	6402	0.00
	Purchase - 11.11.2016	500	0.00	6902	0.00
	Purchase - 30.12.2016	100	0.00	7002	0.00
	Sale - 20.01.2017	-100	0.00	6902	0.00
	Purchase - 10.02.2017	650	0.00	7552	0.00
	Sale - 24.03.2017	-650	0.00	6902	0.00
	Purchase - 31.03.2017	250	0.00	7152	0.00
At the end of the year	--	--	7152	0.00	
6	<b>Sunil Siddharth Lalbhai</b>				
	At the beginning of the year	3437	0.00	--	--
	Purchase - 16.12.2016	2000	0.00	5437	0.00
	At the end of the year	--	--	5437	0.00
7	<b>Arvind J&amp;M Limited (Now Arvind Fashions Limited)</b>				
	At the beginning of the year	100	0.00	--	--
	Sale - 24.03.2017	-100	0.00	0	0.00
	At the end of the year	--	--	0	0.00
8	<b>Aura Merchandise Private Limited</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase - 10.06.2016	100	0.00	100	0.00
	At the end of the year	--	--	100	0.00
9	<b>Aura Securities Private Limited</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase - 10.06.2016	100	0.00	100	0.00
	At the end of the year	--	--	100	0.00
10	<b>Fast Credit Consulting Private Limited (Now Aura Business Enterprise Private Limited)</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase - 10.06.2016	100	0.00	100	0.00
	At the end of the year	--	--	100	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
<b>1</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>	12228439	4.74	--	--
	Sale - 30.09.2016	-303981	-0.12	11924458	4.62
	Sale - 07.10.2016	-450000	-0.17	11474458	4.44
	Sale - 14.10.2016	-190000	-0.07	11284458	4.37
	Sale - 21.10.2016	-356019	-0.14	10928439	4.23
	At the end of the year	--	--	10928439	4.23
<b>2</b>	<b>MULTIPLES PRIVATE EQUITY FII I</b>	8067600	3.12	--	--
	At the end of the year	--	--	8067600	3.12
<b>3</b>	<b>FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA PLUS</b>	5013197	1.94	--	--
	Purchase - 10.06.2016	920000	0.36	5933197	2.30
	Purchase - 30.06.2016	100000	0.04	6033197	2.34
	Purchase - 22.07.2016	200000	0.08	6233197	2.41
	Purchase - 05.08.2016	200000	0.08	6433197	2.49
	Purchase - 12.08.2016	16995	0.01	6450192	2.50
	Purchase - 19.08.2016	94124	0.04	6544316	2.53
	Purchase - 26.08.2016	70918	0.03	6615234	2.56
	Purchase - 02.09.2016	117963	0.05	6733197	2.61
	Purchase - 07.10.2016	100000	0.04	6833197	2.64
	Purchase - 21.10.2016	330000	0.13	7163197	2.77
	Purchase - 28.10.2016	318442	0.12	7481639	2.90
	Sale - 04.11.2016	-62548	-0.02	7419091	2.87
	Purchase - 18.11.2016	379000	0.15	7798091	3.02
	Purchase - 25.11.2016	21000	0.01	7819091	3.03
	Sale - 10.02.2017	-686252	-0.27	7132839	2.76
	Sale - 17.02.2017	-263710	-0.10	6869129	2.66
	Sale - 03.03.2017	-328358	-0.13	6540771	2.53
	At the end of the year	--	--	6540771	2.53
<b>4</b>	<b>KOTAK SELECT FOCUS FUND</b>	3085937	1.19	--	--
	Purchase - 10.06.2016	23700	0.01	3109637	1.20
	Purchase - 30.06.2016	17645	0.01	3127282	1.21
	Purchase - 23.09.2016	719060	0.28	3846342	1.49
	Purchase - 30.09.2016	305940	0.12	4152282	1.61
	Purchase - 07.10.2016	155502	0.06	4307784	1.67
	Purchase - 14.10.2016	10000	0.00	4317784	1.67
	Purchase - 11.11.2016	338498	0.13	4656282	1.80
	Purchase - 18.11.2016	70000	0.03	4726282	1.83
	Purchase - 25.11.2016	476000	0.18	5202282	2.01
	Purchase - 09.12.2016	39247	0.02	5241529	2.03
	Purchase - 16.12.2016	40000	0.02	5281529	2.04
	Sale - 06.01.2017	-10000	0.00	5271529	2.04
	Purchase - 03.02.2017	427000	0.17	5698529	2.21
	Purchase - 10.02.2017	212987	0.08	5911516	2.29
	Purchase - 17.02.2017	25400	0.01	5936916	2.30
	Purchase - 24.02.2017	100000	0.04	6036916	2.34
	Purchase - 10.03.2017	280000	0.11	6316916	2.45
	At the end of the year	--	--	6316916	2.45

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
<b>5</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP</b>	4045162	1.57	--	--
	Purchase - 10.06.2016	62433	0.02	4107595	1.59
	Purchase - 02.09.2016	5000	0.00	4112595	1.59
	Sale - 16.09.2016	-5132	0.00	4107463	1.59
	Sale - 23.09.2016	-28282	-0.01	4079181	1.58
	Purchase - 21.10.2016	25000	0.01	4104181	1.59
	Purchase - 28.10.2016	590345	0.23	4694526	1.82
	Purchase - 18.11.2016	53014	0.02	4747540	1.84
	Purchase - 25.11.2016	37106	0.01	4784646	1.85
	Purchase - 30.12.2016	24224	0.01	4808870	1.86
	Sale - 06.01.2017	-19000	-0.01	4789870	1.85
	Purchase - 27.01.2017	11642	0.00	4801512	1.86
	Purchase - 03.02.2017	80000	0.03	4881512	1.89
	Sale - 31.03.2017	-30000	-0.01	4851512	1.88
	At the end of the year	--	--	4851512	1.88
<b>6</b>	<b>RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND</b>	2947100	1.14	--	--
	Sale - 10.06.2016	-50000	-0.02	2897100	1.12
	Purchase - 15.07.2016	196000	0.08	3093100	1.20
	Purchase - 22.07.2016	166000	0.06	3259100	1.26
	Purchase - 29.07.2016	260000	0.10	3519100	1.36
	Purchase - 05.08.2016	268000	0.10	3787100	1.47
	Sale - 12.08.2016	-32000	-0.01	3755100	1.45
	Sale - 09.09.2016	-86000	-0.03	3669100	1.42
	Sale - 16.09.2016	-186000	-0.07	3483100	1.35
	Sale - 23.09.2016	-586000	-0.23	2897100	1.12
	Purchase - 07.10.2016	64000	0.02	2961100	1.15
	Purchase - 21.10.2016	122000	0.05	3083100	1.19
	Sale - 28.10.2016	-64000	-0.02	3019100	1.17
	Purchase - 04.11.2016	116000	0.04	3135100	1.21
	Purchase - 11.11.2016	286000	0.11	3421100	1.32
	Purchase - 18.11.2016	38000	0.01	3459100	1.34
	Sale - 25.11.2016	-10000	0.00	3449100	1.34
	Sale - 02.12.2016	-152000	-0.06	3297100	1.28
	Purchase - 09.12.2016	210000	0.08	3507100	1.36
	Purchase - 16.12.2016	4000	0.00	3511100	1.36
	Purchase - 23.12.2016	12000	0.00	3523100	1.36
	Sale - 06.01.2017	-124000	-0.05	3399100	1.32
	Purchase - 13.01.2017	200000	0.08	3599100	1.39
	Sale - 03.02.2017	-6000	0.00	3593100	1.39
	Sale - 10.03.2017	-52000	-0.02	3541100	1.37
	Sale - 24.03.2017	-188000	-0.07	3353100	1.30
	At the end of the year	--	--	3353100	1.30

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
<b>7</b>	<b>UTI-MID CAP FUND</b>	3705927	1.44	--	--
	Sale - 10.06.2016	-55551	-0.02	3650376	1.41
	Sale - 08.07.2016	-60000	-0.02	3590376	1.39
	Purchase - 15.07.2016	36000	0.01	3626376	1.40
	Purchase - 22.07.2016	130000	0.05	3756376	1.45
	Purchase - 29.07.2016	66000	0.03	3822376	1.48
	Sale - 09.09.2016	-10000	0.00	3812376	1.48
	Sale - 16.09.2016	-200000	-0.08	3612376	1.40
	Sale - 23.09.2016	-22000	-0.01	3590376	1.39
	Sale - 21.10.2016	-45000	-0.02	3545376	1.37
	Purchase - 09.12.2016	2000	0.00	3547376	1.37
	Sale - 30.12.2016	-23561	-0.01	3523815	1.36
	Sale - 06.01.2017	-48000	-0.02	3475815	1.35
	Purchase - 13.01.2017	186000	0.07	3661815	1.42
	Sale - 03.02.2017	-6000	0.00	3655815	1.42
	Sale - 03.03.2017	-53471	-0.02	3602344	1.39
	Sale - 10.03.2017	-4000	0.00	3598344	1.39
	Sale - 17.03.2017	-116000	-0.04	3482344	1.35
	Sale - 24.03.2017	-191446	-0.07	3290898	1.27
	Sale - 31.03.2017	-11004	0.00	3279894	1.27
	At the end of the year	--	--	3279894	1.27
<b>8</b>	<b>DIMENSIONAL EMERGING MARKETS VALUE FUND</b>	4627943	1.79	--	--
	Sale - 08.07.2016	-83756	-0.03	4544187	1.76
	Sale - 15.07.2016	-151797	-0.06	4392390	1.70
	Sale - 22.07.2016	-124403	-0.05	4267987	1.65
	Sale - 29.07.2016	-40175	-0.02	4227812	1.64
	Sale - 04.11.2016	-127022	-0.05	4100790	1.59
	Sale - 11.11.2016	-76366	-0.03	4024424	1.56
	Sale - 18.11.2016	-75146	-0.03	3949278	1.53
	Sale - 25.11.2016	-163706	-0.06	3785572	1.47
	Sale - 02.12.2016	-82709	-0.03	3702863	1.43
	Sale - 09.12.2016	-28401	-0.01	3674462	1.42
	Sale - 16.12.2016	-85956	-0.03	3588506	1.39
	Sale - 23.12.2016	-151750	-0.06	3436756	1.33
	Sale - 30.12.2016	-43700	-0.02	3393056	1.31
	Sale - 06.01.2017	-2860	0.00	3390196	1.31
	Sale - 03.03.2017	-6893	0.00	3383303	1.31
	Sale - 10.03.2017	-167432	-0.06	3215871	1.24
	Sale - 17.03.2017	-91608	-0.04	3124263	1.21
	Sale - 24.03.2017	-18303	-0.01	3105960	1.20
	At the end of the year	--	--	3105960	1.20
<b>9</b>	<b>MULTIPLES PRIVATE EQUITY FUND</b>	2732400	1.06	--	--
	At the end of the year	--	--	2732400	1.06
<b>10</b>	<b>INDIA CAPITAL FUND LIMITED</b>	2510500	0.97	--	--
	At the end of the year	--	--	2510500	0.97

\* 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	<b>Mr. Sanjay Lalbhai - Chairman and Managing Director</b>				
	At the beginning of the year	811564	0.31	--	--
	Sale - 27.03.2017	-810000	-0.31	1564	0.00
	At the end of the year	--	--	1564	0.00
2	<b>Mr. Jayesh Shah - Wholetime Director and CFO</b>				
	At the beginning of the year	912000	0.35	--	--
	Sale - 22.11.2016	-350000	-0.14	562000	0.22
	Sale - 25.11.2016	-100000	-0.04	462000	0.18
	Sale - 14.03.2017	-462000	-0.18	0	0.00
At the end of the year	--	--	0	0.00	
3	<b>Mr. Punit Lalbhai - Executive Director</b>				
	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	
4	<b>Dr. Bakul Dholakia - Independent Director</b>				
	At the beginning of the year	15000	0.01	--	--
	Date wise increase/ decrease in Shareholding during the year	-300	0.00	14700	0.01
At the end of the year	--	--	14700	0.01	
5	<b>Ms. Renuka Ramnath - Independent Director</b>				
	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	
6	<b>Mr. Nilesh Shah - Independent Director</b>				
	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 KMP did not hold any shares of the Company during the year.

- 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.

( Amount in ₹ )

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25814715402	3451928120	0	29266643522
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	29042874	0	0	29042874
<b>Total (i+ii+iii)</b>	<b>25843758276</b>	<b>3451928120</b>	<b>0</b>	<b>29295686396</b>
<b>Change in Indebtedness during the financial year</b>				
Additions	2428476412	7649079818	0	10077556230
Reduction	9070108764	850441630	0	9920550394
Net Change	-6641632352	6798638188	0	157005836
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	19146298701	10250566309	0	29396865010
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	55827223	0	0	55827223
<b>Total (i+ii+iii)</b>	<b>19202125924</b>	<b>10250566309</b>	<b>0</b>	<b>29452692233</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Wholtime Directors and/ or Manager**

( Amount in ₹ )

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Mr. Sanjay Lalbhai Chairman and Managing Director	Mr. Punit Lalbhai Wholtime Director	Mr. Kulin Lalbhai Wholtime Director	Mr. Jayesh Shah Wholtime Director and CFO	
1	<b>Gross salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	25862457	14766265	14784260	20825323	76238305
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	946148	39600	58880	39600	1084228
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961					
2	Stock option					
3	Sweat Equity					
4	Commission	51653000	11000000	11000000	25900000	99553000
	as % of profit					
	others (specify)					
5	Others, please specify					
	NPS, PF, Gratuity and Super Annuation	2401458	1139838	1139838	2248337	6929471
	<b>Total (A)</b>	<b>80863063</b>	<b>26945703</b>	<b>26982978</b>	<b>49013260</b>	<b>183805004</b>
	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
		Dr. Bakul Dholakia	Ms. Renuka Ramnath	Mr. Dileep Choksi	Mr. Vallabh Bhanshali	Mr. Samir Mehta	Mr. Nilesh Shah	
<b>1</b>	<b>Independent Directors</b>							
	(a) Fee for attending board/ committee meetings	120000	70000	100000	40000	50000	100000	480000
	(b) Commission	750000	650000	750000	550000	550000	678082	3928082
	(c) Others, please specify	--	--	--	--	--	--	--
	<b>Total (1)</b>	870000	720000	850000	590000	600000	778082	4408082
<b>2</b>	<b>Other Non-Executive Directors</b>							
	(a) Fee for attending board/ committee meetings	--	--	--	--	--	--	--
	(b) Commission	--	--	--	--	--	--	--
	(c) Others, please specify							
	<b>Total (2)</b>	--	--	--	--	--	--	--
	<b>Total (B)=(1+2)</b>	<b>870000</b>	<b>720000</b>	<b>850000</b>	<b>590000</b>	<b>600000</b>	<b>778082</b>	<b>4408082</b>
	<b>Ceiling as per the Act</b>	<b>1% of the Net profits of the Company</b>						
	<b>Total Managerial Remuneration</b>							<b>188213086</b>
	<b>Overall Ceiling as per the Act</b>	<b>11% of the Net profits of the Company</b>						

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. R.V. Bhimani Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2219670	2219670
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	38050	38050
	(c) Profits in lieu of salary u/s 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	350451	350451
	<b>Total</b>	<b>2608171</b>	<b>2608171</b>

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/compounding of offences for the year ended 31st March, 2017.

## 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 2016-17	<b>If Total remuneration of the director is considered</b>	<b>If total remuneration of the Director excluding Variable pay and commission is considered</b>	
		Bakul Dholakia	2.83	0.39
		Renuka Ramnath	2.34	0.23
		Dileep Choksi	2.76	0.33
		Vallabh Bhansali	1.92	0.13
		Samir Mehta	1.95	0.16
		Nilesh Shah	2.53	0.33
		Sanjay Lalbhai	263.04	95.02
		Jayesh Shah	159.44	75.19
		Punit Lalbhai	87.65	51.87
	Kulin Lalbhai	87.77	51.99	
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	<b>Directors</b>	<b>%</b>	
		Bakul Dholakia	2%	
		Renuka Ramnath	4%	
		Dileep Choksi	0%	
		Vallabh Bhansali	2%	
		Samir Mehta	5%	
		Nilesh Shah	4%	
		<b>Chairman and Managing Director</b>		
		Sanjay Lalbhai	6.00%	
		<b>Whole Time Director and Chief Financial Officer</b>		
		Jayesh Shah	9.00%	
		<b>Executive Director</b>		
		Punit Lalbhai	42.00%	
		<b>Executive Director</b>		
Kulin Lalbhai	42.00%			
<b>Company Secretary</b>				
Ramnik Bhimani	33.00%			
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 company		4668	
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 15.78% and for other employees was about 10.49%. There is no exceptional increase in remuneration of Key Managerial Personnel except Two Executive Director salary, increased by 42% and Secretary salary increased by 33%.		
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 31<sup>st</sup> March, 2017.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at 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 31<sup>st</sup> March, 2017:

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

\*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 is 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 businesses.

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 management consulting 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 director in Adi Finechem Limited and e-inochips 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 was 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. Earlier, he was the Director of IIM, Ahmedabad. Dr. Dholakia is a Gold Medalist from Baroda University and holds a Doctorate in Economics. He has 46 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 2006, Global Foundation for Management Education (GFME), jointly formed by the Associations of American and European Business Schools, had nominated Dr. Bakul Dholakia as a Member of the Board of GFME representing Asia. 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. 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 \$800 million 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 of the select independent private equity platforms in India to be backed by Institutional investors both Indian as well as International.

In her new avatar, Ms. Renuka Ramnath looks to bring together her tremendous experience, long-standing credibility and enormous relationships to build Multiples as a platform to channelise 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 Apnaye 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 Samyaktva 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, 52, is the Vice Chairman of the USD 2.75 billion Torrent Group and Chairman of Torrent Pharma. A B-School grad, Mr. Mehta has hands-on exposure and experience in the nuances of business and management. Torrent Group is being ably guided by Mr. Mehta through his analytical and professional approach. He has been providing strong strategic direction to all the business units of the Group.

Under his leadership, Torrent Pharma took various strategic initiatives including forays into new therapies and geographies, creating resources to match the exacting demands of markets, making Torrent one of India's fastest growing pharma majors. It has established a strong presence in the cardio vascular, neuropsychiatry, diabetology, gastroenterology segments and has also ventured into new segments like pain management, dermatology, gynecology, oncology and nephrology. Through acquisitions, Torrent has strengthened its position in the nutraceuticals, women healthcare and dermatology segments.

Mr. Mehta can be rightfully credited for establishing Torrent Pharma's strong pan-global presence, especially through its subsidiaries in the US, Germany and Brazil. It is his strong belief that the future of Indian pharma lies in its research capabilities and this led Torrent to invest in bolstering its R&D infrastructure. Today, Torrent Pharma has state-of-the-art research and manufacturing facilities which are certified by the regulatory bodies of various international regulated and semi-regulated markets.

Likewise, Mr. Mehta evinces keen interest in Power business of the Group. Under his guidance, Torrent Power has systematically improved its performance on all efficiency parameters and today it ranks amongst the best run power utilities in the country. With an installed generation capacity of 3334 MW, Torrent Power is fully integrated across the power sector value chain. Its Transmission & Distribution (T&D) loss in its license areas is amongst the lowest in the country. Mr. Mehta's ability to take calculated risks enabled Torrent Power to expand its distribution operations in Maharashtra and Uttar Pradesh and as a result, Torrent Power distributes power to over 3 million customers in the cities of Ahmedabad, Gandhinagar, Surat, Bhiwandi and Agra. Mr. Mehta's urge for efficacy and quality has led the Company to demonstrate excellent operational capabilities and high customer orientation and this has won many accolades. The Company's success in Bhiwandi has become a case study in the annals of the Indian power sector - a model discussed in various forums.

Equally conscious of his responsibilities towards society, Mr. Mehta has always been the guiding force behind the Group's various environmental and CSR initiatives. All the units of Torrent Group have established extensive green covers in their vicinity. Environment conservation principles are incorporated at the design stage itself when new facilities are planned. The Group's power plants and pharma manufacturing facilities have obtained IMS certifications and have been conferred the Sword of Honor by British Safety Council for their exemplary performance in health and safety management.

The CSR activities of the Group primarily focus on education and healthcare. Educational initiatives include setting up schools, providing merit scholarships and improving quality of education and infrastructure. On healthcare side, the Group has set up the UN Mehta Institute of Cardiology in Ahmedabad, a 450-bed hospital with state-of-the-art facilities, to provide quality treatment especially to the economically weaker strata of the society. A recently launched ambitious child healthcare program - REACH (Reach EAch CHild), aims to positively impact lives of 25,000+ children across India's rural belts over the next few years through concerted efforts of each member of the Torrent Group.

A fine blend of trained business acumen, managerial genius and rational exuberance, Mr. Mehta has helped shape various spheres of the Group through his contemporary outlook and innovative but realistic ideas. The Torrent Group, having a diverse workforce of nearly 20,000 employees with 900 internationally based, has earned a reputation for being employee-centric due to Mr. Mehta's practice of fairness and humaneness.

**MR. NILESH SHAH (DIN: 01711720)**  
**(INDEPENDENT DIRECTOR)**

Nilesh Shah is the Managing Director of Kotak Mahindra AMC Since Jan' 15. He has had Leadership role at Axis Capital, ICICI Bank Group & Franklin Templeton Mutual Fund Since 1992. He has over 25 years of experience in Capital Market. He has won numerous awards for being the best fund manager to best fund house over last many years.

### 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 placed 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 items 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 5<sup>th</sup> April, 2016, 12<sup>th</sup> May, 2016, 4<sup>th</sup> August, 2016, 25<sup>th</sup> October, 2016, 25<sup>th</sup> January, 2017. 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	3	Yes
6	Ms. Renuka Ramnath	5	4	No
7	Mr. Dileep Choksi	5	3	Yes
8	Mr. Vallabh Bhanshali	5	3	No
9	Mr. Samir Mehta	5	4	Yes
10	Mr. Nilesh Shah	5	5	Yes

## 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 25, 2017, inter alia:

- 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 flow 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://www.arvind.com/pdf/shareholding/2016/CorporateGovernance/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, acts as 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 31<sup>st</sup> March, 2017 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 12<sup>th</sup> May, 2016, 4<sup>th</sup> August, 2016, 25<sup>th</sup> October, 2016 and 25<sup>th</sup> January, 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	Mr. Dileep Choksi	Chairman	4	4
2	Mr. Jayesh K. Shah	Member	4	4
3	Dr. Bakul Dholakia	Member	4	3
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 2 times 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 31<sup>st</sup> March, 2017 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 2 Nomination and Remuneration Committee meetings were held on 12th May, 2016 and 4th August, 2016. The Attendance of Members at meeting was as under:

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

#### 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 procedure and criteria to assist the Committee evaluate 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**

The director's independence for 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 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.

Whereas 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 shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will 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 Remuneration Committee and the Board of Directors at their meetings held on 9<sup>th</sup> May, 2012 and shareholders at their Annual General Meeting held on 28<sup>th</sup> September, 2012 have approved remuneration payable to Mr. Sanjay S. Lalbhai, Chairman and Managing Director of the Company for a period from 1<sup>st</sup> January, 2013 to 31<sup>st</sup> March, 2017. The Company has entered into an agreement with him laying down his tenure, remuneration and other terms.

The Remuneration Committee and the Board of Directors at their meetings held on 26<sup>th</sup> July, 2012 and shareholders at their Annual General Meeting held on 28<sup>th</sup> September, 2012 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 1<sup>st</sup> August, 2012 to 31<sup>st</sup> July, 2017. 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 15<sup>th</sup> May, 2014 and shareholders at their Annual General Meeting held on 30<sup>th</sup> 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 1<sup>st</sup> October, 2014 to 30<sup>th</sup> 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 2016-17 are as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Sitting Fees (₹)	Commission/ Bonus (₹)	Stock Option
1	Mr. Sanjay S. Lalbhai	10416000	15127163	-	44000000	-
2	Mr. Punit S. Lalbhai	4140000	10540563	-	24200000	-
3	Mr. Kulin S. Lalbhai	4140000	10540563	-	24200000	-
4	Mr. Jayesh K. Shah	6948000	13786463	-	28600000	-
5	Dr. Bakul Dholakia	-	-	120000	750000	-
6	Ms. Renuka Ramnath	-	-	70000	650000	-
7	Mr. Dileep Choksi	-	-	100000	750000	-
8	Mr. Vallabh Bhanshali	-	-	40000	550000	-
9	Mr. Samir Mehta	-	-	50000	550000	-
10	Mr. Nilesh Shah	-	-	100000	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. 6 - 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:

- 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 31<sup>st</sup> March, 2017 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 4<sup>th</sup> August, 2016, 25<sup>th</sup> October, 2016 and 25<sup>th</sup> January, 2017. The Attendance of Members at meetings was under:

Sr. No.	Name	Position	Number of Meetings held during the year	Number of Meetings attended
1	Dr. Bakul Dholakia	Chairman	3	2
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 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017:

Sr. No.	Particulars of Complaints / Queries	Received	Redressed	Pending as on 31.3.2017
1	Non receipt of Share Certificates - Direct from Shareholders - Received from SEBI	09 Nil	09 Nil	Nil Nil
2	Non receipt of Dividend /Interest Warrants - Direct from Shareholders - Received from SEBI	30 12	30 11	Nil 01
3	Confirmation of Demat Credit	Nil	Nil	Nil
4	Non receipt of Debentures Redemption payment	Nil	Nil	Nil
5	Non receipt of letter of offer, allotment advice, share certificates etc. for Rights Issue & others	Nil	Nil	Nil
6	Others - Complaints received from SEBI, Stock Exchanges, NSDL, ROC, Company Law Board etc.	Nil	Nil	Nil
	<b>Total</b>	<b>51</b>	<b>50</b>	<b>01</b>

## 6. MANAGEMENT COMMITTEE

The Management Committee consists of 2 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 31<sup>st</sup> March, 2017 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 17 Management Committee Meetings were held on various dates. The Attendance of Members at meetings was as under:

Sr. No.	Name	Position	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Member	17	17
2	Mr. Jayesh K. Shah	Member	17	17

## 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:

- 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;
- 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;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the company from time to time;
- 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 31<sup>st</sup> March, 2017 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 2 Meetings were held on 12<sup>th</sup> May, 2016 and 25<sup>th</sup> October, 2016.

Sr. No.	Name	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
4 <sup>th</sup> August, 2016	09.30 a.m.	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006
6 <sup>th</sup> August, 2015	09:30 a.m.	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006
30 <sup>th</sup> July, 2014	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:

#### 2015-16

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

#### 2014-15

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

#### 2013-14

- Special Resolution for appointment and approval of overall remuneration of Mr. Jayesh Shah as Wholtime Director and Chief Financial Officer for a period of five years from 1<sup>st</sup> October, 2014 to 30<sup>th</sup> September, 2019.
- Special Resolution for Borrowing of monies in excess of paid up capital and free reserves of the Company.
- Special Resolution for Creation of mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure the financial assistance.
- Special Resolution for Keeping and inspecting the registers, returns etc. at a place other than the registered office of the Company.
- Special Resolution for Alteration of Articles of Association of the Company by inserting new article 149A.

### 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](http://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 web-site hosts a special page giving information which investors usually seek.
- 9.3 Presentations made to institutional investors/analysts are posted on the Company's web site at [www.arvind.com](http://www.arvind.com)

**10. GENERAL SHAREHOLDER INFORMATION:****10.1 Annual General Meeting:**

Date	4th August, 2017
Time	9:30 a.m.
Venue	J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

**10.2 Financial Calendar:**

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

First quarter results	:	Last week of July, 2017
Second quarter results	:	Last week of October, 2017
Third quarter results	:	Last week of January, 2018
Fourth quarter results / Year end results	:	In the Middle of May, 2018

**10.3 Book Closure: Saturday, the 29<sup>th</sup> July, 2017 to Friday, the 4<sup>th</sup> August, 2017 (Both Days inclusive).****10.4 Dividend payment Date : 9th August, 2017****10.5 Listing on Stock Exchanges: Equity Shares of the Company are listed on the following Stock Exchanges.**

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, 5 <sup>th</sup> Floor, Plot No.C/1, G. Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.

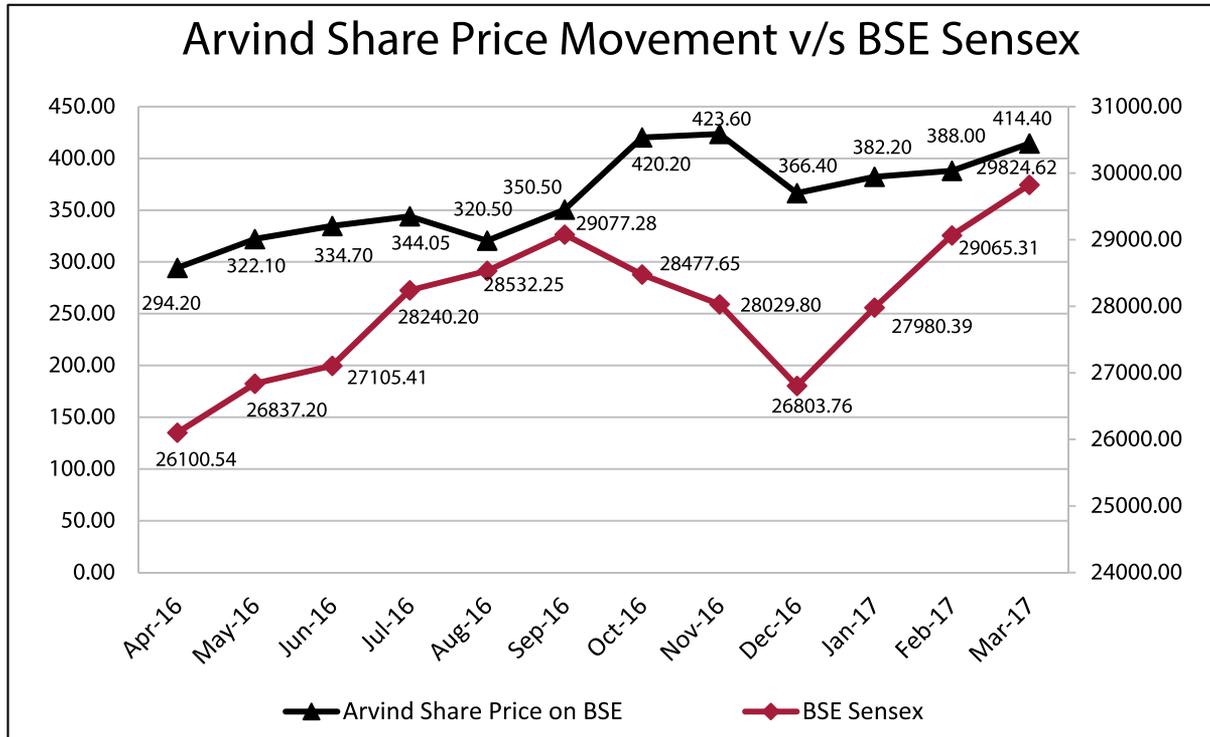
The Company has paid Annual Listing Fees for the year 2017-2018 to the above Stock Exchanges.

**10.6 Market Price Data:**

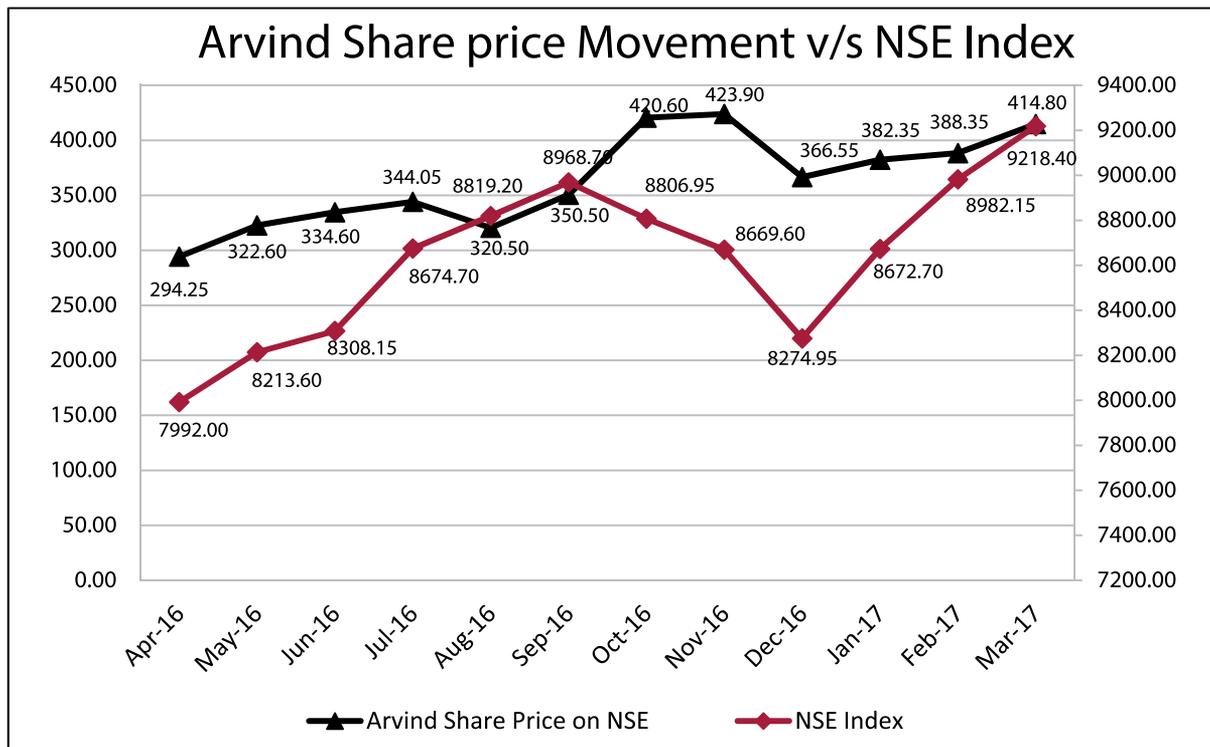
The market price data and volume of the company's share traded in the BSE Limited and the National Stock Exchange of India Limited during the Financial Year 2016-17 were as under:

Month	Share price BSE		BSE Sensex		Volumes No. of shares	Share price NSE		NSE (NIFTY)		Volumes No. of shares
	High (₹)	Low (₹)	High	Low		High (₹)	Low (₹)	High	Low	
Apr-16	294.20	257.30	26100.54	24523.20	3717206	294.25	257.05	7992.00	7516.85	33797011
May-16	322.10	272.60	26837.20	25057.93	5528617	322.60	272.05	8213.60	7678.35	45282507
Jun-16	334.70	294.95	27105.41	25911.33	5177281	334.60	294.70	8308.15	7927.05	38837250
Jul-16	344.05	301.75	28240.20	27034.14	3616399	344.05	301.35	8674.70	8287.55	31992263
Aug-16	320.50	286.95	28532.25	27627.97	4932204	320.05	286.55	8819.20	8518.15	33673317
Sep-16	350.50	308.10	29077.28	27716.78	4262583	350.50	307.60	8968.70	8555.20	38261031
Oct-16	420.20	339.25	28477.65	27488.30	8650322	420.60	338.20	8806.95	8506.15	70266727
Nov-16	423.60	322.90	28029.80	25717.93	6293200	423.90	323.40	8669.60	7916.40	46796799
Dec-16	366.40	321.60	26803.76	25753.74	3449961	366.55	321.25	8274.95	7893.80	28903979
Jan-17	382.20	351.10	27980.39	26447.06	4060087	382.35	350.45	8672.70	8133.80	38346594
Feb-17	388.00	364.20	29065.31	27590.10	3143065	388.35	363.95	8982.15	8537.50	27111146
Mar-17	414.40	376.80	29824.62	28716.21	3730044	414.80	376.75	9218.10	8860.10	34089105

## 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

506-508, Amarnath Business Centre-1(abc-1), beside GBC, Near St. Xavier's College Corner,  
Off. C. G. Road, Ellisbridge, Ahmedabad-380006.

Phone & Fax No. 079-26465179/86/87

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 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017:**

Transactions	Physical
Number of Transfers	578
Average Number of Transfers per month	48
Number of Shares Transferred	11835
Average Number of shares Transferred per month	987
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 31<sup>st</sup> March, 2017:**

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
<b>1</b>	<b>Holding of Promoter &amp; Promoter Group</b>		
	<b>Promoters</b>		
	Aura Securities Private Limited	95561810	36.99%
	Sanjaybhai Shrenikbhai Lalbhai	1564	0.00%
	Punit Sanjaybhai	3714	0.00%
	Jayshreeben Sanjaybhai Lalbhai	345	0.00%
<b>2</b>	<b>Promoter Group</b>		
	Kalpanaben Shripalbhai Morakhia	12	0.00%
	AML Employees' Welfare Trust	6327317	2.45%
	Samvegbhai Arvindbhai Lalbhai	173797	0.07%
	Samvegbhai Arvindbhai	46347	0.02%
	Anamikaben Samvegbhai Lalbhai	40032	0.02%
	Saumya Samvegbhai Lalbhai	20000	0.01%

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
	Hansaben Niranjambhai Lalbhai	38052	0.01%
	Badlani Manini Rajiv	7152	0.00%
	Aura Securities Private Limited	100	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%
	Vimlaben S Lalbhai	970	0.00%
	Taral S Lalbhai	4074	0.00%
	Aayojan Resources Private Limited	84505	0.03%
	Adhinami Investment Private Limited	6000	0.00%
	Anusandhan Investments Limited	115000	0.04%
	Akshita Holdings Private Limited	136	0.00%
	Atul Limited	4127471	1.60%
	Aagam Holdings Private Limited	1876258	0.73%
	Lalbhai Realty Finance Private Limited	455000	0.18%
	Avadh Material And Equipment Suppliers LLP (Formerly Avadh Material & Equipment Suppliers Private Limited)	810000	0.31%
	Aura Merchandise Private Limited	100	0.00%
	Fast Credit Consulting Private Limited (Now Aura Business Enterprise Private Limited)	100	0.00%
	<b>Total Promoter Group holding</b>	<b>111273757</b>	<b>43.07%</b>
<b>3</b>	Mutual Funds and UTI	28247860	10.93%
<b>4</b>	Financial Institutions, Banks, Insurance Companies & Central/State Government	11223926	4.34%
<b>5</b>	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs/OCBs, Foreign Banks	64120033	24.82%
<b>6</b>	Bodies Corporate	8510336	3.29%
<b>7</b>	Individuals	32379526	12.53%
<b>8</b>	Trusts	652679	0.25%
<b>9</b>	Hindu Undivided Family	1341818	0.52%
<b>10</b>	Clearing Members	606234	0.23%
<b>11</b>	Overseas Bodies Corporates	2900	0.00%
	<b>Total Non-Promoter holding</b>	<b>147085312</b>	<b>56.93%</b>
	<b>GRAND TOTAL</b>	<b>258359069</b>	<b>100.00%</b>

The names of 'Relatives of above Individuals' are as per disclosures made as on 31<sup>st</sup> March, 2017 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

**10.10 Distribution of shareholding as on 31<sup>st</sup> March, 2017:**

No. of Shares	PHYSICAL MODE		ELECTRONIC MODE		TOTAL		TOTAL	
	No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders	%	No. of Shares	%
1-500	68621	2670410	100764	10832785	169385	94.66	13503195	5.23
501-1000	260	182250	4773	3788345	5033	2.81	3970595	1.54
1001-2000	85	113378	2074	3122457	2159	1.21	3235835	1.25
2001-3000	8	20176	722	1834646	730	0.41	1854822	0.72
3001-4000	7	25026	363	1295325	370	0.21	1320351	0.51
4001-5000	10	45013	272	1276216	282	0.16	1321229	0.51
5001-10000	3	21869	421	3080286	424	0.24	3102155	1.20
10001-20000	4	59076	185	2678098	189	0.11	2737174	1.06
Above 20000	1	100000	375	227213713	376	0.21	227313713	87.98
<b>TOTAL</b>	<b>68999</b>	<b>3237198</b>	<b>1009949</b>	<b>255121871</b>	<b>1078948</b>	<b>100.00</b>	<b>258359069</b>	<b>100.00</b>

**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 31<sup>st</sup> March, 2017, 25,51,21,871 shares representing 98.75% 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, Naroda Road, Ahmedabad-380025, Gujarat.
- Lifestyle Fabrics - Voiles, Ankur Textiles, Outside Raipur Gate, Ahmedabad-380022, Gujarat.
- Lifestyle Fabrics - Shirting, Khakis & Knitwear, PO Khatrej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
- Lifestyle Fabrics - Knits, PO Khatrej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
- Lifestyle Apparel - Jeans, # 26/2, 27/2, Kenchenahalli, Mysore Road, Near Bangalore University, Bangalore-560059.
- Lifestyle Apparel - Shirts, # 63/9, Dodda Thogur Village, Electronic City Post, Bangalore-560100.
- Arvind Intex, Rajpur Road, Gomtipur, Ahmedabad-380021, Gujarat.
- Arvind Polycot, Khatrej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
- Arvind Cotspin, D-64, MIDC, Gokul Shirgaon, Tal. Karveer, Kolhapur-416234, Maharashtra.

**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 have 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 Registrar and Transfer Agent for a copy of the form.

- (2) Dividends on equity shares for the financial years 1994-95 to 1997-98 and 2004-05 to 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	28 <sup>th</sup> September, 2012	3 <sup>rd</sup> November, 2019
2012-13	29 <sup>th</sup> July, 2013	3 <sup>rd</sup> September, 2020
2013-14	30 <sup>th</sup> July, 2014	4 <sup>th</sup> September, 2021
2014-15	6 <sup>th</sup> August, 2015	11 <sup>th</sup> September, 2022
2015-16	4 <sup>th</sup> August, 2016	9 <sup>th</sup> September, 2023

\* Actual dates of transfer to IEPF may vary.

Members who have so far not encashed 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 Web-site address: www.arvind.com	Link Intime India Private Limited Registrar and Transfer Agent 506-508, Amarnath Business Centre-1 (abc-1), beside GBC Near St. Xavier's College Corner Off. C. G. Road, Ellisbridge, Ahmedabad-380006. Phone & Fax No. 079-26465179/86/87 E-mail : ahmedabad@linkintime.co.in
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### 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 Accounting Standard (As 18) 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://www.arvind.com/pdf/shareholding/2015/Policies/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 31<sup>st</sup> March, 2017, the Company has one 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 under Regulation 16 of the SEBI (LODR) Regulations, 2015 and the same is disclosed on the Company's website. The web link is <http://www.arvind.com/pdf/shareholding/2015/Policies/PolicyforDeterminationofMaerialityofEvent.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](http://www.in.kpmg.com/ethicshelpline/Arvind)**

**Toll Free No.: 1800 200 8301**

**Dedicated Email ID: [arvind@ethicshelpline.in](mailto: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](http://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 11<sup>th</sup> May, 2017 and the same was approved.

For and on behalf of the Board

Place: Ahmedabad

Date: May 11, 2017

**SANJAY S. LALBHAI**  
Chairman & Managing Director

# Compliance of conditions of Corporate Governance

## To the Members of Arvind Limited

We have examined the compliance of regulations of Corporate Governance by ARVIND LIMITED for the year ended on 31<sup>st</sup> March, 2017, as stipulated in Regulations Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of regulations of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above mentioned Listing Regulations.

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

**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

Place: Ahmedabad  
Date: May 11, 2017

## CEO / CFO certification

The Board of Directors  
Arvind Limited  
Ahmedabad.

### Re: Financial Statements for the year 2016-17 – 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, 2017 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 11, 2017

**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](http://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 31<sup>st</sup> March, 2017.

Ahmedabad  
May 11, 2017

**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 restraint 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.

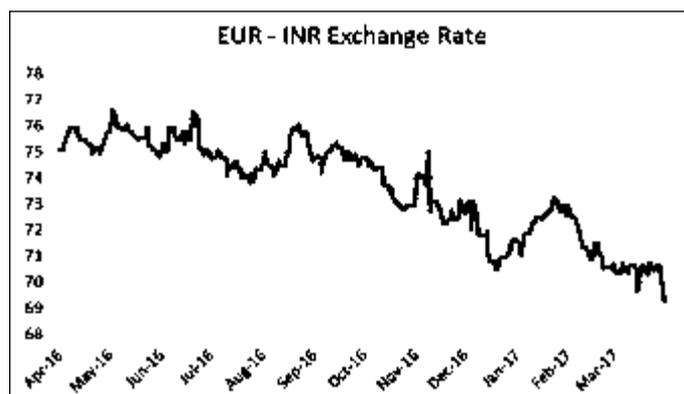
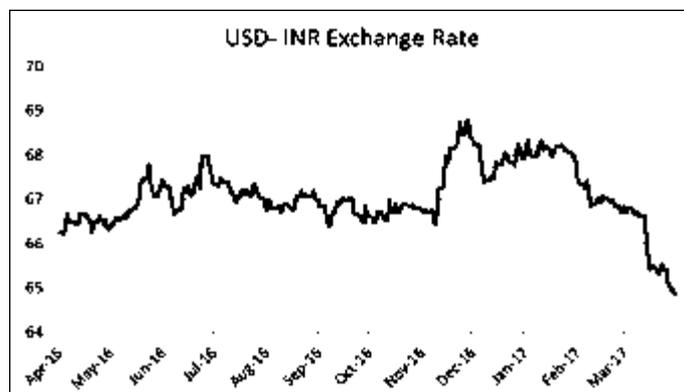
## Overview of the Economy

World economy grew at 2.3% in 2016, compared to growth of 2.7% in previous year. Against weak global growth, expansion in Indian economy was noteworthy. Despite some decline in growth due to slowdown in manufacturing and demonetisation, India remained the fastest growing major economy with ~7.1% yoy growth (forecasted). While the demonetisation of ₹ 500 and ₹ 1,000 currency bill impacted consumer demand for some time, the economy weathered the storm well and came out fairly unscathed. Considering India’s growth is primarily driven by Government spending and private consumption, latter of which got impacted by demonetisation, strong growth numbers provided a lot of comfort on the strength of the economy.

Not only growth but Indian economy did well on other macro-economic parameters also. Crude price rose again after remaining weak for last couple of years. However, in spite of higher crude prices, inflation remained under control. Consumer Price Index averaged below 5% for the year, a significant improvement over last few years when double digit inflation was the norm.

India also saw passing of long awaited GST bill. GST is likely to be implemented from July 1<sup>st</sup> and will provide a huge fillip to industry as it simplifies the tax structure in the country significantly and will likely provide an impetus to the private investment in the country. While in the long term, implementation of GST is a positive development, its impact, especially on exports, in the near future is still unclear as many export incentives are likely to be discontinued. The net impact of the new tax law will be known only after further details are shared. Domestically, however, the new law is likely to dilute the present tax arbitrage, which is available to unorganised players, moving the market towards organised players.

Country is still facing challenges on account of lower service exports and weak manufacturing growth. Indian currency strengthened significantly against US\$ towards the end of the year creating another set of challenge for Indian exporters. By the end of FY2017, Indian rupee was at its highest level against both USD and EUR in almost one and a half years.



(Source: Bloomberg)

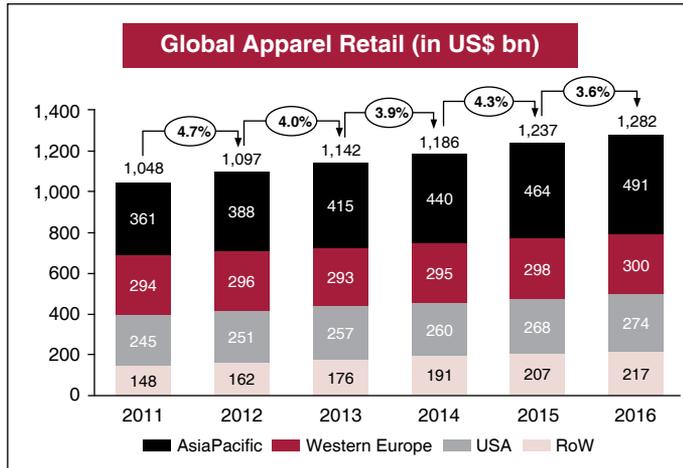
Nevertheless, growth outlook is improving, thanks to the strong private consumption. While private investments remain sluggish, continuous improvement in consumption and implementation of GST coupled with other fiscal reforms will possibly lead to even stronger growth in the economy over the coming years.

## Global Apparel Market

Global apparel retail industry has grown at healthy rate over the last few years. Strong growth in the Asia Pacific region has led to the strong growth in the industry in spite of continuously weak numbers in Western Europe and US.

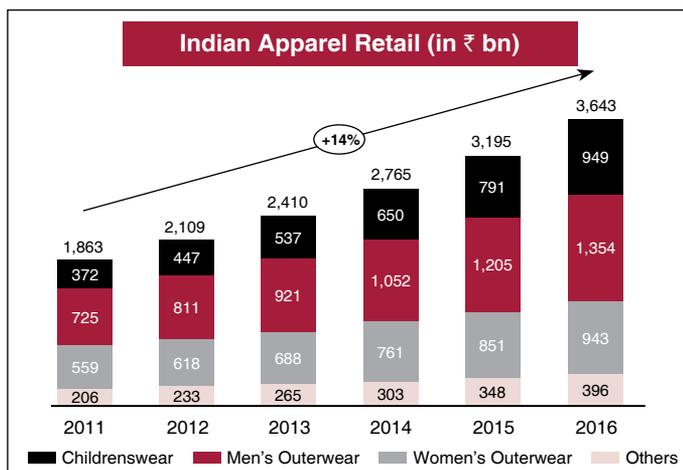
Asia Pacific constitutes almost 38% of the global apparel retail and is one of the fastest growing geography. Both US and Western Europe, on the other hand are growing slowly. Thanks to the strong growth trends in China and India, Asia – Pacific apparel retail grew by 5.8% in 2016. While economic growth in China slowed down last year, apparel retail continued to grow strongly driven primarily by fast fashion categories. Even in developed markets, dynamics are changing rapidly with fast fashion retailing and online retailing growing at much faster pace compared to traditional retailers. New age customer is choosing fast fashion brands over the traditional brands, which are more trendy and available at lower prices. Also, the new age customer is digital savvy and is preferring online channels for buying apparels. These changing trends are posing a great challenge for traditional retailers who are struggling with falling revenue and pressure on margins. As the current trend of digital stores and higher online sales continues, retailers will be forced to invest in online platforms to provide a

seamless shopping experience to their customers.



(Source: Euromonitor)

Branded apparel retail in India is growing at fast pace aided by the entry of more international players as well as strong growth delivered by existing players. However, the second half of the year faced a huge challenge in form of demonetisation. In a cash driven economy like India, demonetization had a severe impact on all industries, including retail. Post a strong Diwali, sales fell sharply in November as lack of currency in the hands of customers meant low propensity to consume. However, industry recovered over the next few months as money supply returned to normalcy. Despite the challenges due to demonetisation, the Indian apparel industry delivered strong growth in 2016, growing by 14% in value terms, which is similar to average annual growth of the last five years. Amongst categories, Children's wear is the fastest growing segment in the country followed by Men's outerwear.



(Source: Euromonitor)

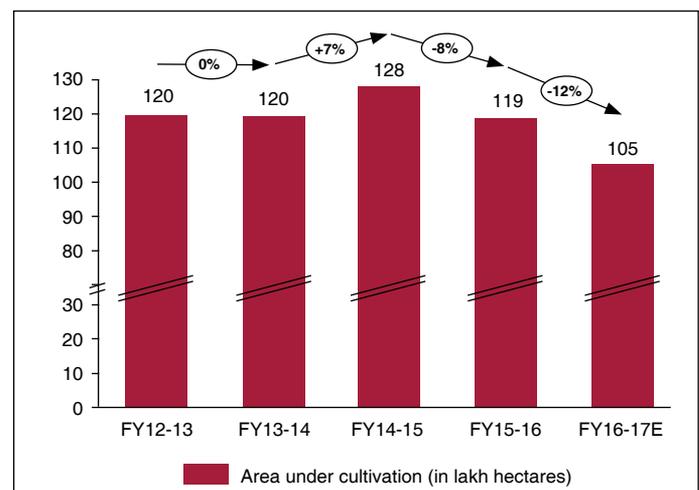
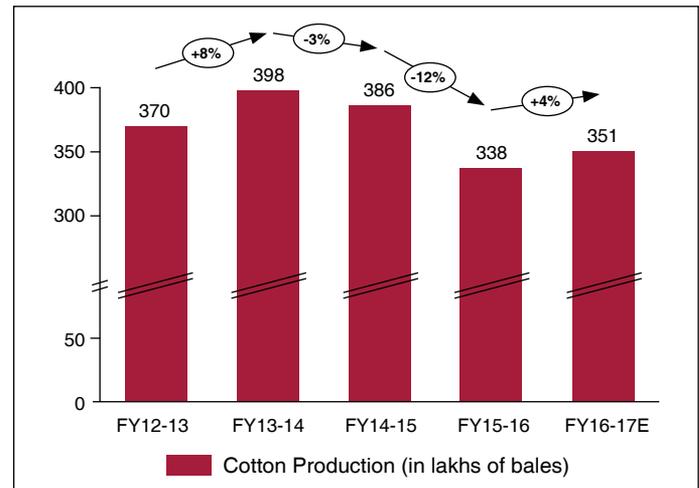
Fast penetration of internet is opening up tier two and tier three towns to the retailers like never before. Rapid growth of smart phones coupled with government's initiatives like "Digital India" is driving significant improvement in internet connectivity in the country. Thanks to the improved connectivity and convenience of shopping, online retail is growing at stupendous pace and currently contributes ~4% of total apparel sales in the country. Online retailing is expected to continue witnessing a strong growth in the near future and will possibly achieve double digit

share in total apparel sales over next five years. This has forced a change in strategy for most brick and mortar retailers. Like their counterparts in US, Indian retailers are also investing heavily in building their online presence and are looking at omni-channel as the way to compete successfully in a dynamically changing market

### Indian Textile Outlook

Indian textile industry contributes around 4% to country's gross domestic product (GDP), 14% to industrial production and ~13% to total export earnings and is one of the most important sectors of the economy. The industry is the second-largest employer in the country after agriculture, providing employment to over 45 million people directly and 60 million people indirectly, including unskilled women. The modern textile sector accounts for 80% of the industry.

Indian textile industry continues to be dominated by cotton with nearly 3/4th share in total fibre consumption in the country. For an industry, so dependent on cotton, impact of its price volatility can't be overstated. For the 2016-17 season, cotton production in the country is estimated at 351 lakhs bales, up from 338 lakhs bales produced last year. Coupled with inventory of last year and imports, total supply of cotton in FY16-17 is likely to be 411 lakhs bales vis-à-vis supply of 424 lakhs bales in FY15-16. Marginal fall in supply and heightened speculation in the commodity prices has driven the prices of cotton higher.



(Source: Cotton Advisory Board, Government of India)

Over the last two years, area under cultivation for cotton has fallen significantly as the farmers have moved on to more remunerative crops. However, the cultivation pattern are likely to change now. Seed cotton prices for current year are almost 20% higher than the previous year, giving an impetus to increased cotton plantation. Also, while Government of India is emphasizing pulse crop planting, cotton is expected to provide a higher price realization as compared to other competing crops, thus resulting in increased acreage under cotton plantation. Even this year, in spite of the reduced area, India remains the largest cotton producer in the world.

India remains the second largest exporter of Textile and Clothing (T&C) with global share of 4.8%. Overall T&C exports in key Asian geographies have come down over the last year primarily driven by fall in exports for both China and India. Driven by rising labour cost and strong currency, China has been losing market share over the last few years. China's declining market share has provided an opportunity for other key textile exporters to scale up, with Vietnam and Bangladesh increasing their market shares, primarily led by garment exports. Bangladesh's exports have been growing rapidly and the country is now third largest textile exporter globally.

India textile exports, on the other hand, have fallen by ~5% in FY16-17 due to fall in cotton textile. While the medium term outlook for Indian textile remains strong, there are many near term challenges that can impact the growth of the sector. Indian currency has been gaining sharply and is likely to impact growth of export. Rising labour cost and high transportation costs are other key challenges facing Indian textile sector. Another key challenge facing Indian textile sector is rapid depreciation of currency by China over the last one year. Sharp depreciation of the yuan will effect India's export competitiveness, thus impacting the export volume growth trends going forward.

While there are challenges on the export front, domestic market continues to do well. Domestic demand is supported by a rising consumer class with greater disposable income that wants readymade garments and home textiles. Growing Indian economy and higher disposable income is leading to strong domestic demand which augurs very well for textile industry.

With this backdrop, Arvind continues to pursue the strategy of differentiated products and asset-light operations to ensure higher returns. Your Company is looking to develop a de-risked and capital efficient textiles business model through a vertically integrated offering. Garmenting is a key part of this strategy and we are looking to increase the proportion of fabric sold as end garment. An integrated offering will not only help us in having better visibility but also create more stickiness with our customers.

US pulling out of Trans Pacific Partnership Agreement (TPPA) bodes well for most south Asian textile exporting countries as USA was the key importer for all of them. However, with an aim to further de-risk its business against increasing cost and falling margins in the mid-term, your Company has set up garmenting factories in Ethiopia to take advantage of lower labour cost, duty savings and lower shipment time to the US markets. The Ethiopia facility has already started soft production and will be expanding production in the current year.

### Advanced Material Division

Our advanced material division consists of technical textile, composite, and industrial/filtration products amongst others. Technical textile is one of the fastest emerging sector in the country. Technical textiles are functional fabrics that have applications across various industries including personal protection, industrial safety, healthcare, automobiles, etc. The demand for technical textile is growing at a rapid pace driven by increasing

industrialisation in the country. The Working Group on Technical Textiles for 12th Five Year Plan projected the market size of technical textile to reach ₹ 1,585 bn by 2016-17 delivering annual growth of ~20%. Despite growing at a rapid pace, per capital consumption of technical textile is still significantly lower than the developed world indicating huge growth potential for the industry. Your Company has been investing in this fast growing business over the last few years and has received tremendous response to its offerings. We continue to scale up the business which will likely be the key driver of growth for the company in the years to come.

### Result Review

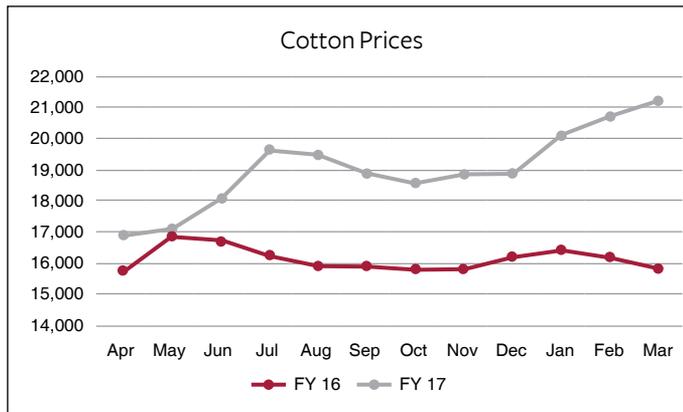
Total revenue of the company grew 15% in FY17 primarily on the back of strong growth in our brands and retail business. Our Operating Earnings (excluding other income) before Interest Depreciation and Taxes (EBITDA) fell marginally by 1% as higher cotton prices and sharp appreciation of rupee impacted margins. Consolidated PBT was up 0.4% and PAT at ₹ 320 crores was up 1% as compared to previous year.

(In ₹ Crores)

Particulars	For the year ended			
	March 31, 2017		March 31, 2016	
	Amount	% of sales	Amount	% of sales
Revenue from Operations	9,236		8,011	
Other Income	78		82	
<b>Total Revenue</b>	<b>9,314</b>		<b>8,093</b>	
Cost of Material Consumed	2,548	27%	2,269	28%
Purchase of Stock in Trade	2,011	22%	1,305	16%
Change in inventory	-363	-4%	-107	-1%
Project Expenses	13	0%	10	0%
Employee	1,096	12%	898	11%
Power & Fuel	495	5%	494	6%
Stores Consumption	473	5%	464	6%
Other Expenses	2,033	22%	1,722	21%
Foreign Exchange Gain/(Loss)	-15	0%	6	0%
<b>EBITDA</b>	<b>1,021</b>	<b>11%</b>	<b>1,033</b>	<b>13%</b>
<b>EBITDA w/o Other Income</b>	<b>943</b>	<b>10%</b>	<b>951</b>	<b>12%</b>
Depreciation	297	3%	240	3%
Finance Cost	288	3%	359	4%
<b>Profit before Exceptional Items and Tax</b>	<b>436</b>	<b>5%</b>	<b>434</b>	<b>5%</b>
Exceptional Items	-18		1	
<b>Profit before Taxes</b>	<b>418</b>	<b>4%</b>	<b>435</b>	<b>5%</b>
Tax Expenses	100		125	
<b>Profit after Taxes</b>	<b>318</b>	<b>3%</b>	<b>311</b>	<b>4%</b>
Share of profit/(loss) of Joint Venture	2		5	
<b>Net Profit</b>	<b>320</b>	<b>3%</b>	<b>316</b>	<b>4%</b>

**Revenue:** Total revenue of the company grew 15.1% in FY17 primarily on the back of strong growth in our brands and retail business (up 26%). Denim revenue fell by 1% during the year as demonetisation impacted volumes. Woven revenue were more resilient and grew 10% to ₹ 2,212 crores. Voiles and Knits business also saw a positive year and grew 12% and 6%, respectively. Garments business continued to deliver strong numbers and registered growth of 28%. Other income aggregating to ₹ 78 crores was mainly consisting of Interest Income, Sale of Scrap & Rent Income.

**Cost of Material consumed:** Cotton, which is the key material for our textile business, saw a sharp rise in prices in the year under review. Average cotton prices for the year were higher by almost 20% vis-à-vis the previous year and thereby impacted our overall raw material cost. For the full year FY17, raw material cost in absolute terms was up ~12%. As a percentage of sales also, the raw material cost went up by 2.2% due to higher cotton prices and business mix change.



The direct materials costs which largely consists of cost of Dyes & Chemicals and Spare parts consumed, was up marginally in absolute terms to 473 crores. Similarly, Power & Fuel cost for the year was stable at 495 crores in spite of the higher revenue. Our employee cost, however, went up by 22% in the year under review primarily due to labour intensive nature of our fast growing garmenting business. As a percentage of revenue, employee costs were up 66 bps. Other expenses for the year was up 18%, a little higher than our sales growth. As a percentage of revenue, the other expenses were at 22%, up 55 bps.

**Operating Margin:** For the year under review, EBITDA margins were down 166 bps, primarily due to scale up of our garmenting business and higher raw material cost in denim and woven businesses. In absolute terms, our EBITDA was down marginally at 943 crores.

**Finance Cost:** Finance cost for the year stood at 288 crores, down ~20% from the previous year. Finance cost came down sharply as we repaid debt following stake dilution in our brands business and sale of a few non-core assets. Fall in interest rates also impacted our finance cost positively.

**Depreciation:** Depreciation for the year was up 24% as we capitalised more units under our garmenting business. As a percentage of revenue depreciation was at 3.2%, up 22 bps from last year.

**Profit before Taxes:** In line with EBITDA, Profit before taxes and exceptional items for FY17 also saw a muted growth and stood at ₹436 crores, up 0.4% from previous year. Our PBT margin for the year was 4.7%, a fall of 0.7% from the previous year.

**Net Profit:** Profit after taxes for the year stood at ₹320 crores, up 1% vis-à-vis the previous year. Our net margin for the year stood at 3.4%.

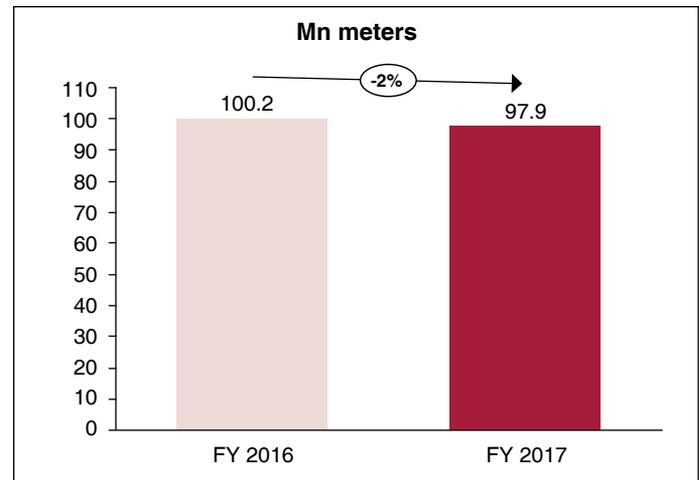
**Debt:** Our total debt at the end of FY17 stood at ₹2,821 crores. Our debt came down sharply as we sold a few non-core assets and diluted stake in our brand subsidiary.

**Working Capital:** Current assets at the end of the year were up 11% while the current liabilities were higher by 4%.

## Business Review and Developments

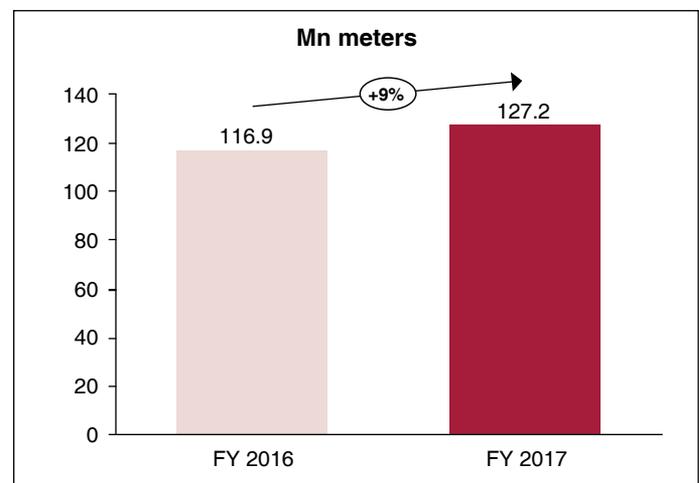
### Denim

Denim fabric saw a fall in volumes to 97m meter from 100m meters last years as demonetisation led to reduced demand in the month of November and December. While market recovered as the cash situation normalized, it was difficult to recover lost volumes of those two months. As volumes fell, revenue were down marginally to 1,841 crores in spite of marginally improved realisations. Realisations have been inching up gradually as we have made conscious effort to avoid low margin product categories. Also, mix change towards exports helped in improving realisations.



### Woven

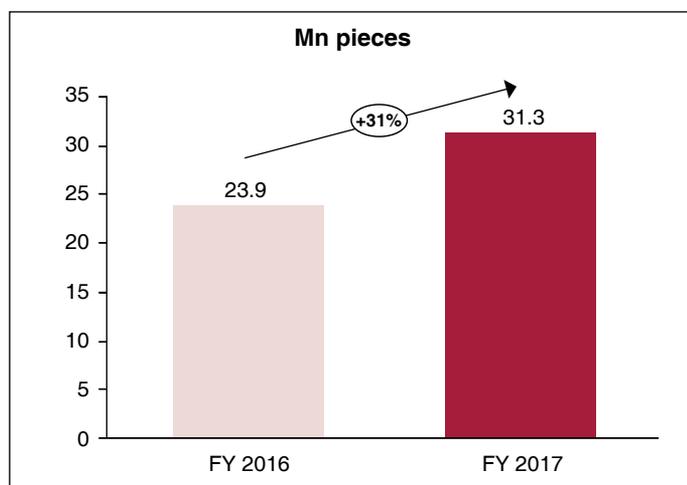
Woven volumes improved 6% to 123 mn meter with strong growth in our export business and domestic retail driving growth of the segment. Revenue also grew in line with the volumes to reach 2,212 crores as average realisation per meter remained stable. Our focus on retail business has shown results and register 14% growth despite demonetization impact. We have been increasing our distribution network and product range to cater to this fast growing market.



### Garment

Garment is a key part of our vertically integrated offerings and it continues to register strong growth in volumes. During the year, our Garment volumes were up 31% to 31.3 mn pieces. As the Ethiopian operation

stabilises this year, we expect it to add meaningfully to the volumes. Our suit manufacturing joint venture company, Arvind Goodhill Suit Manufacturing Pvt. Ltd., has grown its revenue by ~25% to 61.6 crores.



### Brands and Retail

Our Brands and Retail Business delivered strong growth in the year under review with Power Brands and speciality retail leading the growth charge. Our power brands US Polo, Arrow and Flying Machine continue to grow at a rapid pace and are strong players in their respective segments. Our value retail offering, Unlimited showed a robust growth and revalidated the business model correction initiated during the last year. Our growth brands such as Gant, Nautica and Aeropostale continue to scale up and are likely to drive the next phase of growth. Our speciality retail segment, which includes retail brands like GAP, The Children's Place and Sephora is also delivering strong growth on the back of increased distribution. To cater to evolving consumer preferences, Arvind is strengthening its digital presence and is looking to add omni-channel capabilities to its retail stores. The new platform gives the customers convenience to move seamlessly between online and physical retail stores. Presently, we have connected around 600 stores on its omni-channel platform. The early response to the platform has been remarkable and the Company is likely to roll out the platform to the remaining stores in the course of this year. Another big development during the year was dilution of 10% stake in our brand and retail business at an enterprise value of ₹ 8,000 crores. The dilution was market validation of attractiveness of the opportunity and inherent robustness of our brands platform.

### Performance of key subsidiaries

#### Anup Engineering Ltd.

Anup Engineering Ltd. is engaged in engineering and fabrication business. It is the 3<sup>rd</sup> largest heavy fabrication player in India. Anup's product basket

includes critical process equipment like Heat Exchangers, Pressure Vessels, Reactors, Columns/Towers and Centrifuges. The business has been on an upward growth path for last few years. In FY 2017, company registered a revenue of ₹172 crores delivering a growth of ~30%. Profit after Tax stood at ₹34 crores growing by ~40%.

#### Arvind Envisol Ltd.

Arvind Envisol Ltd. 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 ₹113 crores in FY17, growing by 13% over the previous year.

#### Outlook

Arvind's future will be driven by multiple growth driver. In the textile space, large opportunities in global textile and clothing markets are driving growth for us. While, our brands and retail business continues to grow driven by large domestic consumption. We are seeing new growth opportunities in advanced material division and the segment continues to grow at a rapid pace. Over the medium term, we expect to grow in mid-teens annually primarily driven by our consumer facing businesses. We expect our brands and retail business to contribute 40-50% to our consolidated revenue over the next 4-5 years.

We have been growing our brand and retail portfolio through a portfolio of strong international brands and speciality retail stores that work across multiple channels, price points and consumer segments. We are rapidly expanding our distribution footprint further and expect to present in over 300 cities over the next few years. In addition, we have continuously making new brand extensions for our current portfolio which is further helping us grow our revenue. We aim to achieve annual growth of more than 20% for the next few years. As the revenue grows, we expect our EBITDA margins also to improve and expect to reach double digit margins over the next 4-5 years.

In textile business, we continue to grow our asset light garment business as part of our vertical integration strategy. Our newly commissioned Ethiopia plant for garments will allow us to compete more aggressively in the international market and will likely be a key part of our textile growth story. We expect to grow our textile business in high single digits in the current year. However, margins can be under pressure due to volatile raw material environment and strengthening of rupee. Implementation of GST is also likely to bring some volatility to the revenue and margins in the short term.

We expect our FY18 revenue to grow in the mid-teens driven by more than 20% growth in Brands and Retail business and high single digit growth in Textile Business. The consolidated margins will marginally shrink as the business mix change towards the Brands and Retail business. Overall we expect to maintain a positive momentum in the business.

# 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, Gant 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:** <http://www.arvind.com/>

**E-mail id:** sustainability@arvind.in

**Financial Year reported:** 2016-17

**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) :** ₹ 258.36 Crore

**Total Turnover (INR) :** ₹ 5,955.68 Crores

**Total profit after taxes (INR) :** ₹ 270.88 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, 2017 was ₹8.85 crores which is 3.27% of the PAT.

**List of activities in which expenditure in 4 above has been incurred:**

Manner in which the amount spent during the financial year 2016-17 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 projects or programmes were undertaken		(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	100	100		Through SHARDA Trust: Company's Implementing Agency	
2	Promotion of Indology	National Heritage, Art & Culture	Ahmedabad, Gujarat	100	100	200	Through Implementing Agency-Lalbai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV)-Towards Corpus	

Manner in which the amount spent during the financial year 2016-17 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
3	Promoting Education	Promoting Education	Improving Infrastructure of Gyanmandal Laxmipura	20	20	220	Through SHARDA Trust: Company's Implementing Agency	
4	Animal Welfare	Animal Welfare	Vadodara	24	24	244	Through Implementing Agency - Sheth A.K. Chhapariyali Panjarapole Sarvjanik Trust	
5	Animal Welfare	Animal Welfare	Godhra	10	12	256	Through Implementing Agency - Shri Jivkalyan Panjarapole Trust, Godhra	
6	Other CSR Projects Supported			21	21	277		
7	Corpus Donation	Promoting Education, Promoting Skills, Promoting Health, Promoting Sanitation, Promoting other CSR projects as per schedule VII	Interest to be used in the projects in these areas.	565	565	842	For creating a copus for Arvind Foundation - company's own foundation created for undertaking CSR initiative.	
7	Administrative Expenses				43	885		
	<b>Total</b>				<b>885</b>			
	<b>Programmes supported through Funds of company promoted Trusts over and above 2% CSR Funds</b>							
1	Gyanda: Education Support Programme for Underprivileged students	Promoting Education	Shahpur, Khanpur, Shahibaug areas of Ahmedabad, Gujarat. Other Areas Proposed.		107		Through SHARDA Trust's - own & other sources	Operational Expenses - Unaudited
2	NLRDF Programmes	Promoting Health, Promoting Sanitation, Skills and Training	Gujarat		120	227	Through NLRDF's own & other sources	Operational Expenses - Unaudited
	<b>Total Spend (₹ Lacs)</b>				<b>227</b>	<b>227</b>		
	<b>Grand Total</b>				<b>1112</b>	<b>1112</b>		

**Section C: Other Details**

**Any Subsidiary Company/ Companies:**

Yes, the Company has 22 subsidiary companies (including step down subsidiaries) as on 21<sup>st</sup> March 2017.

**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. We would again carry out this analysis next year and report in case of any change.

**Section D: BR Information**

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

Name: Mr. Jayesh Shah

DIN: 00008349

Designation: CFO & Whole time Director

Telephone Number: 079-30138000

Email id: jayesh.shah@arvind.in

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

Name: Mr. Abhishek Bansal

Designation: Chief Manager - Sustainability

Telephone Number: 09810096771

Email id: sustainability@arvind.in

National Voluntary Guidelines		Arvind's Policies
P1	Business should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct (Anti Bribery and Corruption 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, Sexual Harassment, Freedom of Association (Code of Conduct), Equality of Opportunities, Child & Forced Labour
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised	CSR Policy
P5	Businesses should respect and promote human rights	Code of Conduct, Whistleblower
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
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?	Yes, we do have committees for CSR, Risk Management and Whistleblower.								
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:

Annually

#### 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 Corporate Sustainability Report of Arvind Limited has been published and uploaded on its website. This report is available at:

<http://arvind.com/sustainability/downloads.html>

### Section E: Principle-wise Performance

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

##### Q. 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: <http://arvind.com/sustainability/downloads.html>, 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.

##### Q. 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 21 complaints from employees and business partners during the year, out of which 17 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 center stage in the innovation and development of our products, few products are:

- H&M conscious wash
- Levis Waterless Wash
- BCI
- ECRU Process
- 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?**

As sourcing, we reduced usages of Dyes and Chemicals, this is almost ZERO water usage and hence it is savings across process route. Short route and less processing resulted in reduction in energy, manpower etc. Usage at consumer end, NEO category helped savings of water while routine home laundering, Energy while usages in washing etc. There are few projects details below:

**H&M Conscious Wash:** Conscious Washing is assessed using EIM (Environmental Impact Measuring) software which act as a tool that helps to build sustainable process by allowing the user to compare different processes and assess 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.

**Levis 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
- 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

Among the mentioned step Remove desize step, 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 Rinising	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 14% 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	FY16-17
Total Soft waste	tonne	5340
Total Hard waste	tonne	6528
Chindi	tonne	1268

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

**1. Total number of employees:**

Staff: 4,668

Workers: 25,611

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

Santej: Temporary 647; Contractual (H/K & Security) 1360; Total 2007

**3. Number of permanent women employees:**

Staff: 435

Worker: 8906

**4. Number of permanent employees with disabilities:**

Total physically challenged Staff employees: 6; Male: 5, Female: 1

Santej: 38

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

Yes, Arvind Limited has trade unions at all the fabric mills operated by the company.

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

100% of the workers at fabric mills are members of the recognized trade 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. Whereas, during the year, the Company received 1 complaint under POSHA which has been duly addressed.

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

The employees who got skill upgradation is 42.74% and around 31% 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	<ul style="list-style-type: none"> <li>• Periodic one-to-one interactions with key customers</li> <li>• Personal meetings by our design and technology teams with customer groups at regular intervals throughout the year</li> <li>• B2B customer portal has been launched during reporting period to facilitate a continuous dialogue</li> </ul>
Investors	Understand concerns and expectations, create higher shared value	<ul style="list-style-type: none"> <li>• Regular dissemination of financial performance through website, newspapers and published accounts</li> <li>• In-depth interactions in analyst meets and investor presentations</li> </ul>
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	<ul style="list-style-type: none"> <li>• Structured interactive appraisals, career path guidance, training programmes, employee rewards and recognitions (Arvind Stores), development programmes</li> <li>• 'Abhivyakti', employee engagement survey was conducted during reporting period</li> </ul>
Local Community	Maintain enduring relations with local communities	<ul style="list-style-type: none"> <li>• Interactions by IR department</li> <li>• SHARDA Trust's activities</li> </ul>
Media	Communicate key developments, milestone events, growth plans etc.	<ul style="list-style-type: none"> <li>• Media interaction events, press conferences etc.</li> <li>• Media announcements of quarterly reports, annual report and major tie-ups</li> </ul>
Government Agencies	Understand compliance and applicable regulations, Brief them on steps taken and discuss opportunities to collaborate on pressing issues	<ul style="list-style-type: none"> <li>• Personal meetings</li> <li>• Submission of relevant compliance documents</li> <li>• Presence in industry forums</li> </ul>
Suppliers	Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery, growth plans and sharing of best practices	<ul style="list-style-type: none"> <li>• Periodic interactions between Arvind's buying and sourcing teams</li> <li>• Training programmes, quality workshops</li> </ul>

**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/Sustainability/downloads.html>

- 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.

- 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.**

Yes, we have explored the renewable energy options and installed a solar rooftop power plant at the Santej and Naroda facility. The installed capacity of the Santej Solar Plant is 1.3 MW. This plant was commissioned in November 2016. During full year of operation, the plant would generate approximately 2 million KWh of electricity. This would also lead to reduction of 1700 tons of CO<sub>2</sub> of GHG emissions. We are installing similar rooftop plants at our other facilities as well. The plant has been installed by M/s Cleanmax Solar, which is India's number one solar rooftop power developer.

- 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 FY16-17 for Naroda unit whereas for Santej unit, we have initiated the capex for the received 2 notices and are about to install online monitoring to track emission.

**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 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 in to 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.**

Yes, we are an active member of SAC and working closely with the brands for chemicals etc.

**Principle 8 - Businesses should support inclusive growth and equitable development**

**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 projects towards these.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**

The Arvind Ltd. programmes and schemes in the realm of social development stem from the belief that business enterprises can improve their competitive contexts—the quality of business environment at the locations where they operate—through investing in societal causes. This would bring about a judicious alignment between the social and economic goals of an enterprise and thus improve its long-term business prospects.

Arvind's CSR is guided by the founders' conviction that industry has an important role in improving Educational, Social, Cultural and Religious conditions of the society. They were instrumental in setting up pioneering institutions for Ahmedabad's social and business progress.

Our vision in the realm of inclusive social development is **“To impact positively, the quality of life of people, through initiatives of social, economic, educational, infrastructural, environmental, health and cultural advancement.”**

The Arvind Limited Policy on Corporate Social Responsibility (ALPCSR) is effective from 1<sup>st</sup> April, 2014.

Arvind Ltd. firmly believes that enterprises are a critical element of the society in which we operate. We understand that our accountability is not limited to the shareholders only, but to the larger society and the environment which are an important stakeholder. Hence, we have always believed in adopting and following responsible business practices.

We believe in continuous and transparent disclosure of our performance and practices. Our CSR policy and programmes have been put on our website. The BRR too is a step in this direction.

**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

	<b>FY 2016-17</b>
Net profit (PAT)	₹ 438.13 crores
Total CSR spent	₹ 8.85 crores

Arvind’s CSR programmes can be broadly classified as urban and rural. We have floated specific Trusts and Foundations to focus on the growth needs of rural and urban areas.

- Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust is Arvind’s arm for improving the quality of life of the urban poor.
- Narottam Lalbhai Rural Development Fund (NLRDF) has been working on programmes of social renewal with rural poor.

Our CSR programmes are Self-executed by the in house team which includes experienced ground level, technical staff and managerial staff. However, we have also established partnerships with likeminded individuals and organizations. Example- Swasth India Foundation (a Mumbai based NGO) is helping us set up Primary Health Centers.

**Development Initiatives undertaken in the past:**

**Slum Development/Up gradation Project:** In 1997, we undertook a project to upgrade the infrastructure of Sanjay Nagar, a slum pocket in Ahmedabad. The residents of the slums were provided with clean drinking water connections and adequate sanitation facilities in their houses and the surroundings. The public areas were significantly improved by concrete paving and streetlights were installed in the vicinity. 1200 people (181 families) got a better life from this initiative.

**Health Care Programme launched:** In 1998, we started a programme to provide financial support to ensure that the poor people had access to high quality secondary and tertiary health care. Under the programme, the Trust provided the medical expenses including consultation charges, costs of medicines and diagnostic tests. The initiative benefitted around 1000 needy people.

**Program to develop and upgrade vocational skill initiated (1998-2002):** As a step to upgrade the skill set of the urban youth, the Trust initiated training programs where the participants were given professional training as Sewing Machine Operatives, Automotive Drives and Data Operators. Around 500 youth got trained in specific skills from the initiative.

**Practical English and Computer Applications (PECA) Training program started (2003):** This program was started for the unemployed youth who have studied through vernacular medium. The objective of the program was to prepare people to work in promising Industries like BPO, ITES, Retail, Healthcare, Hospitality, Telecom, Banking, and Finance etc.

**Current Development Programmes:**

**Gyanda- Fountain of Knowledge:** 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 to complete their basic education from standard V to XII while focusing on improving their academic performance and overall personality development and leading them to become last generation in poverty. The Gyanda approach works on a multipronged strategy - providing academic support in form of tutoring and mentoring, financial support in the form of sponsorships for continuing education, mentoring support for overall personality development and parent support in each and every stage of their education to have a dream about their children.

This programme works in partnership with the Municipal School Board, Ahmedabad.

At present, around 1200 students are a part of the Gyanda family in Ahmedabad.

**Arvind Primary Health Centers:** Considering the lack of facilities for credible, affordable and quality primary healthcare in Ahmedabad, Arvind Limited would like to establish Arvind Medical Centers in Association with Swasth India Foundation. Swasth India Foundation is a social enterprise working to provide quality health care for all. It is Mumbai’s largest non-governmental provider of primary health care and dental care.

The Swasth Model sets up Health Centers that provide quality healthcare to people that include -Doctor (consultation), Diagnosis (Pathological Tests), Drug (Strip Packed Quality Medicines), Dental Care and Day Time Care when required.

Two centers have been set up in the financial year 2016-17 in Ahmedabad and 1 in Khatraj (Taluka –Kalol, District- Gandhinagar).

**Rural Development Initiatives:**

NLRDF has been working with **the strategy of linking the government programmes to the rural poor** and thereby increasing the efficiency and the effectiveness of the delivery process. Through **NLRDF**, the company has undertaken initiatives of women and child development (focusing on improving maternal and infant nutrition), HIV / AIDS awareness, promoting organic farming, skill development program for women and youth, community health, better sanitation practices, micro enterprise development and many more.

The Trust directly intervenes in the development process at the village level through specifically designed programmes. The present operational area expands in 3 districts of Gujarat state reaching out to a beneficiary population of about 35,000.

**3. Have you done any impact assessment of your initiative?**

Impact assessment is an inbuilt component of all our CSR interventions. We have set Benchmarks to monitor our performance on a continuous basis.

Apart from this, a structured Impact Assessment Study was conducted in 2015-16 for the Gyanda Programme by the internal team. The objective was to measure the impact of Gyanda on the social/ cultural and financial well-being of the students and their families. The study reported that Gyanda students were on way to becoming the last generation in poverty (through increased income earning potential) and the girls feel empowered to take their life decisions like marriage, career, children etc.

**4. What is your Company's direct contribution to community development projects – Amount in INR and the details of the projects undertaken?**

Projects/Programmes	Amount Spent (in INR)
Gyanda	5.5 Crore
Primary Health Centers	85 Lacs
Rural Development Initiatives	1.5 Crore

**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?**

About 16 Complaints were pending to close by March end 2017. It is a continuous process and we cater to all the issues raised by the customers. In percentage, this is about 4 % of total complaints received in the financial year 2016-17.

**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)**

Yes, we give product specs., shade, construction, width etc. which are beyond the basic legal 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.**

The company doesn't have any complaints under this.

**4. Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Being into B2B business, we do conduct customer satisfaction survey quarterly. Earlier in this year, we carried out consumer survey and got a net promoter score (NPS) of 29.

# 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 31<sup>st</sup> March, 2017 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

We conducted our audit of the 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 we have obtained 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 accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, whose report for the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 dated 12<sup>th</sup> May, 2016 and 14<sup>th</sup> May, 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid 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 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its standalone Ind AS financial position in its standalone Ind AS financial statements;
  - ii. Provision has been made in the standalone Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

Ahmedabad  
May 11, 2017

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

**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF ARVIND LIMITED

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

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. We are informed that no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the standalone Ind AS financial statements, are held in the name of the Company except for the following:

Nature of Property	No. of Cases based on Block No.	Gross Block as at 31-03-2017 ₹ in Crores	Net Block as at 31-03-2016 ₹ in Crores
Freehold Land	47	87.51	87.51
Buildings	7	11.30	10.97

Formalities for change of name are in progress.

- (ii) As explained to us, physical verification of inventory has been conducted at reasonable intervals by the management and the discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the Company, and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted secured/unsecured loans to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, requirements of clause (iii) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 of the Act. However, the Company has advanced loans or given guarantees or provided security or made investments covered under section 186 of the Act. We are of the opinion that provisions of section 186 of the Act have been complied with.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vi) We have broadly reviewed the cost records maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, 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) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value added tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (b) Following amounts have not been deposited as on March 31, 2017 on account of any dispute :

Nature of Statute	Nature of the dues	₹ in Crores	Period to which the amount relates	Forum where matter is pending
Sales Tax Act	Sales Tax	2.35	2007-08	High Court (VAT & CST)
		7.65	2002-03, 2003-04, 2004-05	JCCT Appeal (Sales Tax)
		2.23	2006-07	JCCT Appeal (VAT)
		0.90	2006-07	JCCT Appeal (CST)
		0.60	2005-06	Reference with Dy. Commissioner Corporate Cell
		0.05	2002-03, 2003-04	Appellate Tribunal
Central Excise Act	Excise Duty	10.97	2000-2001, 2001-2002, 2002-003, 2003-04	High Court
		0.18	2002-03, 2003-04, 2005-06	CESTAT
		0.47	2008-09	Assistant Commissioner
		9.17	1999-00, 2000-01, 2001-02, 2002-03, 2008-09	Supreme Court

Nature of Statute	Nature of the dues	₹ in Crores	Period to which the amount relates	Forum where matter is pending
Customs Act	Custom Duty	2.88	1998-99 to 2006-07	CESTAT
Finance Act	Service Tax	2.12	2004-05, 2005-06, 2006-07, 2007-08, 2012-13, 2013-14, 2014-15	Additional Commissioner
		0.37	2007-08, 2012-13, 2013-14	CESTAT
		0.05	2005-06, 2006-07	Assistant Commissioner
		0.77	2013-14, 2014-15	Principal Commissioner
		0.13	2004-05, 2005-06, 2006-07, 2007-08, 2009-10	Commissioner
Income Tax Act	Fringe Benefit Tax	0.14	2005-06	CIT Appeal
	Income Tax	4.36	2004-05, 2008-09, 2012-13	CIT Appeal

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (ix) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer. However, the term loans obtained during the year were, prima facie, applied by the Company for the purpose for which they were raised, other than temporary deployment pending application.
- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, managerial remuneration has been paid/provided 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. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.
- (xiii) To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.
- (xiv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.
- (xv) To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the nature of the business, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

Ahmedabad  
May 11, 2017

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF ARVIND LIMITED

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of Arvind Limited (“the Company”) as of March 31, 2017 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 (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**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 standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the standalone Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

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

**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

Ahmedabad  
May 11, 2017

## Standalone Balance Sheet as at March 31, 2017

₹ in Crores

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>ASSETS</b>				
<b>I. Non-current assets</b>				
(a) Property, plant and equipment	5	2,877.90	2,815.07	2,601.50
(b) Capital work-in-progress	5	58.32	74.08	75.42
(c) Investment property	6	117.74	118.33	118.92
(d) Intangible assets	7	80.36	14.86	9.40
(e) Intangible assets under development	7	-	23.79	-
(f) Financial assets				
(i) Investments	8	1,264.92	1,147.71	814.00
(ii) Loans	8	2.45	2.76	3.81
(iii) Other financial assets	8	43.45	44.65	40.55
(g) Other non-current assets	9	60.04	53.29	86.57
<b>Total non-current assets</b>		<b>4,505.18</b>	<b>4,294.54</b>	<b>3,750.17</b>
<b>II. Current assets</b>				
(a) Inventories	10	1,299.24	1,137.20	1,040.54
(b) Financial assets				
(i) Trade receivables	8	490.03	453.84	484.97
(ii) Cash and cash equivalents	8	4.31	14.83	17.69
(iii) Bank balance other than (iii) above	8	8.97	8.58	27.29
(iv) Loans	8	353.08	577.21	598.37
(v) Others financial assets	8	161.61	159.60	116.06
(c) Current tax assets (net)	11	40.09	64.76	60.41
(d) Other current assets	9	290.99	279.11	298.66
		<b>2,648.32</b>	<b>2,695.13</b>	<b>2,643.99</b>
(e) Assets classified as held for sale	12	-	-	139.07
<b>Total current assets</b>		<b>2,648.32</b>	<b>2,695.13</b>	<b>2,783.06</b>
	<b>Total Assets</b>	<b>7,153.50</b>	<b>6,989.67</b>	<b>6,533.23</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	258.36	258.24	258.24
Other equity	14	2,983.35	2,727.89	2,543.03
<b>Total equity</b>		<b>3,241.71</b>	<b>2,986.13</b>	<b>2,801.27</b>
<b>LIABILITIES</b>				
<b>I. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15	1,085.10	1,332.01	1,171.31
(ii) Other financial liabilities	15	1.01	1.81	1.53
(b) Long-term provisions	16	27.18	21.73	18.80
(c) Deferred tax liabilities (net)	29	68.34	49.06	8.60
(d) Government grants	17	30.78	25.24	12.80
<b>Total non-current liabilities</b>		<b>1,212.41</b>	<b>1,429.85</b>	<b>1,213.04</b>
<b>II. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15	1,750.26	1,521.74	1,488.09
(ii) Trade payables	15	667.73	633.46	584.65
(iii) Other financial liabilities	15	211.96	380.83	350.65
(b) Other current liabilities	18	58.36	29.77	48.07
(c) Short-term provisions	16	6.38	4.51	5.52
(d) Government grants	17	4.69	3.38	2.84
		<b>2,699.38</b>	<b>2,573.69</b>	<b>2,479.82</b>
(e) Liabilities directly associated with assets classified as held for sale	12	-	-	39.10
<b>Total current liabilities</b>		<b>2,699.38</b>	<b>2,573.69</b>	<b>2,518.92</b>
	<b>Total equity and liabilities</b>	<b>7,153.50</b>	<b>6,989.67</b>	<b>6,533.23</b>
<b>Summary of significant accounting policies</b>	3			

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

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

For and on behalf of the board of directors of Arvind Limited

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017**Sanjay S. Lalbhai**  
Chairman &  
Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017**Jayesh K. Shah**  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

# Standalone Statement of profit and loss for the year ended March 31, 2017

₹ in Crores

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations			
Sale of Products	19	5,611.09	5,130.77
Sale of Services	19	16.50	15.97
Other Operating Income	19	328.09	218.08
<b>Revenue from operations</b>		<b>5,955.68</b>	<b>5,364.82</b>
Other income	20	97.55	101.20
<b>Total income (I)</b>		<b>6,053.23</b>	<b>5,466.02</b>
<b>Expenses</b>			
Cost of raw materials and accessories consumed	21	2,385.33	2,077.10
Purchase of stock-in-trade	22	247.14	116.64
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(100.12)	(52.35)
Project expenses		12.87	9.71
Employee benefits expense	24	777.52	651.08
Finance costs	25	234.28	292.16
Depreciation and amortisation expense	26	181.98	149.16
Impairment Loss	26	2.81	-
Other expenses	27	1,910.72	1,772.43
<b>Total expenses (II)</b>		<b>5,652.53</b>	<b>5,015.93</b>
<b>Profit before exceptional items and tax (III)=(I-II)</b>		<b>400.70</b>	<b>450.09</b>
Exceptional items (IV)	28	18.06	(1.37)
<b>Profit before tax (V) = (III-IV)</b>		<b>382.64</b>	<b>451.46</b>
<b>Tax expense</b>			
Current tax	29	105.16	95.99
Deferred tax	29	6.60	34.83
<b>Total tax expense (VI)</b>		<b>111.76</b>	<b>130.82</b>
<b>Profit for the year (VII) = (V-VI)</b>		<b>270.88</b>	<b>320.64</b>
<b>Other comprehensive income</b>			
<b>A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(losses) on defined benefit plans	14	1.19	(5.42)
Income tax effect	29	(0.41)	1.88
		0.78	(3.54)
Net gain/(loss) on FVOCI equity instruments	14	25.99	26.09
Income tax effect	29	-	-
		25.99	26.09
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)</b>		<b>26.77</b>	<b>22.55</b>
<b>B. Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</b>			
Net gains/(loss) on hedging instruments in a cash flow hedge	14	35.46	21.70
Income tax effect	29	(12.27)	(7.51)
<b>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods (B)</b>		<b>23.19</b>	<b>14.19</b>
<b>Total other comprehensive income for the year, net of tax (VIII) = (A+B)</b>		<b>49.96</b>	<b>36.74</b>
<b>Total comprehensive income for the year, net of tax (VII+VIII)</b>		<b>320.84</b>	<b>357.38</b>
Earning per equity share [nominal value per share ₹10/- (March 31, 2016: ₹10/-)]			
Basic	36	10.49	12.42
Diluted	36	10.48	12.41
<b>Summary of significant accounting policies</b>	3		

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

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

For and on behalf of the board of directors of Arvind Limited

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

**Sanjay S. Lalbhai**  
Chairman &  
Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017

**Jayesh K. Shah**  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

## Standalone Statement of cash flows for the year ended March 31, 2017

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A Operating activities</b>		
Profit Before taxation	382.64	451.46
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation/Amortization	184.79	149.16
Interest Income	(50.13)	(59.66)
Interest and Other Borrowing Cost	234.28	292.16
Dividend Income	(2.20)	(1.21)
Bad Debts Written Off	-	0.33
Provision for Bad Debts	4.89	0.59
Sundry Debit Written off	0.48	0.61
Sundry Credit Balances Appropriated	(5.41)	(1.38)
Foreign Exchange Difference	-	3.88
Fixed Assets written off	0.29	0.44
(Profit)/Loss on Sale of Tangible/Intangible assets	(2.86)	(13.10)
Excess Provision Written Back	(0.49)	(0.98)
Share based payment expense	6.91	2.59
Government grants	(4.84)	(3.38)
Financial guarantee commission	(3.89)	(3.37)
	<b>361.82</b>	<b>366.68</b>
<b>Operating Profit before Working Capital Changes</b>	<b>744.46</b>	<b>818.14</b>
Working Capital Changes:		
Changes in Inventories	(162.04)	(96.66)
Changes in trade payables	39.68	50.19
Changes in other current liabilities	28.59	(18.30)
Changes in other financial liabilities	(6.49)	22.06
Changes in provisions	8.51	(3.50)
Changes in trade receivables	(41.08)	30.21
Changes in other current assets	(12.44)	19.03
Changes in other financial assets	29.08	(34.49)
Changes in Other Bank Balances	4.65	18.81
<b>Net Changes in Working Capital</b>	<b>(111.54)</b>	<b>(12.65)</b>
<b>Cash Generated from Operations</b>	<b>632.92</b>	<b>805.49</b>
Direct Taxes paid (Net of Income Tax refund)	(80.49)	(100.34)
<b>Net Cash from Operating Activities</b>	<b>552.43</b>	<b>705.15</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of property, plant & equipment/intangible assets	(279.53)	(428.62)
Sale of property, plant & equipment	11.20	57.56
Changes in Capital Advances	(6.67)	33.19
Change in Long Term Investments	(88.30)	(306.43)
Changes in Loans given	224.44	22.21
Dividend Income	1.86	1.21
Changes in Government Grants	11.69	16.36
Interest Income	50.66	59.87
<b>Net cash flow from Investing Activities</b>	<b>(74.65)</b>	<b>(544.65)</b>

## Standalone Statement of cash flows for the year ended March 31, 2017 (Contd.)

Particulars	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>C Cash Flow from Financing Activities</b>		
Issue of Share Capital	0.12	-
Share Application Money Received	2.17	-
Securities Premium received	2.21	-
Securities Premium utilised	(1.73)	-
Dividend Paid including Additional Dividend	(61.38)	(65.27)
Dividend Distribution Tax Paid	(12.62)	(13.17)
Changes in long term Borrowings	(412.39)	179.63
Changes in short term borrowings	228.52	33.65
Interest and Other Borrowing Cost Paid	(233.20)	(298.20)
<b>Net Cash flow from Financing Activities</b>	<b>(488.30)</b>	<b>(163.36)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(10.52)</b>	<b>(2.86)</b>
Cash & Cash equivalent at the beginning of the year	14.83	17.69
Cash & Cash equivalent at the end of the year	4.31	14.83

Particulars	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash and cash equivalents comprise of: (Note 8d)</b>		
Cash on Hand	0.61	0.46
Balances with Banks	3.70	14.37
<b>Cash and cash equivalents</b>	<b>4.31</b>	<b>14.83</b>

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

Notes:

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

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

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

**For and on behalf of the board of directors of Arvind Limited**

**Sanjay S. Lalbhai**  
Chairman &  
Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017

**Jayesh K. Shah**  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

## Standalone Statement of changes in Equity for the year ended March 31, 2017

## A. Equity share capital

₹ in Crores

Balance	Note 13
As at April 1, 2015	258.24
Issue of Equity Share capital	-
As at March 31, 2016	258.24
Issue of Shares under ESOP	0.12
As at March 31, 2017	258.36

## B. Other equity

## Attributable to the equity holders

₹ in Crores

Particulars	Reserves and Surplus							FVOCI			Total equity
	Share Application Money Pending Allotment	Capital Reserve	Share based payment reserve	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings	Foreign currency monetary item translation difference account	Net gains / (loss) on hedging instruments in a cash flow hedge	Net gain / (loss) on FVOCI equity instruments	
	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14		
<b>Balance as at April 1, 2015</b>	-	26.71	2.20	69.50	654.81	35.65	1,699.01	(3.88)	(5.39)	64.42	2,543.03
Profit for the year	-	-	-	-	-	-	320.64	-	-	-	320.64
Other comprehensive income for the year	-	-	-	-	-	-	(3.54)	-	14.19	26.09	36.74
Total Comprehensive income for the year	-	-	-	-	-	-	317.10	-	14.19	26.09	357.38
Final Dividend	-	-	-	-	-	-	(65.85)	-	-	-	(65.85)
Tax on final dividend	-	-	-	-	-	-	(13.17)	-	-	-	(13.17)
Share based payments	-	-	2.59	-	-	-	-	-	-	-	2.59
Utilised during the year (Note 12)	-	-	-	-	(99.97)	-	-	-	-	-	(99.97)
Adjustments during the year (Note 39)	-	-	-	-	-	-	-	3.88	-	-	3.88
<b>Balance as at March 31, 2016</b>	-	26.71	4.79	69.50	554.84	35.65	1,937.09	-	8.80	90.51	2,727.89
<b>Balance as at April 1, 2016</b>	-	26.71	4.79	69.50	554.84	35.65	1,937.09	-	8.80	90.51	2,727.89
Profit for the year	-	-	-	-	-	-	270.88	-	-	-	270.88
Other comprehensive income for the year	-	-	-	-	-	-	0.78	-	23.19	25.99	49.96
Total Comprehensive income for the year	-	-	-	-	-	-	271.66	-	23.19	25.99	320.84
Final Dividend	-	-	-	-	-	-	(61.98)	-	-	-	(61.98)
Dividend distribution tax	-	-	-	-	-	-	(12.62)	-	-	-	(12.62)
Transfer to retained earnings	-	-	-	-	-	-	116.50	-	-	(116.50)	-
Share based payments	-	-	6.57	-	-	-	-	-	-	-	6.57
Received during the year	2.17	-	-	-	2.21	-	-	-	-	-	4.38
Transfer to securities premium	-	-	(1.41)	-	-	-	-	-	-	-	(1.41)
Transfer from share base payment reserve	-	-	-	-	1.41	-	-	-	-	-	1.41
Utilized during the year	-	-	-	-	(1.73)	-	-	-	-	-	(1.73)
<b>Balance as at March 31, 2017</b>	2.17	26.71	9.95	69.50	556.73	35.65	2,250.65	-	31.99	-	2,983.35

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

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

For and on behalf of the board of directors of Arvind Limited

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

**Sanjay S. Lalbhai**  
Chairman &  
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DIN: 00008329  
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May 11, 2017

**Jayesh K. Shah**  
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DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

# Notes to Standalone Financial Statements

NOTES TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH 2017

## 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. Arvind, through its subsidiary company Arvind Fashions Limited and its subsidiaries is marketing in India the branded apparel under various brands. The brands portfolio of the Company includes Domestic and International brands like Flying Machine, Arrow, US Polo, Izod, Elle, Cherokee etc. It also operates apparel value retail stores UNLIMITED. Arvind also has the presence in Telecom business directly and through joint venture companies. Recently Arvind has made foray in to Technical Textiles on its own and in joint venture with leading global players.

The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Company is located at Naroda Road, Ahmedabad - 380025.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 11, 2017.

## 2. Statement of Compliance and Basis of Preparation

### 2.1 Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (“Ind AS”) as issued under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (“Indian GAAP”) and other relevant provision of the Act. These financial statements for the year ended March 31, 2017 are the first financial statements that the Company has prepared in accordance with Ind AS. Refer to Note 46 for information of how the transition from previous GAAP to Ind AS has affected the Company’s Balance sheet, Statement of profit & loss and Statement of cash flow.

### 2.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the

fair values attributable to the risks that are being hedged in effective hedge relationships.

### 2.3 Rounding of amounts

The financial statements are presented in INR and all values are rounded to the nearest crore as per the requirement of Schedule III, except when otherwise indicated.

## 3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements consistently to all the periods presented, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS:

### 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.

## Notes to Standalone 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

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

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 acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Business combinations between entities under common control are accounted for at carrying value.

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 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.

## Notes to Standalone Financial Statements

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.

### 3.4. Foreign currencies

The Company's financial statements are presented in INR, which is also the Company's functional and presentation currency.

#### Transactions and balances

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

The Company measures financial instruments such as derivatives and Investments at fair value at the end of each reporting period.

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.

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.

## Notes to Standalone Financial Statements

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.

#### Derecognition

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 derecognised.

#### Depreciation

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 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 and Leasehold Improvements is provided on straight line basis over the useful lives of the assets as estimated by management based on internal assessment. The management estimates the useful lives for Plant & Machinery other than Lab Equipment 20 years and 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.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all items of property, plant and equipment at fair value as at April 1, 2015 and used that fair value as deemed cost of the property, plant and equipment.

### 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.

#### Transition to Ind AS

For arrangements entered into prior to April 01, 2015, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### 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

# Notes to Standalone Financial Statements

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 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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 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.

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

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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.

## Transition to Ind AS

Since there is no change in functional currency, the Company has elected to continue with the carrying value of all of its Investment properties as at the date of transition measured as per the previous GAAP and used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. April 1, 2015.

## 3.10. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. 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 either finite or indefinite.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and

## Notes to Standalone Financial Statements

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.

### Transition to Ind AS

On transition to Ind AS, the Company has elected to measure certain items of intangible assets at fair value as at April 1, 2015 and used that fair value as deemed cost for those items of Intangible assets. Remaining items of Intangible assets are carried at cost eligible under Ind AS 38 less accumulated amortisation and accumulated impairment losses, if any.

### 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: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out 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 first in, first out 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. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

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 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

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. 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.

### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export

# Notes to Standalone Financial Statements

sales are recognized on shipment basis. 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 job work services is recognized based on the services rendered in accordance with the terms of contracts.

## 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.

## Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). 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

Dividend Income is recognised when the Company’s right to receive is established which is generally occur when the shareholders approve the dividend.

## Profit or loss on sale of Investments

Profit or Loss on sale of investments is 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 the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

## Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Company is reasonably certain of their ultimate collection.

## 3.14. Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### a) Financial assets

#### (i) Initial recognition and measurement of financial assets

All financial assets, except investment in subsidiaries and joint ventures, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### (ii) Subsequent measurement of financial assets

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

- **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.

## Notes to Standalone Financial Statements

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. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

- **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 initially as well as 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 P&L. 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.

- **Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, 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. After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

- **Equity instruments:**

All equity investments in scope of Ind-AS 109 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.

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 P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

- (iii) **Derecognition of financial assets**

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire,

or

- The Company has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

- (iv) **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification

# Notes to Standalone Financial Statements

prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

## (v) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Company applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head "Other expenses" in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off

## Notes to Standalone Financial Statements

criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination.

### b) Financial Liabilities

#### (i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### (ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

##### • 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 P&L. 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.

##### • Loans and Borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

##### • Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

#### (iii) Derecognition of financial liabilities

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### c) Derivative financial instruments and hedge accounting Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, options, cross currency swaps and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently

# Notes to Standalone Financial Statements

results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

## (i) Fair value hedges

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

## (ii) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve,

while any ineffective portion is recognised immediately in the statement of profit and loss.

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

## (iii) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

## d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## 3.15. Cash and cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand 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 statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

## 3.16. Government Grants and Export incentives

Government grants are recognised where there is reasonable

## Notes to Standalone Financial Statements

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 as income 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.

### 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.

### 3.17. Taxes

Tax expense comprises of current income tax and deferred tax.

#### Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. 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.

#### 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 relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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, exgratia, 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

# Notes to Standalone Financial Statements

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 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.

## 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.

## 3.20. Earnings per share

Basic EPS is calculated by dividing the 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 calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

## 3.21. Dividend distribution

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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 Statements

### 3.22. Provisions

#### General

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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.

### 3.23. Non-current assets held for sale/ distribution to owners and discontinued operations

The Company classifies non-current assets 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.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal Company 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.

### 4. Significant accounting judgements, 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 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. Significant judgements in applying the Company's accounting policies

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

##### Finance lease commitments – Company as lessee

The Company has entered into leases whereby it has taken land on lease. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

##### Revenue recognition

The Company assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Company has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Company has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

#### 4.2. 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.

##### Defined benefit plans

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using

## Notes to Standalone Financial Statements

actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 34.

### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

### Allowance for uncollectible trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts is ₹ 4.03 Crores (March 31, 2016 : ₹ 0.95 Crores and April 1, 2015 : ₹ 0.75 Crores).

### Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and

making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

### Taxes

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company has ₹ 240.81 Crores (March 31, 2016 : ₹ 231.90 Crores, April 1, 2015 : ₹ 242.65 Crores) of tax credits carried forward. These credits expire in 15 years. 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.

### Revenue recognition – Customer loyalty program reward points

The Company estimates the fair value of points awarded under the Customer loyalty program by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As points issued under the programme do not expire, such estimates are subject to significant uncertainty. As at 31 March 2017, the estimated liability towards unredeemed points amounted to approximately ₹ 0.45 Crores (March 31, 2016 : ₹ 0.83 Crores and April 1, 2015 : ₹ 0.33 Crores).

### Intangible assets

Refer Note 3.10 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 7.

### Property, plant and equipment

Refer Note 3.6 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

### 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.

## Notes to Standalone Financial Statements

## Note 5 : Property, plant and equipment

₹ in Crores

Fixed Assets	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment	Computer, server & network	Total	Capital Works in Progress
<b>Gross Carrying Value</b>											
<b>Deemed Cost as at April 1, 2015</b>	<b>936.12</b>	<b>263.34</b>	<b>390.44</b>	<b>927.71</b>	<b>27.54</b>	<b>19.67</b>	<b>16.46</b>	<b>11.16</b>	<b>9.06</b>	<b>2,601.50</b>	<b>75.42</b>
Additions	37.23	-	62.44	231.63	19.62	11.02	12.07	6.71	6.99	387.71	78.04
Adjustment due to merger (refer note 6 below)	-	-	-	0.09	2.96	0.93	2.85	1.92	2.08	10.83	-
Other adjustments (refer note 4 below)	-	-	-	5.60	-	-	-	-	-	5.60	0.73
Deductions	9.83	-	-	93.64	0.68	4.28	0.51	0.12	1.05	110.11	80.11
<b>As at March 31, 2016</b>	<b>963.52</b>	<b>263.34</b>	<b>452.88</b>	<b>1,071.39</b>	<b>49.44</b>	<b>27.34</b>	<b>30.87</b>	<b>19.67</b>	<b>17.08</b>	<b>2,895.53</b>	<b>74.08</b>
Additions	21.96	-	38.25	114.79	22.03	9.85	15.13	5.92	7.74	235.67	62.86
Other adjustments (refer note 4 below)	-	-	-	2.08	-	-	-	-	-	2.08	-
Deductions	0.98	-	1.20	23.89	0.44	5.23	0.88	0.04	0.46	33.12	78.62
<b>As at March 31, 2017</b>	<b>984.50</b>	<b>263.34</b>	<b>489.93</b>	<b>1,164.37</b>	<b>71.03</b>	<b>31.96</b>	<b>45.12</b>	<b>25.55</b>	<b>24.36</b>	<b>3,100.16</b>	<b>58.32</b>
<b>Depreciation and Impairment</b>											
<b>As at April 1, 2015</b>	-	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	-	19.43	103.49	5.44	3.22	4.12	3.94	4.49	144.13	-
Adjustment due to merger (refer note 6 below)	-	-	-	-	0.30	0.15	0.22	0.25	0.62	1.54	-
Deductions	-	-	-	61.53	0.26	2.20	0.11	0.08	1.03	65.21	-
<b>As at March 31, 2016</b>	-	-	<b>19.43</b>	<b>41.96</b>	<b>5.48</b>	<b>1.17</b>	<b>4.23</b>	<b>4.11</b>	<b>4.08</b>	<b>80.46</b>	-
Depreciation for the year	-	-	21.37	112.78	6.95	4.18	7.23	4.94	6.03	163.48	-
Impairment for the year	-	-	-	-	-	-	2.81	-	-	2.81	-
Deductions	-	-	0.04	21.46	0.17	2.12	0.24	0.03	0.43	24.49	-
<b>As at March 31, 2017</b>	-	-	<b>40.76</b>	<b>133.28</b>	<b>12.26</b>	<b>3.23</b>	<b>14.03</b>	<b>9.02</b>	<b>9.68</b>	<b>222.26</b>	-
<b>Net Carrying value</b>											
<b>As at March 31, 2017</b>	<b>984.50</b>	<b>263.34</b>	<b>449.17</b>	<b>1,031.09</b>	<b>58.77</b>	<b>28.73</b>	<b>31.09</b>	<b>16.53</b>	<b>14.68</b>	<b>2,877.90</b>	<b>58.32</b>
As at March 31, 2016	963.52	263.34	433.45	1,029.43	43.96	26.17	26.64	15.56	13.00	2,815.07	74.08
As at April 1, 2015	936.12	263.34	390.44	927.71	27.54	19.67	16.46	11.16	9.06	2,601.50	75.42

Notes:

- Freehold Land includes some lands which are pending for registration in favour of the Company.
- Buildings includes ₹ 0.79 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.
- During the year, depreciation of ₹ 0.54 Crores (Previous year ₹ Nil) has been capitalised.
- Details of Borrowing Cost and Exchange Differences Capitalised in relation to plant & machinery:

₹ in Crores

Particulars	Other Adjustments				Addition in Capital Work in Progress	
	For the year		Transfer from Capital Work in Progress		For the year	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Borrowing Cost	0.99	1.85	0.65	0.66	-	0.65
Exchange Differences	0.36	3.68	0.08	(0.59)	-	0.08
Total	1.35	5.53	0.73	0.07	-	0.73

- The Company has applied the optional exemption to measure its property, plant and equipment (e.g., Buildings, furniture & fixtures, etc.) at the date of transition at their fair values and used it as the deemed cost for such assets. At the date of transition. The details are in Note 46.
- During the year 2015-16, the Company has purchased all rights, interest and title in the Business known as "Creyate & MBO Division" of Arvind Internet Limited, a subsidiary of the Company as going concern basis for the lump sum consideration of ₹ 11.52 Crores.
- Refer Note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

# Notes to Standalone Financial Statements

## Note 6 : Investment Properties

₹ in Crores

Investment property	Freehold Land	Leasehold Land	Building	Total
<b>Gross Carrying value</b>	<b>75.57</b>	<b>21.44</b>	<b>21.91</b>	<b>118.92</b>
<b>Deemed Cost as at April 1, 2015</b>				
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2016</b>	<b>75.57</b>	<b>21.44</b>	<b>21.91</b>	<b>118.92</b>
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2017</b>	<b>75.57</b>	<b>21.44</b>	<b>21.91</b>	<b>118.92</b>
<b>Depreciation and Impairment</b>				
<b>As at April 1, 2015</b>	-	-	-	-
Depreciation for the year	-	-	0.59	0.59
Deductions	-	-	-	-
<b>As at March 31, 2016</b>	-	-	<b>0.59</b>	<b>0.59</b>
Depreciation for the year	-	-	0.59	0.59
Deductions	-	-	-	-
<b>As at March 31, 2017</b>	-	-	<b>1.18</b>	<b>1.18</b>
<b>Net Carrying Value</b>				
<b>As at March 31, 2017</b>	<b>75.57</b>	<b>21.44</b>	<b>20.73</b>	<b>117.74</b>
As at March 31, 2016	75.57	21.44	21.32	118.33
As at April 01, 2015	75.57	21.44	21.91	118.92

### Information regarding income and expenditure of Investment property

₹ in Crores

Particulars	2016-17	2015-16
Rental income derived from Investment properties	<b>1.35</b>	3.37
Direct operating expenses (including repairs and maintenance) generating rental income	<b>0.15</b>	0.11
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Income arising from investment properties before depreciation and indirect expenses	<b>1.20</b>	3.26
Less : Depreciation	<b>0.59</b>	0.59
Income arising from investment properties before indirect expenses	<b>0.61</b>	2.67

As at March 31, 2017, March 31, 2016, the fair values of the properties are based on internal evaluation by the management.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 43.

### Fair value of the Investment properties are as under

₹ in Crores

Fair value	Land held for sale	Leasehold Land	Building	Total
<b>Balance as at April 1, 2015</b>	<b>75.57</b>	<b>21.44</b>	<b>21.91</b>	<b>118.92</b>
Fair value difference for the year	1.52	2.52	2.62	6.66
<b>Balance as at March 31, 2016</b>	<b>77.09</b>	<b>23.96</b>	<b>24.53</b>	<b>125.58</b>
Fair value difference for the year	0.75	0.24	0.92	1.91
<b>Balance as at March 31, 2017</b>	<b>77.84</b>	<b>24.20</b>	<b>25.45</b>	<b>127.49</b>

Estimation for fair value:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the prevailing areas.

## Notes to Standalone Financial Statements

## Note 7 : Intangible assets

₹ in Crores

Intangible assets	Computer Software	Patent & Technical knowhow	Website	Total	Intangible assets under development
<b>Gross Carrying value</b>					
<b>Deemed Cost as at April 1, 2015</b>	<b>21.79</b>	<b>0.49</b>	-	<b>22.28</b>	-
Additions	3.62	0.51	-	4.13	23.79
Adjustment due to merger (refer note 5 (6))	0.19	-	6.55	6.74	-
Deductions	0.12	-	-	0.12	-
<b>As at March 31, 2016</b>	<b>25.48</b>	<b>1.00</b>	<b>6.55</b>	<b>33.03</b>	<b>23.79</b>
Additions	18.99	23.79	41.17	83.95	-
Deductions	1.28	-	-	1.28	23.79
<b>As at April 1, 2017</b>	<b>43.19</b>	<b>24.79</b>	<b>47.72</b>	<b>115.70</b>	-
<b>Amortisation and Impairment</b>					
<b>As at April 1, 2015</b>	<b>12.52</b>	<b>0.36</b>	-	<b>12.88</b>	-
Amortisation for the Year	3.26	0.08	1.10	4.44	
Adjustment due to merger (refer note 5 (6))	0.05	-	0.92	0.97	
Deductions	0.12	-	-	0.12	
<b>As at March 31, 2016</b>	<b>15.71</b>	<b>0.44</b>	<b>2.02</b>	<b>18.17</b>	-
Amortisation for the Year	5.63	4.91	7.91	18.45	
Deductions	1.28	-	-	1.28	
<b>As at April 1, 2017</b>	<b>20.06</b>	<b>5.35</b>	<b>9.93</b>	<b>35.34</b>	-
<b>Net Carrying Value</b>					
<b>As at April 1, 2017</b>	<b>23.13</b>	<b>19.44</b>	<b>37.79</b>	<b>80.36</b>	-
As at April 1, 2016	9.77	0.56	4.53	14.86	23.79
As at April 1, 2015	9.27	0.13	-	9.40	-

# Notes to Standalone Financial Statements

## Note 8 : Financial assets

### 8 (a) Investments

₹ in Crores

Particulars	Face Value per Share (in ₹ unless otherwise stated)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current investment</b>				
<b>Investment in equity shares of subsidiaries</b>				
<b>Unquoted</b>				
Anup Engineering Limited 12,720,880 (31 March 2016: 315,912, 1st April 2015: 300,000) shares (Delisted during FY 15-16)	1	6.56	6.21	3.50
Arvind Brands and Retail Limited* 84,261,390 (31st March 2016: 80,220,890, 1st April 2015: 54,987,600) shares	2	860.26	822.70	554.68
Asman Investments Limited NIL (31st March 2016: Nil, 1st April 2015: 440,500) shares	-	-	-	22.07
Syntel Telecom Limited 50,000 (31st March 2016: 50,000, 1st April 2015: 50,000) shares	10	0.05	0.05	0.05
Arvind Envisol Limited* (Formerly known as 'Arvind Accel Limited') 210,000 (31st March 2016: 50,000, 1st April 2015: 50,000) shares	10	8.20	0.05	0.05
Arvind Worldwide Inc., Delaware (Shares without par value) 500 (31st March 2016: 500, 1st April 2015: 500) shares	-	0.07	0.07	0.07
Arvind Textile Mills Limited 6,473,200 (31st March 2016: 6,473,200, 1st April 2015: 6,473,200) shares	10 Taka	9.27	9.27	9.27
Dholka Textile Park Private Limited 10,000 (31st March 2016: 10,000, 1st April 2015: 10,000) shares	10	0.01	0.01	0.01
Arvind Garments Park Private Limited 10,000 (31st March 2016: 10,000, 1st April 2015: 10,000) shares	10	0.01	0.01	0.01
Arvind Lifestyle Apparel Manufacturing PLC 82,883 (31st March 2016: 82,883, 1st April 2015: 47,483) shares	1,000 ETB	24.78	24.78	13.58
Arvind Foundation 10,000 (31st March 2016: 10,000, 1st April 2015: NIL)	10	0.01	0.01	-
Arvind Fashions Limited 97,500,000 (31st March 2016: NIL, 1st April 2015: NIL)	10	147.85	-	-
<b>Investments in equity shares of joint ventures</b>				
Arya Omnitalk Wireless Solutions Private Limited* 1,000,000 (31st March 2016: 1,000,000, 1st April 2015: 1,000,000) shares	10	1.10	1.00	1.00
Arya Omnitalk Radio Trunking Services Private Limited* 1,005,000 (31st March 2016: 1,005,000, 1st April 2015: 1,005,000) shares	10	6.03	6.01	6.01
<b>Investments in equity shares of joint ventures subsidiaries</b>				
Arvind Goodhill Suit Manufacturing Private Limited 428,400 (31st March 2016: 428,400, 1st April 2015: 346,800) shares	10	20.92	20.92	16.84
Arvind OG Nonwoven Private Limited 2,314,710 (31st March 2016: 1,981,710, 1st April 2015: 1,981,710) shares	10	23.05	19.72	19.72
Arvind PD Composites Private Limited 145,304 (31st March 2016: 129,639, 1st April 2015: 129,639) shares	10	13.52	11.95	11.95
Arvind Niloy Exports Private Limited 63,000 (31st March 2016: 63,000, 1st April 2015: 63,000) shares	100 Taka	0.46	0.46	0.46
Westech Advanced Materials Limited 2,828,363 (31st March 2016: 2,828,363, 1st April 2015: NIL) shares	1 USD	18.13	18.13	-
<b>Investment in equity shares of others</b>				
<b>Quoted</b>				
Atul Limited NIL (31st March 2016: 648,641, 1st April 2015: 648,641) shares	-	-	99.51	73.42
Amol Decalite Limited** 16,500 (31st March 2016: 16,500, 1st April 2015: 16,500) shares	10	0.06	0.06	0.06
<b>Unquoted</b>				
Amazon Textile Private Limited** 50,000 (31st March 2016: 50,000, 1st April 2015: 50,000) shares	10	0.87	0.87	0.87
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited** 140 (31st March 2016: 140, 1st April 2015: 140) shares	250	(₹ 35,000/-)	(₹ 35,000/-)	(₹ 35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited** 10 (31st March 2016: 10, 1st April 2015: 10) shares	100	(₹ 1,000/-)	(₹ 1,000/-)	(₹ 1,000/-)
<b>Total equity Investments</b>		<b>1,141.21</b>	<b>1,041.79</b>	<b>733.62</b>

## Notes to Standalone Financial Statements

## Note 8 : Financial assets

## 8 (a) Investments (Contd.)

₹ in Crores

Particulars	Face Value per Share (in ₹ unless otherwise stated)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Investment in LLP's</b>				
Arvind and Smart Value Homes LLP		63.85	67.79	67.79
Ahmedabad East Infrastructure LLP		(₹ 7,000/-)	(₹ 7,000/-)	(₹ 7,000/-)
Maruti & Ornet Infrabuild LLP		25.35	25.35	-
<b>Total Investments in LLP</b>		<b>89.20</b>	<b>93.14</b>	<b>67.79</b>
<b>Investment in government securities</b>				
National Saving Certificates (Lodged with Sales Tax and Government Authorities)		(₹ 23,000/-)	(₹ 23,000/-)	(₹ 23,000/-)
<b>Total Investments in government securities</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Investment in debentures</b>				
Centerac eMarket Places Private Limited 0.00001% Fully & Compulsorily Convertible debentures 81,050 (31st March 2016: 40,525, 1st April 2015: NIL) FCCD	10	10.00	5.00	-
<b>Total Investments in debentures</b>		<b>10.00</b>	<b>5.00</b>	<b>-</b>
<b>Share application money</b>		<b>24.51</b>	<b>7.78</b>	<b>12.59</b>
<b>Total Investments</b>		<b>1,264.92</b>	<b>1,147.71</b>	<b>814.00</b>
Aggregate amount of quoted investment and market value thereof		0.06	99.57	73.48
Aggregate amount of unquoted investment		1,264.86	1,048.14	740.52

\* 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 & indirect subsidiaries and joint ventures. The same is detailed below :

₹ in Crores

Subsidiaries / Joint ventures	Nature of transaction	Impact of notional commission on fair valuation of financial guarantee	
		2016-17	2015-16
Arvind Brands and Retail Limited (ABRL)	Financial guarantee given to Subsidiary of ABRL	2.65	1.19
Arya Omnitalk Wireless Solutions Private Limited	Financial guarantee given	0.10	-
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	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.

## Notes to Standalone Financial Statements

### 8 (b) Trade receivables

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Unsecured, considered good	490.03	453.84	484.97
Doubtful	4.03	0.95	0.75
Less : Allowance for doubtful debts	(4.03)	(0.95)	(0.75)
<b>Total Trade and other receivables</b>	<b>490.03</b>	<b>453.84</b>	<b>484.97</b>

### Transferred receivables

The carrying amount of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise ₹ Nil (March 31, 2016 : ₹34.18 crores and April 1, 2015 : ₹22.93 crores) of the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

### Allowance for doubtful debts

Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix.

Movement in allowance for doubtful debt :

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Balance at the beginning of the year</b>	<b>0.95</b>	0.75
Add : Allowance for the year	4.37	0.59
Less : Write off of bad debts (net of recovery)	(1.29)	(0.39)
<b>Balance at the end of the year</b>	<b>4.03</b>	0.95

### 8 (c) Loans

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured considered good</b>			
<b>Non-current</b>			
Loans to employees	2.45	2.76	3.81
	<b>2.45</b>	2.76	3.81
<b>Current</b>			
Loans to related parties	230.13	268.88	349.58
Loans to employees	0.86	1.04	1.35
Loan to others	122.09	307.29	247.44
	<b>353.08</b>	577.21	598.37
<b>Doubtful</b>			
Loans to related parties	5.23	5.23	5.23
Less : Allowance for doubtful loan	(5.23)	(5.23)	(5.23)
<b>Total Loans</b>	<b>355.53</b>	<b>579.97</b>	<b>602.18</b>

### Allowance for doubtful loans

Company has provided allowance for doubtful loans based on the 12 months expected credit loss model.

For terms & condition of loans to related party, refer Note 35.

## Notes to Standalone Financial Statements

## 8 (d) Cash and cash equivalent

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance with Banks			
In Current accounts and debit balance in cash credit accounts	3.61	13.96	16.77
In Exchange Earners Foreign Currency account	0.09	0.41	-
In Savings account	(₹ 45,808/-)	(₹ 45,808/-)	(₹ 45,808/-)
Cheques on hand	-	-	(₹ 840/-)
Cash on hand	0.61	0.46	0.92
<b>Total cash and cash equivalents</b>	<b>4.31</b>	<b>14.83</b>	<b>17.69</b>

## 8 (e) Other bank balance

Unpaid dividend accounts	2.45	1.85	1.27
Deposits with original maturity of more than three months but less than 12 months	-	6.01	14.88
Deposits with original maturity more than 12 months	-	0.14	4.38
Deposits held as Margin Money*	5.97	(₹ 43,247/-)	6.18
Deposits lodged with Court	0.55	0.58	0.58
<b>Total other bank balances</b>	<b>8.97</b>	<b>8.58</b>	<b>27.29</b>
<b>Total cash and bank balance</b>	<b>13.28</b>	<b>23.41</b>	<b>44.98</b>

\* Under lien with bank as Security for Guarantee Facility

## 8 (f) Other financial assets

Unsecured, considered good			
<b>Non-current</b>			
Security deposits			
To Related Parties	1.08	1.08	1.08
To Others	42.36	38.52	34.32
Bank deposits with maturity of more than 12 months	0.01	5.05	5.15
	<b>43.45</b>	<b>44.65</b>	<b>40.55</b>
<b>Current</b>			
Security deposits	3.56	2.72	1.00
Income receivable	34.02	40.91	28.17
Accrued Interest	0.14	0.67	0.88
Foreign exchange forward contracts (Cash flow hedge)	48.92	13.46	-
Receivable other than trade	74.97	101.84	86.01
	<b>161.61</b>	<b>159.60</b>	<b>116.06</b>
<b>Total financial assets</b>	<b>205.06</b>	<b>204.25</b>	<b>156.61</b>

## Foreign exchange forward contracts (Cash flow hedge)

Foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future purchases / sales in foreign currency are at fair value through other comprehensive income (FVOCI) and change in the fair value are recognised in other comprehensive income.

# Notes to Standalone Financial Statements

## 8 (g) Financial assets by category

₹ in Crores

Particulars	Cost	FVTPL	FVOCI	Amortised cost
<b>March 31, 2017</b>				
Investments				
- Equity shares	1164.79	-	0.93	-
- Debentures	-	-	-	10.00
- Government securities	-	-	-	-
- Limited liability partnership	89.20	-	-	(₹ 23,000/-)
Trade receivables	-	-	-	490.03
Loans	-	-	-	355.53
Cash & bank balance	-	-	-	13.28
Other financial assets	-	-	48.92	156.14
<b>Total Financial assets</b>	<b>1,253.99</b>	<b>-</b>	<b>49.85</b>	<b>1,024.98</b>
<b>March 31, 2016</b>				
Investments				
- Equity shares	949.13	-	100.44	-
- Debentures	-	-	-	5.00
- Government securities	-	-	-	-
- Limited liability partnership	93.14	-	-	(₹ 23,000/-)
Trade receivables	-	-	-	453.84
Loans	-	-	-	579.97
Cash & bank balance	-	-	-	23.41
Other financial assets	-	-	13.46	190.79
<b>Total Financial assets</b>	<b>1,042.27</b>	<b>-</b>	<b>113.90</b>	<b>1,253.01</b>
<b>April 1, 2015</b>				
Investments				
- Equity shares	671.86	-	74.35	-
- Debentures	-	-	-	-
- Government securities	-	-	-	-
- Limited liability partnership	67.79	-	-	(₹ 23,000/-)
Trade receivables	-	-	-	484.97
Loans	-	-	-	602.18
Cash & bank balance	-	-	-	44.98
Other financial assets	-	-	-	156.61
<b>Total Financial assets</b>	<b>739.65</b>	<b>-</b>	<b>74.35</b>	<b>1,288.74</b>

For Financial instruments risk management objectives and policies, refer Note 44.

Fair value disclosures for financial assets and liabilities are in Note 42 and fair value hierarchy disclosures are in Note 43.

## Notes to Standalone Financial Statements

## Note 9: Other current / non-current assets

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured, considered good</b>			
<b>Non-current</b>			
Capital advances	59.60	52.93	86.12
Pre-paid expense	0.44	0.36	0.45
<b>Other Advances</b>			
Advances to suppliers			
Doubtful	0.29	0.49	0.52
Less : Provision for doubtful advances	(0.29)	(0.49)	(0.52)
	-	-	-
	60.04	53.29	86.57
<b>Current</b>			
Advance to suppliers			
To Related Parties	28.95	21.95	21.95
To Others	93.14	120.60	128.34
Balance with collectorate of central excise and customs	0.13	0.15	0.05
Sales tax /VAT /service tax receivable (net)	28.98	29.93	28.29
Export incentive receivable	74.20	61.58	73.23
Prepaid expenses	22.64	12.08	15.35
Other Current Asset	42.95	32.82	31.45
	290.99	279.11	298.66
<b>Total</b>	<b>351.03</b>	<b>332.40</b>	<b>385.23</b>
Advance to Directors or to firm/Private company where director is interested	-	-	-

## Note 10: Inventories (At lower of cost and net realisable value)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials			
Raw materials and components	300.25	240.94	191.30
Raw materials in transit	0.50	0.41	0.92
Fuel	2.45	2.48	4.75
Material at site for project in progress	9.62	10.14	7.05
Work-in-progress	460.77	444.38	437.70
Finished goods	368.76	288.26	258.64
By- product	0.05	0.75	0.32
Stock-in-trade	74.73	72.17	59.89
Stock-in-trade in transit	0.33	2.22	1.00
Stores and spares	78.15	73.05	77.63
Waste	3.63	2.40	1.34
<b>Total</b>	<b>1,299.24</b>	<b>1,137.20</b>	<b>1,040.54</b>

## Note 11: Current Tax Assets (Net)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Tax Paid in Advance (Net of Provision)	40.09	64.76	60.41
<b>Total</b>	<b>40.09</b>	<b>64.76</b>	<b>60.41</b>

# Notes to Standalone Financial Statements

## Note 12 : Assets classified as held for sale & liabilities directly associated with assets classified as held for sale

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Assets classified as held for sale</b>			
Building	-	-	5.21
Furniture & fixtures	-	-	0.49
Office equipment	-	-	0.16
Capital Work-in-Progress	-	-	0.11
Investment in Arvind Infrastructure Limited	-	-	100.05
Security deposits	-	-	0.01
Balance with bank in current account	-	-	0.03
Loan to others	-	-	0.02
Other receivables	-	-	32.99
	<b>-</b>	<b>-</b>	<b>139.07</b>
<b>Liabilities directly associated with assets classified as held for sale</b>			
Intercompany deposits from related parties	-	-	35.84
Intercompany deposits from others	-	-	3.18
Creditors	-	-	0.05
Payable to employees	-	-	0.02
Statutory dues including Provident Fund and TDS	-	-	0.01
	<b>-</b>	<b>-</b>	<b>39.10</b>
<b>Net asset held for sale</b>	<b>-</b>	<b>-</b>	<b>99.97</b>

Above Assets and liability are of Real Estate Undertaking of Arvind Limited which has been classified as held for sale considering the following scheme of arrangement.

### Scheme of Arrangement

A Composite Scheme of Arrangement (“the Scheme”) in the nature of Demerger and transfer of Real Estate Undertaking of Arvind Limited (“the Company”) to Arvind Infrastructure Limited (“AIL”) and Restructuring of Share Capital, under sections 391 to 394 read with sections 78, 100 and 103 of the Companies Act, 1956 has been sanctioned by the High Court of Gujarat at Ahmedabad on April 22, 2015. The Scheme has become effective from the appointed date 1st April 2015.

Pursuant to the Scheme, the Real Estate Undertaking stood demerged from the Company and transferred to and vested in AIL as a going concern with effect from the appointed date 1st April 2015. Upon the Scheme becoming effective:

- From the appointed date, the assets and liabilities of the Real Estate Undertaking of the Company (Demerged Undertaking) have been transferred to AIL at their respective Book values.
- AIL has credited its Share Capital Account with the aggregate face value of the equity shares issued 1 (One) fully paid Equity Shares of ₹ 10/- each of AIL for every 10 (Ten) fully paid up Equity Shares of ₹ 10/- each held by the shareholders of the Company.
- The existing shares of AIL held by the Company and its nominees shall stand cancelled and the amount of such investment in the books of the Company shall be written off against the Securities Premium Account.
- The amount of difference in the net value of assets transferred pursuant to the Scheme and the amount of consideration as issued, netted by existing share capital cancelled shall be adjusted against the Securities Premium Account.

Pursuant to the Scheme, Demerged Undertaking has been demerged from the Company with effect from 1st April 2015, (the appointed date):

- As on appointed date, all the assets and the liabilities have been transferred to AIL at their respective book values.
- As consideration, AIL has subsequently issued and allotted Equity Shares of ₹ 10/- each fully paid up in the ratio of 1 (One) Equity Share of ₹ 10/- each for every 10 (Ten) Equity Shares of ₹ 10/- each of the Company, to the shareholders of the Company.
- The amount of investment in AIL in the books of the Company of ₹ 100.05 Crores has been adjusted against the Securities Premium Account.
- The difference between the value of assets and liabilities transferred of ₹ 0.08 Crores has been adjusted against the Securities Premium Account.

## Notes to Standalone Financial Statements

## Note 13 : Equity share capital

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Authorised share capital</b>						
Equity shares of ₹10/- each	565,000,000	565.00	565,000,000	565.00	565,000,000	565.00
Preference shares of ₹10/- each	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00
<b>Issued and subscribed share capital</b>						
Equity shares of ₹10/- each	258,359,969	258.36	258,243,969	258.24	258,243,969	258.24
<b>Subscribed and fully paid up</b>						
Equity shares of ₹10/- each	258,359,069	258.36	258,243,069	258.24	258,243,069	258.24
<b>Forfeited shares</b>						
900 shares (previous year 900)	900	(₹ 4,500/-)	900	(₹ 4,500/-)	900	(₹ 4,500/-)
<b>Total</b>	<b>258,359,969</b>	<b>258.36</b>	<b>258,243,969</b>	<b>258.24</b>	<b>258,243,969</b>	<b>258.24</b>

## 13.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	258,243,069	258.24	258,243,069	258.24	258,176,389	258.17
Add:						
Shares allotted pursuant to exercise of Employee Stock Option Plan	116,000	0.12	-	-	66,680	0.07
Outstanding at the end of the year	258,359,069	258.36	258,243,069	258.24	258,243,069	258.24

## 13.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of ₹10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## 13.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities private limited	95,561,810	36.99	97,362,310	37.70	95,325,590	36.91
Life insurance corporation of India	-	-	-	-	15,591,817	6.04

## 13.4. Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2017)

3,410,528 Equity Shares of ₹10 each were issued during the year 2012-2013 to the erstwhile shareholders of Arvind Products Limited pursuant to the Scheme of Amalgamation without payment being received in cash.

## 13.5. Shares reserved for issue under options

Refer Note 37 for details of shares to be issued under options

## 13.6 Objective, policy and procedure of capital management, refer Note 45

# Notes to Standalone Financial Statements

## Note 14 : Other Equity

₹ in Crores

Balance	As at March 31, 2017	As at March 31, 2016
Share Application Money Pending Allotment	2.17	-
	<u>2.17</u>	<u>-</u>
<b>Note 14.1 Reserves &amp; Surplus</b>		
<b>Capital reserve</b>		
Balance as per last financial statements	26.71	26.71
Balance at the end of the year	<u>26.71</u>	<u>26.71</u>
<b>General reserve</b>		
Balance as per last financial statements	35.65	35.65
Balance at the end of the year	<u>35.65</u>	<u>35.65</u>
<b>Securities premium account</b>		
Balance as per last financial statements	554.84	654.81
Received during the year	2.21	-
Transfer from share based payment reserve	1.41	-
Utilized during the year (Note 12)	(1.73)	(99.97)
Balance at the end of the year	<u>556.73</u>	<u>554.84</u>
<b>Capital redemption reserve</b>		
Balance as per last financial statements	69.50	69.50
Balance at the end of the year	<u>69.50</u>	<u>69.50</u>
<b>Foreign currency monetary item translation reserve (Note 39)</b>		
Balance as per last financial statements	-	(3.88)
Adjustment during the year	-	3.88
Balance at the end of the year	<u>-</u>	<u>-</u>
<b>Share based payment reserve (Note 37)</b>		
Balance as per last financial statements	4.79	2.20
Addition during the year	6.57	2.59
Transfer to Securities Premium Account	(1.41)	-
Balance at the end of the year	<u>9.95</u>	<u>4.79</u>
<b>Surplus in statement of profit and loss</b>		
Balance as per last financial statements	1,937.09	1,699.01
Profit for the year	270.88	320.64
Transfer from OCI	116.50	-
OCI for the year	0.78	(3.54)
	<u>2,325.25</u>	<u>2,016.11</u>
Less: Appropriation		
Dividend on equity shares for the year	(61.98)	(65.85)
Dividend distribution tax on dividend	(12.62)	(13.17)
Balance at the end of the year	<u>2,250.65</u>	<u>1,937.09</u>
<b>Total reserves &amp; surplus</b>	<u>2,949.19</u>	<u>2,628.58</u>
<b>Note 14.2 Other comprehensive income</b>		
<b>Equity Instruments through OCI (net of tax)</b>		
Balance as per last financial statements	90.51	64.42
Gain/(Loss) during the year	25.99	26.09
Transfer to Retained Earning	(116.50)	-
Balance at the end of the year	<u>-</u>	<u>90.51</u>
<b>Cash Flow hedge reserve</b>		
Balance as per last financial statements	8.80	(5.39)
Add: gain / (loss) for the year	35.46	21.70
Less: Tax impact	(12.27)	(7.51)
Balance at the end of the year	<u>31.99</u>	<u>8.80</u>
<b>Total Other comprehensive income</b>	<u>31.99</u>	<u>99.31</u>
<b>Total Other equity</b>	<u>2,983.35</u>	<u>2,727.89</u>

## Notes to Standalone Financial Statements

**Note 14.3 Dividend distribution made and proposed****Cash dividends on Equity shares declared and paid**

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016
Final dividend for year ended March 31, 2016: ₹2.40 per share (March 31, 2015: ₹2.55 per share)	<b>61.98</b>	65.85
Dividend distribution tax on final dividend	<b>12.62</b>	13.17

**Proposed dividends on Equity shares**

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Final dividend for year ended March 31, 2017: ₹2.40 per share (March 31, 2016: ₹2.40 per share and March 31, 2015: ₹2.55 per share)	<b>62.01</b>	61.98	65.85
Dividend distribution tax on proposed dividend	<b>12.62</b>	12.62	13.17
	<b>74.63</b>	74.60	79.02

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

**Note 15 : Financial liabilities****15 (a) Long-term Borrowings**

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Long-term Borrowings (refer note (a) to (c) below)</b>			
<b>Non-current portion</b>			
<b>Secured</b>			
Term loan from Banks	<b>504.85</b>	1,182.77	1,086.95
Term loan from Financial Institutions and others	<b>47.69</b>	61.64	81.78
<b>Unsecured</b>			
From Financial Institutions	<b>2.58</b>	2.58	2.58
From Related parties	<b>529.98</b>	85.02	-
	<b>1,085.10</b>	1,332.01	1,171.31
<b>Current maturities</b>			
<b>Secured</b>			
Term loan from Banks	<b>90.33</b>	259.37	212.83
Term loan from Financial Institutions and others	<b>14.00</b>	10.00	34.44
	<b>104.33</b>	269.37	247.27
<b>Total long-term borrowings</b>	<b>1,189.43</b>	1,601.38	1,418.58
<b>Short-term Borrowings (refer note (d) &amp; (e) below)</b>			
<b>Secured</b>			
Working Capital Loans repayable on demand from Banks (including channel financing)	<b>1,257.76</b>	1,264.15	1,203.82
<b>Unsecured</b>			
Under Buyer's Credit Arrangement	<b>132.71</b>	157.06	129.79
Intercompany Deposits			
From Related Parties	<b>21.25</b>	0.53	2.79
From Others	<b>63.54</b>	-	1.69
Commercial Papers	<b>275.00</b>	100.00	150.00
<b>Total short-term borrowings</b>	<b>1,750.26</b>	1,521.74	1,488.09
<b>Total borrowings</b>	<b>2,939.69</b>	3,123.12	2,906.67

# Notes to Standalone Financial Statements

## Nature of security:

### Term loan of ₹ 656.87 Crores

- a Loans amounting to ₹ 639.56 Crores (March 31, 2016 ₹ 1499.36 Crores , April 01, 2015 ₹ 1407.86 crores) are secured by (a) first charge on all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants excluding Immovable properties of Asoka Spintex Textile Plant and Arvind International Textile Plant 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) additional charge by way of mortgage on Immovable Properties at villages Jethlaj, Karoli, Vadsar, Moti Bhoyan, Santej and Khatrej; (c) charge on the Company's Trademarks; (d) Secured by second charge on all the Company's Current Assets both present and future relating to the Textile Plants and (e) first charge on Movable Fixed Assets of Jeans and Shirts Garment divisions at Bangalore.
- b Loans of ₹ 17.31 Crores (March 31, 2016 ₹ 14.42 Crores , April 01, 2015 ₹ 8.15 Crores) are secured by hypothecation of related vehicles.

### c Rate of Interest and Terms of Repayment

Particulars	₹ in Crores	Range of Interest (%)	Terms of Repayment from Balance sheet date
<b>From Banks</b>			
Rupee Loans	577.87	8.75% to 10.85%	Repayable in quarterly instalments ranging between 4 to 20 with moratorium period in some of the loans
Hire Purchase Loan	17.31	8.65% to 10.50%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
<b>From Financial Institutions and Others</b>			
Rupee Loans	61.69	9.45%	Repayable in 13 equal quarterly instalments
Unsecured Loans from Related Party	529.98	8.00%	Bullet Repayment at the end of 15 months

### d Nature of Security

#### Cash Credit and Other Facilities from Banks

Secured by first charge on all the Company's Current Assets presently relating to the Textile Plants 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. They are also secured by a second charge over all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants 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. Some of the facilities are additionally secured by second charge on movable Plant and Machinery of the Jeans and Shirts Garment divisions at Bangalore.

### e Rate of Interest

- Working Capital Loans from banks carry interest rates ranging from 4.95% to 10.35% per annum.
- Inter Corporate Deposit carries interest rate of 8% to 10.25% per annum.
- Commercial Papers carry interest rates ranging from 6.44% to 6.50% per annum.
- Buyer's credit arrangements carry interest rates ranging from 0.22% to 2.73%

## 15 (b) Trade payable

Particulars	₹ in Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Acceptances	9.68	117.82	94.26
Other trade payable (Refer note below)	658.05	515.64	490.39
<b>Total</b>	<b>667.73</b>	<b>633.46</b>	<b>584.65</b>

## Notes to Standalone Financial Statements

- a The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 and hence disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 regarding:
- Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;
  - Interest paid during the year;
  - Amount of payment made to the supplier beyond the appointed day during accounting year;
  - Interest due and payable for the period of delay in making payment;
  - Interest accrued and unpaid at the end of the accounting year; and
  - Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise. have not been given.

The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

### 15 (c) Other financial liabilities

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current</b>			
Financial guarantee contract	1.01	1.81	1.53
	1.01	1.81	1.53
<b>Current</b>			
Current maturity of long term borrowings	104.33	269.37	247.27
Interest accrued but not due	5.35	2.90	6.00
Payable to employees	88.61	84.68	61.79
Deposits from customers and others	8.24	8.49	10.90
Financial guarantee contract (Note a)	0.80	12.70	14.94
Mark to market of derivative financial instruments	-	-	8.24
Unpaid dividends (Note b)	2.45	1.85	1.27
Book overdraft	1.89	0.78	0.18
Current account with LLP	0.05	0.05	0.05
Other financial liabilities	0.24	0.01	0.01
	211.96	380.83	350.65
<b>Total</b>	<b>212.97</b>	<b>382.64</b>	<b>352.18</b>

#### Notes:

##### (a) Financial guarantee contract

The Company has given the financial guarantee to Banks on behalf of Subsidiaries / Joint Ventures and other Companies. Amount of fair value of the financial guarantee contract includes loss allowance of ₹ Nil (March 31, 2016 : ₹8.40 Crores & April 1, 2015 : ₹8.40 Crores) with respect to the guarantee given to Bank on behalf of the Subsidiaries / Joint Ventures and other Companies provided based on the assessment of credit risk involved.

- (b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on March 31, 2017 (March 31, 2016: Nil, April 1, 2015: Nil).

# Notes to Standalone Financial Statements

## 15 (d) Financial liabilities by category

₹ in Crores

Particulars	FVTPL	FVOCI	Amortised cost
<b>March 31, 2017</b>			
Borrowings	-	-	2,835.36
Trade payable	-	-	667.73
Current maturity of long term borrowings	-	-	104.33
Payable to employees	-	-	88.61
Deposits from customers and others	-	-	8.24
Financial guarantee	1.81	-	-
Interest accrued but not due	-	-	5.35
Unpaid dividends	-	-	2.45
Book overdraft	-	-	1.89
Current account with LLP	-	-	0.05
Other financial liabilities	-	-	0.24
<b>Total Financial liabilities</b>	<b>1.81</b>	<b>-</b>	<b>3,714.25</b>
<b>March 31, 2016</b>			
Borrowings	-	-	2,853.75
Trade payable	-	-	633.46
Current maturity of long term borrowings	-	-	269.37
Payable to employees	-	-	84.68
Deposits from customers and others	-	-	8.49
Financial guarantee	14.51	-	-
Interest accrued but not due	-	-	2.90
Unpaid dividends	-	-	1.85
Book overdraft	-	-	0.78
Current account with LLP	-	-	0.05
Other financial liabilities	-	-	0.01
<b>Total Financial liabilities</b>	<b>14.51</b>	<b>-</b>	<b>3,855.34</b>
<b>April 1, 2015</b>			
Borrowings	-	-	2,659.40
Trade payable	-	-	584.65
Current maturity of long term borrowings	-	-	247.27
Payable to employees	-	-	61.79
Deposits from customers and others	-	-	10.90
Financial guarantee	16.47	-	-
Interest accrued but not due	-	-	6.00
Loss on derivative contract	-	8.24	-
Unpaid dividends	-	-	1.27
Book overdraft	-	-	0.18
Current account with LLP	-	-	0.05
Other financial liabilities	-	-	0.01
<b>Total Financial liabilities</b>	<b>16.47</b>	<b>8.24</b>	<b>3,571.52</b>

For Financial instruments risk management objectives and policies, refer Note 44

Fair value disclosures for financial assets and liabilities are in Note 42 and fair value hierarchy disclosures are in Note 43.

## Notes to Standalone Financial Statements

## Note 16 : Provisions

Particulars	₹ in Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Long-term</b>			
<b>Provision for employee benefits (refer Note 34)</b>			
Provision for leave encashment	17.81	13.95	13.08
Provision for compensatory pension	1.94	1.53	1.28
Provision for Medical benefits	7.43	6.25	4.44
	<b>27.18</b>	21.73	18.80
<b>Short-term</b>			
<b>Provision for employee benefits (refer Note 34)</b>			
Provision for leave encashment	3.56	1.86	1.76
Provision for superannuation	2.17	1.85	1.93
Provision for compensatory pension	0.10	0.08	0.09
Provision for Medical benefits	0.45	0.62	0.41
<b>Others</b>			
Provision for Wealth tax	0.10	0.10	1.33
	<b>6.38</b>	4.51	5.52
<b>Total</b>	<b>33.56</b>	26.24	24.32

## Note 17 : Government grant

<b>Non-current</b>			
Deferred income	30.78	25.24	12.80
	<b>30.78</b>	25.24	12.80
<b>Current</b>			
Deferred income	4.69	3.38	2.84
	<b>4.69</b>	3.38	2.84
<b>Total</b>	<b>35.47</b>	28.62	15.64

Government grants have been received for the purchase of certain items of property, plant and equipment and for workers training expenses. There are no unfulfilled conditions or contingencies attached to these grants as at March 31.

## Government grant

Particulars	₹ in Crores	
	As at March 31, 2017	As at March 31, 2016
As at April 1	28.62	15.64
Received during the year	15.07	16.36
Released to statement of profit and loss	(8.22)	(3.38)
<b>As at March 31</b>	<b>35.47</b>	28.62

# Notes to Standalone Financial Statements

## Note 18 : Other current liabilities

Particulars	₹ in Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Advance from customers	29.94	13.69	30.05
Statutory dues including provident fund and tax deducted at source	25.85	11.62	9.12
Deferred income of loyalty program reward points (Refer note (a) below)	0.45	0.83	0.33
Other liabilities	2.12	3.63	8.57
<b>Total</b>	<b>58.36</b>	<b>29.77</b>	<b>48.07</b>

### (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	₹ in Crores	
	As at March 31, 2017	As at March 31, 2016
Balance as per last financial statements	0.83	0.33
Add: deferment during the year (Net)	(0.38)	0.50
<b>Balance at the end of the year</b>	<b>0.45</b>	<b>0.83</b>

## Note 19 : Revenue from operations

Particulars	₹ in Crores	
	2016-17	2015-16
Sale of products	5,611.09	5,130.77
Sale of services	16.50	15.97
Other Operating income		
Waste sale	90.07	76.63
Gain/(Loss) on forward contracts	12.91	(8.57)
Export incentives	198.28	140.59
Miscellaneous receipts	26.83	9.43
<b>Total</b>	<b>5,955.68</b>	<b>5,364.82</b>

## Note 20 : Other income

Interest income	50.13	59.66
Dividend income	2.20	1.21
Government grants *	8.22	3.38
Financial guarantee commission #	3.89	3.37
Rent	1.48	4.10
Profit on sale of fixed assets (Net)	2.86	3.78
Scrap income	12.05	13.59
Sundry credit balances appropriated	5.41	1.38
Provision no longer required	0.49	0.98
Miscellaneous income	10.82	9.75
<b>Total</b>	<b>97.55</b>	<b>101.20</b>

\* Government grants have been received for the purchase of certain items of Property, Plant and Equipment and for workers' training expenses. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2017.

# Company has given financial guarantee to Banks on behalf of the subsidiaries / Joint ventures. Fair value of the financial guarantee has been accounted as liability and amortised over the period of loan as commission income to the extent it is excess over the loss allowance provided.

## Notes to Standalone Financial Statements

## Note 21 : Cost of raw materials and components consumed

Particulars	₹ in Crores	
	2016-17	2015-16
Stock at the beginning of the year	241.69	191.62
Add : Purchases	2,443.94	2,127.17
	2,685.63	2,318.79
Less : Inventory at the end of the year	300.30	241.69
<b>Total</b>	<b>2,385.33</b>	<b>2,077.10</b>

## Note 22 : Purchases of stock-in-trade

Purchase of stock-in-trade	247.14	116.64
<b>Total</b>	<b>247.14</b>	<b>116.64</b>

## Note 23 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

<b>Stock at the end of the year</b>		
Finished goods	368.76	288.26
Stock-in-trade	74.73	72.17
Work-in-Progress	460.77	444.38
Project work-in-progress	9.62	10.14
Waste	3.63	2.40
	917.51	817.35
<b>Stock at the beginning of the year</b>		
Finished goods	288.26	258.64
Stock-in-trade	72.17	59.89
Work-in-Progress	444.38	437.70
Project work-in-progress	10.14	7.05
Waste	2.40	1.34
	817.35	764.62
(Increase)/Decrease in stocks	(100.16)	(52.73)
Adjustment due to Merger	-	0.34
Excise duty in value of Stock increase/(decrease)	0.04	0.04
<b>Total</b>	<b>(100.12)</b>	<b>(52.35)</b>

## Note 24 : Employee benefits expense

Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 34)	694.52	586.97
Contribution to provident and other funds	57.40	48.49
Welfare and training expenses	18.69	13.03
Share based payment to employees (Refer Note 37)	6.91	2.59
<b>Total</b>	<b>777.52</b>	<b>651.08</b>

## Note 25 : Finance costs

Interest expense - Loans	176.83	231.66
Interest expense - others	54.46	51.68
Interest expense - Related Parties	0.23	2.85
Exchange loss	2.15	5.87
Other finance cost	0.61	0.10
<b>Total</b>	<b>234.28</b>	<b>292.16</b>

# Notes to Standalone Financial Statements

## Note 26 : Depreciation and amortization expense

₹ in Crores

Particulars	2016-17	2015-16
Depreciation on Tangible assets (Refer Note 5)	162.94	144.13
Depreciation on Investment properties (Refer Note 6)	0.59	0.59
Amortization on Intangible assets (Refer Note 7)	18.45	4.44
	181.98	149.16
Impairment Loss (Refer Note 5)	2.81	-
	2.81	-
<b>Total</b>	<b>184.79</b>	<b>149.16</b>

## Note 27 : Other expenses

Power and fuel	456.27	459.47
Stores consumed	451.87	445.53
Insurance	6.14	8.19
Processing charges	299.17	280.12
Printing, stationery & communication	19.17	14.24
Rent	99.07	72.12
Commission, Brokerage & discount	28.32	28.96
Rates and taxes	19.90	17.68
Repairs:		
To Building	2.35	2.34
To Machineries (including spares consumption)	134.19	123.59
To others	9.62	7.01
Freight, insurance & clearing charge	69.10	58.43
Excise duty expense	14.33	7.94
Legal & Professional charges	34.83	24.71
Conveyance & Travelling expense	34.07	28.60
Advertisement and publicity	47.34	21.90
Director's sitting fees	0.05	0.04
Miscellaneous Labour charges	59.40	53.81
Allowances for doubtful debts	4.89	0.59
Bad debt written off	-	0.33
Sundry debits written off	0.48	0.61
Auditor's remuneration	2.02	2.25
Bank charges	16.67	18.15
Spend on CSR activities	8.44	6.92
Exchange difference (net)	(10.36)	5.19
Fixed assets written off	0.29	0.44
Miscellaneous expenses	103.10	83.27
<b>Total</b>	<b>1,910.72</b>	<b>1,772.43</b>

## Payment to Auditors (Net of service tax)

### Payment to Auditors as

Auditors	0.85	0.85
For tax audit	0.14	0.14
For taxation matters	0.04	0.04
For Company law matters	0.22	0.22
For Other certification work	0.72	0.95
For reimbursement of expenses	0.05	0.05
<b>Total</b>	<b>2.02</b>	<b>2.25</b>

## Note 28 : Exceptional items

Retrenchment compensation	12.49	7.95
Loss/(Profit) on Sale of Fixed Assets	-	(9.32)
Settlement of disputed claims	5.57	-
<b>Total</b>	<b>18.06</b>	<b>(1.37)</b>

## Notes to Standalone Financial Statements

**Note 29 : Income tax**

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

₹ in Crores

Particulars	2016-17	2015-16
<b>Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current income tax	105.16	95.99
<b>Deferred tax</b>		
Deferred tax expense	6.60	34.83
<b>Income tax expense reported in the statement of profit and loss</b>	<b>111.76</b>	<b>130.82</b>
<b>OCI section</b>		
<b>Statement to Other comprehensive income (OCI)</b>		
<b>Deferred tax related to items recognised in OCI during the year</b>		
Net loss/(gain) on actuarial gains and losses	0.41	(1.88)
Net gains/(loss) on hedging instruments in a cash flow hedge	12.27	7.51
<b>Deferred tax charged to OCI</b>	<b>12.68</b>	<b>5.63</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2017 and March 31, 2016.

**A) Current tax**

<b>Accounting profit before tax from continuing operations</b>	<b>445.28</b>	493.83
Tax @ 34.608% (March 31, 2016: 34.608%)	<b>154.10</b>	170.90
<b>Adjustment</b>		
In respect of current income tax of previous years	-	(4.47)
Unused tax losses not recognised earlier now utilised	(3.05)	(3.22)
Exempt income	(9.63)	(9.45)
Additional allowance on revenue and capital expenses	(17.00)	(20.41)
Other non-deductible expenses	1.77	3.28
Deferred tax not recognised on investment in subsidiary	-	(0.41)
Other adjustments	(1.75)	0.23
At the effective income tax rate of 27.95% (March 31, 2016 : 27.63%)	<b>124.44</b>	<b>136.45</b>

**B) Deferred tax**

₹ in Crores

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016
Accelerated depreciation for tax purposes	166.93	137.33	112.81	29.60	24.52
Impact of fair valuation of Land	163.79	166.68	166.68	(2.89)	-
Provision for doubtful debt (including allowance for ECL)	(3.97)	(2.44)	(2.30)	(1.53)	(0.14)
Expenditure allowable on payment basis	(8.68)	(9.19)	(6.63)	0.51	(2.56)
Expenditure allowable over the period (Section 35D / 35DD)	(9.96)	(10.33)	(11.46)	0.37	1.13
Unused tax credit available for offsetting against future taxable income	(240.81)	(231.90)	(242.65)	(8.91)	10.75
Others	1.04	(1.09)	(7.85)	2.13	6.76
<b>Deferred tax expense/(income)</b>				<b>19.28</b>	<b>40.46</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>68.34</b>	<b>49.06</b>	<b>8.60</b>		
Reflected in the balance sheet as follows					
Deferred tax liabilities	330.72	304.01	279.49		
Deferred tax assets	(262.38)	(254.95)	(270.89)		
<b>Deferred tax liabilities (net)</b>	<b>68.34</b>	<b>49.06</b>	<b>8.60</b>		

₹ in Crores

**Reconciliation of deferred tax assets / (liabilities), net**

	March 31, 2017	March 31, 2016
Opening balance as of April 1	49.06	8.60
Tax income/(expense) during the year recognised in profit or loss	6.60	34.83
Tax income/(expense) during the year recognised in OCI	12.68	5.63
<b>Closing balance as at March 31</b>	<b>68.34</b>	<b>49.06</b>

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.

During the year ended 31 March 2016 and 31 March 2015, the company has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to taxation authorities. The Company believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence, dividend distribution tax paid is charged to equity.

# Notes to Standalone Financial Statements

## Note 30 : Contingent liabilities

₹ in Crores

Particulars	Year ended	Year ended	Year ended
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Contingent liabilities not provided for</b>			
a. Bills discounted	<b>139.74</b>	175.59	198.36
b. Claims against Company not acknowledged as debts	<b>5.76</b>	6.77	5.68
c. Guarantees given by bank on behalf of the Company	<b>76.57</b>	73.89	83.94
d. Guarantees given by the Company to Banks on behalf of Subsidiaries/ Joint Ventures	<b>535.88</b>	684.80	631.96
e. Disputed demands in respect of			
Excise/Customs duty	<b>25.72</b>	28.18	32.47
Sales tax	<b>19.46</b>	20.37	20.37
Income tax	<b>12.39</b>	9.04	6.22
Service tax	<b>3.54</b>	3.88	3.00

Notes :

- (a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the (e) above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

## Note 31 : Capital commitment and other commitments

₹ in Crores

Particulars	Year ended	Year ended	Year ended
	March 31, 2017	March 31, 2016	April 1, 2015
<b>Capital commitments</b>			
Estimated amount of Contracts remaining to be executed on capital account and not provided for	<b>39.89</b>	22.91	76.31
<b>Other commitments</b>	-	-	-

## Note 32 : Foreign Exchange Derivatives and Exposures not hedged

### A. Foreign Exchange Derivatives

Nature of instrument	Currency	Year ended March 31, 2017		Year ended March 31, 2016		Year ended April 1, 2015	
		In Mn	₹ in Crores	In Mn	₹ in Crores	In Mn	₹ in Crores
Forward contracts Sales	USD	<b>101.58</b>	<b>693.31</b>	86.93	602.27	121.15	786.18
Swap Interest Swap	USD	-	-	-	-	10.00	56.73
Option contracts	USD	<b>60.00</b>	<b>426.00</b>	-	-	142.20	881.64

All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

### B. Exposure Not Hedged

Nature of exposure	Currency	Year ended March 31, 2017		Year ended March 31, 2016		Year ended April 1, 2015	
		In Mn	₹ in Crores	In Mn	₹ in Crores	In Mn	₹ in Crores
Receivables	USD	<b>21.37</b>	<b>138.59</b>	18.27	121.07	19.97	124.81
	EUR	<b>1.11</b>	<b>7.70</b>	1.78	13.40	0.37	2.52
	GBP	<b>0.40</b>	<b>3.21</b>	0.11	1.06	0.33	3.09
Payable towards borrowings	USD	<b>16.55</b>	<b>107.30</b>	28.67	189.95	34.42	215.14
	EUR	<b>3.40</b>	<b>23.56</b>	3.02	22.79	-	-
	JPY	<b>40.75</b>	<b>2.36</b>	63.36	3.74	-	-
Receivable towards loans	USD	<b>0.50</b>	<b>3.27</b>	1.42	9.41	1.42	8.88
Payable to creditors	USD	<b>3.49</b>	<b>22.64</b>	3.65	24.16	5.24	32.72
	EURO	<b>0.13</b>	<b>0.90</b>	0.39	2.94	0.37	2.52
	GBP	<b>(193)</b>	<b>( 15,587-)</b>	(193)	(₹ 18,426/-)	(193)	(₹ 17,847/-)
	JPY	<b>5.01</b>	<b>0.29</b>	0.57	0.03	1.40	0.07
	CHF	<b>(1,808)</b>	<b>0.01</b>	(620)	(₹ 42,768/-)	-	-
	SGD	<b>0.17</b>	<b>0.80</b>	-	-	-	-
	HKD	<b>(9,577)</b>	<b>0.01</b>	(6,577)	0.01	(6,577)	0.01

## Notes to Standalone Financial Statements

**Note 33 : Segment Reporting**

In accordance with Ind AS 108 'Operating Segment', segment information has been given in the Consolidated Financial Statements of the Company and therefore, no separate disclosure on segment information is given in the Standalone Financial Statements.

**Note 34 : Disclosure pursuant to Employee benefits****A. Defined contribution plans:**

Amount of ₹ 45.83 Crores (March 31, 2016: ₹ 40.37 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense" ₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016
Provident Fund	25.33	21.84
Pension Fund	17.44	15.93
Contributory Pension Scheme	0.76	0.74
Superannuation Fund	2.30	1.86
	<b>45.83</b>	<b>40.37</b>

The Company's Provident Fund is administered by the 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 Company does not expect any deficiency in the foreseeable future.

**B. Defined benefit plans:**

The Company has following post employment benefits 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.

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

₹ in Crores

Particulars	April 1, 2016	Gratuity cost charged to statement of profit and loss			Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	March 31, 2017
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)			Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
<b>Gratuity</b>												
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)
Benefit liability / (Assets)	(13.60)	9.88	(1.09)	8.79	(11.75)	(3.69)	-	3.06	(0.76)	(1.39)	-	(17.95)
<b>Post employment Medical benefits</b>												
Defined benefit obligation	6.87	0.54	0.54	1.08	(0.27)	-	-	(0.14)	0.34	0.20	-	7.88
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability / (Assets)	6.87	0.54	0.54	1.08	(0.27)	-	-	(0.14)	0.34	0.20	-	7.88
<b>Total benefit liability / (Assets)</b>	<b>(6.73)</b>	<b>10.42</b>	<b>(0.55)</b>	<b>9.87</b>	<b>(12.02)</b>	<b>(3.69)</b>	<b>-</b>	<b>2.92</b>	<b>(0.42)</b>	<b>(1.19)</b>	<b>-</b>	<b>(10.07)</b>

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

₹ in Crores

Particulars	April 1, 2015	Cost charged to statement of profit and loss			Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Remeasurement gains/(losses) in other comprehensive income				Contributions by employer	March 31, 2016
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)			Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
<b>Gratuity</b>												
Defined benefit obligation	81.20	8.83	6.56	15.39	(12.47)	-	-	0.86	1.73	2.59	-	86.71
Fair value of plan assets	(93.55)	-	(7.56)	(7.56)	-	0.80	-	-	-	0.80	-	(100.31)
Benefit liability / (Assets)	(12.35)	8.83	(1.00)	7.83	(12.47)	0.80	-	0.86	1.73	3.39	-	(13.60)
<b>Post employment Medical benefits</b>												
Defined benefit obligation	4.85	0.24	0.39	0.63	(0.65)	-	-	0.78	1.25	2.03	-	6.87
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability / (Assets)	4.85	0.24	0.39	0.63	(0.65)	-	-	0.78	1.25	2.03	-	6.87
<b>Total benefit liability / (Assets)</b>	<b>(7.50)</b>	<b>9.07</b>	<b>(0.61)</b>	<b>8.46</b>	<b>(13.12)</b>	<b>0.80</b>	<b>-</b>	<b>1.64</b>	<b>2.98</b>	<b>5.42</b>	<b>-</b>	<b>(6.73)</b>

## Notes to Standalone Financial Statements

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2017 (%) of total plan assets	Year ended March 31, 2016 (%) of total plan assets	Year ended April 1, 2015 (%) of total plan assets
Central Government Securities	0.22%	0.25%	0.27%
Public Sector/Financial Institutional Bonds	0.30%	0.30%	2.14%
Portfolio with Mutual Fund	99.41%	99.41%	97.51%
Others (including bank balances)	0.04%	0.04%	0.08%
(%) of total plan assets	100%	100%	100%

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Discount rate	7.57%	7.96%	8.08%
Future salary increase	4.00%	4.00%	4.00%
Medical cost inflation	4.00%	4.00%	4.00%
Expected rate of return on plan assets	7.57%	7.96%	8.08%
Attrition rate	2.00%	2.00%	2.00%
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.	N.A.

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

₹ in Crores

Particulars	Sensitivity level	(increase) / decrease in defined benefit obligation (Impact)	
		Year ended March 31, 2017	Year ended March 31, 2016
<b>Gratuity</b>			
Discount rate	1% increase	(7.10)	(6.55)
	1% decrease	8.32	7.67
Salary increase	1% increase	8.59	7.92
	1% decrease	(7.42)	(6.84)
Attrition rate	1% increase	3.11	2.87
	1% decrease	(3.52)	(3.25)
<b>Post employment medical benefits</b>			
Discount rate	1% increase	(0.57)	(0.46)
	1% decrease	0.75	0.59
Medical cost inflation	1% increase	0.65	0.52
	1% decrease	(0.53)	(0.42)
Attrition rate	1% increase	(0.16)	(0.14)
	1% decrease	0.24	0.21

## Notes to Standalone Financial Statements

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

Particulars	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	13.44	12.48
Between 2 and 5 years	28.71	28.68
Beyond 5 years	56.11	53.27
	<b>98.26</b>	94.43
<b>Post employment medical benefits</b>		
Within the next 12 months (next annual reporting period)	0.45	0.42
Between 2 and 5 years	1.71	1.92
Beyond 5 years	0.90	3.13
	<b>3.06</b>	5.47
<b>Total expected payments</b>	<b>101.32</b>	99.90

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

Particulars	Year ended	
	March 31, 2017	March 31, 2016
	Years	Years
Gratuity	9	9
Post employment medical benefits	9	9

The followings are the expected contributions to planned assets for the next year:

Particulars	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Gratuity	-	-
Post employment medical benefits	NA	NA

### C. Other Long term employee benefit plans

#### Leave encashment

Amount of ₹ 11.93 Crores (March 31, 2016: ₹ 7.70 Crores) is recognised as expenses and included in Note No. 27 "Employee benefit expense"

# Notes to Standalone Financial Statements

## Note 35 : Disclosure pursuant to Related Party

As per the Indian Accounting Standard on “Related Party Disclosures” (Ind AS 24), the related parties of the Company are as follows :

a	Name of Related Parties and Nature of Relationship :	
	<b>Subsidiary Compaies</b>	
1	The Anup Engineering Limited	
2	Arvind Lifestyle Brands Limited	
3	Syntel Telecom Limited	
4	Arvind Brands and Retail Limited	
5	Arvind Internet Limited	
6	Arvind Worldwide Inc., USA	
7	Arvind Garments Park Private Limited	
8	Arvind Textile Mills Limited, Bangladesh	
9	Dholka Textile Park Private Limited	
10	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	
11	Arvind Beauty Brands Retail Private Limited	
12	Arvind Envisol Limited	
13	Arvind Foundation	
14	Arvind Fashions Limited	w.e.f. September 29, 2016
15	Arvind Ruf & Tuf Private Limited	w.e.f. July 22, 2016
	<b>Joint Venture Subsidiary Companies</b>	
1	Arvind PD Composites Private Limited	
2	Arvind Goodhill Suit Manufacturing Private Limited	
3	Arvind Niloy Exports Private Limited, Bangladesh	
4	Westech Advance Materials Limited	
5	Arvind OG Nonwovens Private Limited	
6	Arvind Premium Retail Limited	w.e.f. March 30, 2017
7	Arvind True Blue Limited	w.e.f. March 30, 2017
	<b>Joint Ventures</b>	
1	Premium Garments Wholesale Trading Private Limited	
2	Arya Omnitalk Wireless Solutions Private Limited	
3	Tommy Hilfiger Arvind Fashions Private Limited	
4	Arya Omnitalk Radio Trunking Services Private Limited	
5	Arudrama Developers Private Limited	
	<b>Limited Liability Partnership</b>	
1	Maruti Ornet and Infrabuild LLP	
2	Arvind and Smart Value Homes LLP	
	<b>Key Management Personnel</b>	
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
	<b>Company under the control of Key Managerial Personnel</b>	
1	Aura Securities Private Limited	
2	Amplus Capital Advisors Private Limited	
3	Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	
	<b>Non Executive Directors</b>	
1	Shri Dileep C. Chokshi	
2	Dr. Bakul H. Dholakia	
3	Shri Nilesh D. Shah	
4	Ms. Renuka Ramnath	
5	Mr. Samir U. Mehta	
6	Mr. Vallabh R. Bhanshali	
	<b>Trusts</b>	
1	Arvind Mills Employees’ Provident Fund	
2	Lalbhai Group of Companies Officers’ Superannuation Fund	

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

## Notes to Standalone Financial Statements

## b Disclosure in respect of Related Party Transactions :

₹ in Crores

Nature of Transactions	Year ended	
	March 31, 2017	March 31, 2016
<b>Purchase of Goods and Materials</b>		
Arvind Lifestyle Brands Limited	32.22	37.67
Syntel Telecom Limited	12.49	5.39
Arvind Envisol Limited	3.88	0.64
Arvind Goodhill Suit Manufacturing Private Limited	0.20	0.56
Arvind PD Composites Private Limited	7.04	4.65
Arvind OG Nonwovens Private Limited	19.21	5.35
Arvind Fashions Limited	8.72	-
Tommy Hilfiger Arvind Fashions Private Limited	0.24	0.19
<b>Purchase of Fixed Assets</b>		
Arvind Envisol Limited	5.90	0.18
Arvind PD Composites Private Limited	-	0.01
Arvind OG Nonwovens Private Limited	-	0.51
<b>Sales of Goods and Materials</b>		
Asman Investment Limited	-	0.53
Arvind Brands and Retail Limited	0.07	0.02
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	15.18	-
Arvind Lifestyle Brands Limited	13.21	14.45
Arvind Envisol Limited	0.12	0.69
Arvind PD Composites Private Limited	0.10	0.17
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	0.01	-
Arvind Internet Limited	-	0.20
Arvind Goodhill Suit Manufacturing Private Limited	0.01	0.12
The Anup Engineering Limited	0.01	0.03
Arvind OG Nonwovens Private Limited	4.16	1.80
Syntel Telecom Limited	1.27	0.29
Westech Advance Materials Limited	6.12	2.07
Arvind Fashions Limited	0.62	-
Arvind Ruf & Tuf Private Limited	0.33	-
Arya Omnitalk Wireless Solutions Private Limited	7.71	7.60
<b>Sale of Fixed Assets</b>		
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	0.04	-
<b>Rendering of Services</b>		
Arvind Lifestyle Brands Limited	4.17	0.01
Arvind OG Nonwovens Private Limited	1.74	2.09
Arvind Internet Limited	-	0.19
Arya Omnitalk Wireless Solutions Private Limited	1.56	1.32
Arya Omnitalk Radio Trunking Services Private Limited	1.68	1.47
<b>Remuneration</b>		
Shri Sanjay S. Lalbhai, Chairman and Managing Director	7.43	8.19
Shri Jayesh K. Shah, Director & Chief Financial Officer	5.28	4.75
Shri Punit S. Lalbhai	4.03	2.53
Shri Kulin S. Lalbhai	4.06	2.53
<b>Commission to Non Executive Directors</b>		
Shri Dileep C. Chokshi	0.08	0.08
Dr. Bakul H. Dholakia	0.08	0.08
Shri Nilesh D. Shah	0.08	0.07
Ms. Renuka Ramnath	0.06	0.06
Mr. Samir U. Mehta	0.05	0.05
Mr. Vallabh R. Bhanshali	0.05	0.05

# Notes to Standalone Financial Statements

## b Disclosure in respect of Related Party Transactions (Contd.):

₹ in Crores

Nature of Transactions	Year ended	
	March 31, 2017	March 31, 2016
<b>Receiving of Services</b>		
Arvind Worldwide Inc., USA	6.20	8.53
Arvind Textiles Mills Limited, Bangladesh	0.08	-
Arvind Lifestyle Brands Limited	3.58	-
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	0.08	-
Arvind Goodhill Suit Manufacturing Private Limited	1.37	-
Arvind OG Nonwovens Private Limited	1.48	-
Arvind Envisol Limited	1.10	1.60
<b>Interest Expense</b>		
The Anup Engineering Limited	5.44	2.12
Arvind Envisol Limited	0.03	0.04
Arvind Brands and Retail Limited	12.34	-
Dholka Textile Park Private Limited	-	0.02
Arvind Internet Limited	-	0.59
Aura Securities Private Limited	0.65	0.08
<b>Donation Given</b>		
Arvind Foundation	5.65	5.16
<b>Contribution Given</b>		
Arvind Mills Employees' Provident Fund	25.33	21.84
Albhai Group of Companies Officers' Superannuation Fund	2.30	1.86
<b>Other Expenses</b>		
Asman Investment Limited	-	0.19
Arvind Brands and Retail Limited	0.02	0.02
Arvind Lifestyle Brands Limited	0.18	0.35
Arvind Goodhill Suit Manufacturing Private Limited	0.15	-
Arya Omnitalk Wireless Solutions Private Limited	-	0.04
<b>Interest Income</b>		
Asman Investment Limited	-	1.22
Arvind Worldwide Inc., USA	0.12	0.12
Arvind Lifestyle Brands Limited	20.21	10.49
Syntel Telecom Limited	0.10	0.01
Arvind Envisol Limited	3.16	7.59
Arvind Brands Retail Limited	-	3.72
Arvind Internet Limited	-	0.04
Arvind Beauty Brands Retail Private Limited	0.37	0.06
Arvind Fashions Limited	0.68	-
Arvind Ruf & Tuf Private Limited	0.09	-
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	0.06	0.91
Dholka Textile Park Private Limited	2.32	1.64
Arvind Garments Park Private Limited	2.20	2.47
<b>Guarantee commission Income</b>		
Arvind Brands and Retail Limited	2.65	1.19
Arya Omnitalk Wireless Solutions Private Limited	0.10	-
Arya Omnitalk Radio Trunking Services Private Limited	0.02	-
Arvind Envisol Limited	0.15	-
<b>Other Income</b>		
Arvind Lifestyle Brands Limited	0.48	0.65
Arvind PD Composites Private Limited	0.63	0.48
Arvind Internet Limited	-	0.05
Amplus Capital Advisors Private Limited	-	0.01

## Notes to Standalone Financial Statements

## b Disclosure in respect of Related Party Transactions (Contd.):

₹ in Crores

Nature of Transactions	Year ended	
	March 31, 2017	March 31, 2016
<b>Loan Given/(Repaid) (Net)</b>		
Asman Investment Limited	-	1.10
Arvind Brands and Retail Limited	(512.30)	0.36
Arvind Lifestyle Brands Limited	46.46	(76.37)
The Anup Engineering Limited	(56.12)	-
Arvind Envisol Limited	(98.87)	25.58
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	(0.82)	(7.36)
Dholka Textile Park Private Limited	106.53	(82.56)
Arvind Garments Park Private Limited	(4.85)	2.76
Syntel Telecom Limited	0.10	0.01
Arvind Beauty Brands Retail Private Limited	(3.72)	4.05
Arvind Internet Limited	0.53	-
Arvind Fashions Limited	0.86	-
Arvind Ruf & Tuf Private Limited	4.02	-
Arvind Premium Retail Limited	5.21	-
Arvind True Blue Limited	8.68	-
Aura Securities Private Limited	-	2.80
<b>Share Application Money</b>		
Arvind PD Composites Private Limited	1.56	2.50
Arvind Brands and Retail Limited	14.00	-
Arvind OG Nonwovens Private Limited	-	4.50
Arvind Niloy Exports Private Limited, Bangladesh	0.78	0.78
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	8.18	-
<b>Investments adjusted against Securities Premium</b>		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	-	(100.05)
<b>Investments (Net)</b>		
Arvind PD Composites Private Limited	1.57	-
The Anup Engineering Limited	0.36	2.71
Arvind Envisol Limited	8.15	-
Arvind Brands and Retail Limited	36.77	244.76
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	-	11.20
Arvind Goodhill Suit Manufacturing Private Limited	-	4.08
Arvind OG Nonwovens Private Limited	3.33	-
Arvind Fashions Limited	147.85	-
Westech Advanced Materials Limited	-	18.13
Arvind Foundation	-	0.01
Maruti Ornet and Infrabuild LLP	0.01	25.35
Arya Omnitalk Wireless Solutions Private Limited	0.10	-
Arya Omnitalk Radio Trunking Services Private Limited	0.02	-
Arvind and Smart Value Homes LLP	(3.95)	-

## Notes to Standalone Financial Statements

### 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 to subsidiaries

₹ in Crores

Name of Subsidiary	Purpose	Closing Balance		
		March 31, 2017	March 31, 2016	April 1, 2015
<b>Loans and Advances</b>				
Asman Investments Limited	General Business Purpose	-	-	15.73
Arvind Brands and Retail Limited	General Business Purpose	1.08	18.27	34.66
Arvind Worldwide (M) Inc.	General Business Purpose	5.23	5.23	5.23
Arvind Worldwide Inc. USA	General Business Purpose	3.27	3.22	2.93
The Anup Engineering Limited	General Business Purpose	-	-	-
Arvind Lifestyle Brands Limited	General Business Purpose	136.22	89.75	166.12
Arvind Envisol Limited	General Business Purpose	8.71	107.59	82.01
Syntel Telecom Limited	General Business Purpose	1.12	0.14	0.13
Dholka Textile Park Private Limited	General Business Purpose	39.92	18.42	15.96
Arvind Beauty Brands Retail Private Limited	General Business Purpose	0.33	4.05	-
Arvind Garments Park Private Limited	General Business Purpose	21.79	26.64	23.88
Arvind Fashions Limited	General Business Purpose	0.86	-	-
Arvind Ruf & Tuf Private Limited	General Business Purpose	4.02	-	-
Arvind Premium Retail Limited	General Business Purpose	5.21	-	-
Arvind True Blue Limited	General Business Purpose	8.68	-	-
<b>Total (A)</b>		<b>236.44</b>	<b>273.31</b>	<b>346.65</b>
<b>Corporate Guarantee</b>				
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	483.15	660.84	590.90
Arvind Fashions Limited	Facilitate Trade Finance	47.39	-	-
Arvind Envisol Limited	Facilitate Trade Finance	-	12.39	-
Arya Omnitalk Wireless Solutions Private Limited	Facilitate Trade Finance	4.93	9.88	8.89
Arya Omnitalk Radio Trunking Services Private Limited	Facilitate Trade Finance	0.41	1.69	3.00
Tommy Hilfiger Arvind Fashion Private Limited	Facilitate Trade Finance	-	-	29.17
<b>Total (B)</b>		<b>535.88</b>	<b>684.80</b>	<b>631.96</b>
<b>Total (A+B)</b>		<b>772.32</b>	<b>958.11</b>	<b>978.61</b>

₹ in Crores

Name of Subsidiary	Purpose	Maximum Outstanding	
		March 31, 2017	March 31, 2016
<b>Loans and Advances</b>			
Asman Investments Limited	General Business Purpose	-	-
Arvind Brands and Retail Limited	General Business Purpose	-	17.19
Arvind Worldwide (M) Inc.	General Business Purpose	5.23	5.23
Arvind Worldwide Inc. USA	General Business Purpose	3.33	10.47
The Anup Engineering Limited	General Business Purpose	-	-
Arvind Lifestyle Brands Limited	General Business Purpose	401.18	182.36
Arvind Envisol Limited	General Business Purpose	108.00	108.00
Syntel Telecom Limited	General Business Purpose	1.12	0.14
Dholka Textile Park Private Limited	General Business Purpose	39.92	18.42
Arvind Beauty Brands Retail Private Limited	General Business Purpose	11.05	6.88
Arvind Garments Park Private Limited	General Business Purpose	27.42	26.64
Arvind Fashions Limited	General Business Purpose	0.86	-
Arvind Ruf & Tuf Private Limited	General Business Purpose	4.02	-
Arvind Premium Retail Limited	General Business Purpose	11.07	-
Arvind True Blue Limited	General Business Purpose	12.12	-

Note : No repayment schedule has been fixed in case of above mentioned Loans & Advances in the nature of loans given to Subsidiary Companies and are repayable on demand.

## Notes to Standalone Financial Statements

## d. Transactions and Balances :

₹ in Crores

Particulars	Subsidiary Companies		Key Management Personnel and relatives		Joint Venture/ Limited Liability Partnership		Company under the control of Key Managerial Personnel		Trusts	
	Year ended		Year ended		Year ended		Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Transactions</b>										
Purchase of Goods and Materials	83.76	54.26	-	-	0.24	0.19	-	-	-	-
Purchase of Fixed Assets	5.90	0.70	-	-	-	-	-	-	-	-
Sales of Goods and Materials	41.20	20.37	-	-	7.71	7.60	0.01	-	-	-
Sale of Fixed Assets	0.04	-	-	-	-	-	-	-	-	-
Rendering of Services	5.91	2.29	-	-	3.24	2.79	-	-	-	-
Remuneration	-	-	20.80	18.00	-	-	-	-	-	-
Commission	-	-	0.40	0.39	-	-	-	-	-	-
Receiving of Services	13.89	10.13	-	-	-	-	-	-	-	-
Interest Expense	17.81	2.77	-	-	-	-	0.65	0.08	-	-
Donation Given	5.65	5.16	-	-	-	-	-	-	-	-
Contribution Given	-	-	-	-	-	-	-	-	27.63	23.70
Other Expenses	0.35	0.56	-	-	-	0.04	-	-	-	-
Interest Income	29.25	27.36	-	-	-	-	0.06	0.91	-	-
Other Income	1.11	1.18	-	-	-	-	-	0.01	-	-
Loan Given/(Repaid) (Net)	(503.47)	(125.07)	-	-	-	-	(0.82)	(4.56)	-	-
Share Application Money Given	24.52	7.78	-	-	-	-	-	-	-	-
Investments adjusted against Securities Premium	-	(100.05)	-	-	-	-	-	-	-	-
Investments (Net)	198.03	280.89	-	-	(3.82)	25.35	-	-	-	-
Guarantee commission	2.80	1.19	-	-	0.12	-	-	-	-	-

Particulars	Subsidiary Companies			Key Management Personnel and relatives			Joint Venture/ Limited Liability Partnership			Company under the control of Key Managerial Personnel		
	Year ended			Year ended			Year ended			Year ended		
	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015	March 31, 2017	March 31, 2016	April 01, 2015
<b>Balances as at year end</b>												
Guarantees	530.54	673.23	590.90	-	-	-	5.34	11.57	41.06	-	-	-
Trade and Other Receivable	39.75	35.25	32.39	-	-	-	2.67	3.04	2.59	(₹ 8,407)	-	62.20
Receivable/(Payable) in respect of Loans (net of allowances as per ECL ₹ 5.23 Crores/-)	(321.10)	182.51	341.41	-	-	-	-	-	-	-	0.82	5.38
Trade and Other Payable	31.66	25.11	15.49	-	-	-	0.30	0.23	0.80	-	-	-

## e. Terms and conditions of transactions with related parties

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
- Loans in INR given to the related party carries interest rate of 10.25% (March 31, 2016 : 10.25% & April 1, 2015 : 10.75% - 11%). Loans in USD given to the related party carries interest rate of 3.90% (March 31, 2016 : 3.90% & April 1, 2015 : 3.90%)
- Loans in INR taken from the related party carries interest rate 8.00%-10.25% (March 31, 2016 : 10.25% & April 1, 2015 : 10.75% - 11%)
- Financial guarantee given to Bank on behalf of subsidiaries and joint ventures carries no charge and are unsecured.
- Company has provided allowance for expected credit loss based on 12 months model on loans given to the subsidiary AWMI.

## f. Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: ₹ Nil and April 1, 2015: ₹ Nil)

## g. Transactions with key management personnel

Compensation of key management personnel of the Company

₹ in Crores

Particulars	2016-17	2015-16
Short-term employee benefits	19.71	17.24
Post employment benefits	0.93	0.65
Other long-term employment benefits	0.16	0.11
<b>Total compensation paid to key management personnel</b>	<b>20.80</b>	<b>18.00</b>

The amounts disclosed in the table are the amounts recognised as an expense during the year excluding expense of post-employment medical benefits of key management personnel and share based payment of ₹ 2.84 Crores (Previous year ₹ Nil) in respect of Director & Chief Financial Officer.

# Notes to Standalone Financial Statements

## Note 36 : Earning per share

Particulars		2016-17	2015-16
<b>Earning per share (Basic and Diluted)</b>			
Profit attributable to ordinary equity holders	₹ in Crores	<b>270.88</b>	320.64
<b>Total no. of equity shares at the end of the year</b>	Nos.	<b>258,359,069</b>	258,243,069
<b>Weighted average number of equity shares</b>			
For basic EPS	Nos.	<b>258,267,891</b>	258,243,069
For diluted EPS	Nos.	<b>258,579,904</b>	258,298,693
Nominal value of equity shares	₹	<b>10</b>	10
Basic earning per share	₹	<b>10.49</b>	12.42
Diluted earning per share	₹	<b>10.48</b>	12.41
<b>Weighted average number of equity shares</b>			
Weighted average number of equity shares for basic EPS		<b>258,267,891</b>	258,243,069
Effect of dilution: Share options		<b>312,013</b>	55,624
Weighted average number of equity shares adjusted for the effect of dilution		<b>258,579,904</b>	258,298,693

## Note 37 : Share based payments

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 ₹ 10 each.

Scheme	ESOS 2008	
	May 23, 2014	August 22, 2016
Date of grant	May 23, 2014	August 22, 2016
Number of options granted	1,050,000	900,000
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.	

The following table sets forth a summary of the activity of options:

Particulars	2016-17	2015-16
<b>Options</b>		
Outstanding at the beginning of the year	<b>1,050,000</b>	1,050,000
Vested but not exercised at the beginning of the year	-	-
Granted during the year	<b>900,000</b>	-
Forfeited during the year	-	-
Exercised during the year	<b>116,000</b>	-
Expired during the year	-	-
Outstanding at the end of the year	<b>1,834,000</b>	1,050,000
Exercisable at the end of the year	-	-
<b>Weighted average exercise price per option (₹)</b>	<b>257.40</b>	200.45

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, 2017	March 31, 2016	April 01, 2015
			Share options	Share options	Share options
May 23, 2014	April 30, 2019	200.45	<b>934,000</b>	1,050,000	1,050,000
August 22, 2016	July 31, 2017	316.50	<b>900,000</b>	-	-
<b>Weighted average remaining contractual life (Years)</b>			<b>5.23</b>	6.09	7.09

## Notes to Standalone Financial Statements

### 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	₹ in Crores	
	2016-17	2015-16
Employee option plan	6.91	2.59
Total employee share based payment expense	6.91	2.59

The Company has granted 9,00,000 options during the year ended on March 31, 2017 (March 31, 2016 : 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	₹316.50
Expected volatility	37.82%
Expected life (years)	1
Dividend yield	24%
Risk-free interest rate (%)	6.73%

### Note 38 : Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per notification is given below:

Particulars	₹ in Crores		
	SBNs*	Other denomination notes	Total
<b>Closing cash balance as on November 8, 2016</b>	<b>0.71</b>	<b>0.02</b>	<b>0.73</b>
(+) Permitted Receipts	-	3.14	3.14
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	0.71	3.01	3.72
<b>Closing cash balance as on December 30, 2016</b>	<b>-</b>	<b>0.15</b>	<b>0.15</b>

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

### Note 39 : Long-term foreign currency monetary items

The Company has elected the option to continue the below stated policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before March 31, 2016 as per the previous GAAP.

- Exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets and;
- Exchange rate differences on other long-term foreign currency loans have been transferred to 'Foreign Currency Monetary Item Translation Difference Account' to be amortized over the balance period of loans.

As a result:

- An amount of ₹ 0.44 Crores (March 31, 2016 : 3.76 Crores and April 1, 2015 : 2.84 Crores) being the exchange rate loss for the year has been adjusted against the fixed assets.
- An amount of ₹ Nil (March 31, 2016 : Nil and April 1, 2015 : ₹3.88 Crores) being the exchange rate loss for the year remains to be amortized as at the balance sheet date.

# Notes to Standalone Financial Statements

## Note 40 : Lease Rent

### Operating Lease

- (A) Factory Building is taken on lease period of 8 to 20 years with no option of renewal, no sub lease of the building.

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Future Minimum lease payments obligation on non-cancellable operating leases:	<b>49.43</b>	62.42
Not later than one year	<b>5.76</b>	7.83
Later than one year and not later than five years	<b>29.37</b>	24.11
Later than five years	<b>14.30</b>	30.48
Lease Payment recognised in Statement of Profit and Loss	<b>7.83</b>	7.31

- (B) Plant & Machineries are taken on operating lease for a period of 8 years with the option of renewal

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Future Minimum lease payments obligation on non-cancellable operating leases:	<b>175.62</b>	40.04
Not later than one year	<b>43.47</b>	15.17
Later than one year and not later than five years	<b>111.25</b>	21.13
Later than five years	<b>20.90</b>	3.74
Lease Payment recognised in Statement of Profit and Loss	<b>34.26</b>	29.80

- (C) The Company has taken various residential and office premises under operating lease or leave and license Agreements. These are generally cancellable, having a term between 11 months and 9 years and have no specific obligation for renewal. Payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 27.

- (D) Rent Income also includes Lease Rental received towards Land and Buildings. Such operating lease is generally for a period from 12 to 15 years with the option of renewal on mutual consent and premature termination of agreement through agreed notice period.

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Future Minimum lease rental under non-cancellable operating leases:	<b>20.39</b>	7.87
Not later than one year	<b>1.28</b>	0.56
Later than one year and not later than five years	<b>8.00</b>	1.99
Later than five years	<b>11.11</b>	5.32
Lease income recognised in Statement of Profit and Loss	<b>1.38</b>	3.59

## Notes to Standalone Financial Statements

**Note 41 : Corporate Social Responsibility (CSR) Activities:**

- a. The Company is required to spend ₹ 8.76 Crores; (March 31, 2016 :7.27 Crores, April 01, 2015 : ₹ 4.39 Crores) on CSR activities.  
b. Amount spent during the year on:

₹ in Crores

Particulars	Year ended					
	March 31, 2017			March 31, 2016		
	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	8.44	-	8.44	6.92	-	6.92
(iii) Expenditure on Administrative Overheads for CSR	0.33	-	0.33	0.36	-	0.36

**c. Related Party Disclosures :**

As per the Indian Accounting Standard on "Related Party Disclosures" (IND AS 24), the related parties of the Company are as follows:

- a Name of Related Parties and Nature of Relationship :

Arvind Foundation (Incorporated under Section 8 of the Companies Act, 2013)	Subsidiary Company
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**b Disclosure in respect of Related Party Transactions :**

₹ in Crores

Nature of Transactions	Year ended	
	March 31, 2017	March 31, 2016
<b>Arvind Foundation</b>		
Donation given	5.65	5.16
Capital Contribution	-	0.01

**Note 42 : 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:

₹ in Crores

Particulars	Carrying amount			Fair value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets</b>						
Investments measured at fair value through OCI	0.93	100.44	74.35	0.93	100.44	74.35
Investments measured at amortized cost	10.00	5.00	-	10.00	5.00	-
<b>Total</b>	<b>10.93</b>	<b>105.44</b>	<b>74.35</b>	<b>10.93</b>	<b>105.44</b>	<b>74.35</b>
<b>Financial liabilities</b>						
Borrowings	2,939.69	3,123.12	2,906.67	2,939.63	3,123.81	2,905.96
<b>Total</b>	<b>2,939.69</b>	<b>3,123.12</b>	<b>2,906.67</b>	<b>2,939.63</b>	<b>3,123.81</b>	<b>2,905.96</b>

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.

The discount for lack of marketability represents the amounts that the Company has determined that market participants would take into account when pricing the investments.

# Notes to Standalone Financial Statements

## Note 43 : 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 financial assets as at March 31, 2017, March 31, 2016 and April 1, 2015

₹ in Crores

Particulars	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2017</b>					
<b>Assets measured at fair value</b>					
<b>Fair value through Other Comprehensive Income</b>					
Investment in Equity shares, quoted	March 31, 2017	0.06	0.06	-	-
Investment in Equity shares, unquoted	March 31, 2017	0.87	-	-	0.87
Foreign exchange forward contracts (Cash flow hedge)	March 31, 2017	48.92	-	48.92	-
<b>Assets for which fair values are disclosed</b>					
Investment property	March 31, 2017	127.49	-	-	127.49
Investment in Debentures, unquoted	March 31, 2017	10.00	-	10.00	-
<b>As at March 31, 2016</b>					
<b>Assets measured at fair value</b>					
<b>Fair value through Other Comprehensive Income</b>					
Investment in Equity shares, quoted	March 31, 2016	99.51	99.51	-	-
Investment in Equity shares, unquoted	March 31, 2016	0.87	-	-	0.87
Foreign exchange forward contracts (Cash flow hedge)	March 31, 2016	13.46	-	13.46	-
<b>Assets for which fair values are disclosed</b>					
Investment property	March 31, 2016	125.58	-	-	125.58
Investment in Debentures, unquoted	March 31, 2016	5.00	-	5.00	-
<b>As at April 1, 2015</b>					
<b>Assets measured at fair value</b>					
<b>Fair value through Other Comprehensive Income</b>					
Investment in Equity shares, quoted	April 1, 2015	73.48	73.48	-	-
Investment in Equity shares, unquoted	April 1, 2015	0.87	-	-	0.87
<b>Assets for which fair values are disclosed</b>					
Investment property	April 1, 2015	118.92	-	-	118.92
<b>Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015</b>					
<b>As at March 31, 2017</b>					
<b>Liabilities measured at fair value</b>					
Financial guarantee contract (Note a)	March 31, 2017	1.81	-	1.81	-
<b>Liabilities disclosed at fair value</b>					
Borrowings	March 31, 2017	2,939.69	-	2,939.69	-
<b>As at March 31, 2016</b>					
<b>Liabilities measured at fair value</b>					
Financial guarantee contract	March 31, 2016	14.51	-	14.51	-
<b>Liabilities disclosed at fair value</b>					
Borrowings	March 31, 2016	3,123.12	-	3,123.12	-
<b>As at April 1, 2015</b>					
<b>Liabilities measured at fair value</b>					
Derivative financial liabilities	April 01, 2015	8.24	-	8.24	-
Financial guarantee contract	April 01, 2015	16.47	-	16.47	-
<b>Liabilities disclosed at fair value</b>					
Borrowings	April 01, 2015	2,906.67	-	2,906.67	-

## Notes to Standalone Financial Statements

### Note 44 : Financial instruments risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Company's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading/speculative instruments.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. 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 management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Company has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates/depreciates against all currencies by 2%
- 10% increase/decrease in equity prices of all investments traded in an active market, which are classified as financial asset measured at FVOCI.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse/inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017, March 31, 2016 and April 1, 2015 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges as at March 31, 2017, March 31, 2016 and April 1, 2015 for the effects of the assumed changes of the underlying risk

#### Interest rate risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Company seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps or cross-currency interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Company either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

As at March 31, 2017, after taking into account the effect of interest rate swaps, approximately 38% of the Company's Borrowings are at fixed rate of interest (March 31, 2016 : 20% and April 1, 2015 : 19%)

# Notes to Standalone Financial Statements

## 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, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Crores

	Effect on profit before tax
<b>March 31, 2017</b>	
Increase in 50 basis points	(9.18)
Decrease in 50 basis points	9.18
<b>March 31, 2016</b>	
Increase in 50 basis points	(12.48)
Decrease in 50 basis points	12.48
<b>April 1, 2015</b>	
Increase in 50 basis points	(11.75)
Decrease in 50 basis points	11.75

## Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis
- The effect of interest rate changes on future cash flows is excluded from this analysis.

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currency, primarily in USD. The Company has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. 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.

The Company manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Company given in Note no.32

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD ,EUR and GBP rates to the functional currency of respective entity, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Company's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge.

₹ in Crores

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	4.95	(20.38)
	-2%	(4.95)	20.38
March 31, 2016	+2%	1.77	(11.62)
	-2%	(1.77)	11.62
April 1, 2015	+2%	1.45	(17.06)
	-2%	(1.45)	17.06

₹ in Crores

	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	0.14	-
	-2%	(0.14)	-
March 31, 2016	+2%	(0.17)	-
	-2%	0.17	-
April 1, 2015	+2%	0.13	-
	-2%	(0.13)	-

## Notes to Standalone Financial Statements

	Change in GBP rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	0.06	-
	-2%	(0.06)	-
March 31, 2016	+2%	0.01	-
	-2%	(0.01)	-
April 1, 2015	+2%	0.06	-
	-2%	(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.

**Equity price risk**

The Company's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Company and are not hedged.

As at March 31, 2016, the exposure to listed equity securities at fair value was ₹ 99.51 Crores. A decrease of 10% on the BSE market index could have an impact of approximately ₹ 9.95 Crores on the OCI or equity attributable to the Company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

As at March 31, 2017 the Company does not have any material exposure to listed equity securities

**(b) Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The requirement of impairment is analysed as each reporting date. Refer Note 8 for details on the impairment of trade receivables.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Company monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Company's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2017, March 31, 2016 & April 1, 2015 is the carrying amount as disclosed in Note 42 except for financial guarantees. The Company's maximum exposure for financial guarantee is given in Note 30.

**(c) Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

## Notes to Standalone Financial Statements

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

₹ in Crores

Particulars	On demand	less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years
<b>Year ended March 31, 2017</b>					
Interest bearing borrowings*	1,342.56	429.39	138.28	802.27	406.59
Trade payables	300.54	14.39	352.80	-	-
Other financial liabilities #	33.44	52.48	21.71	1.01	-
	<u>1,676.54</u>	<u>496.26</u>	<u>512.79</u>	<u>803.28</u>	<u>406.59</u>
<b>Year ended March 31, 2016</b>					
Interest bearing borrowings*	1,068.23	468.10	399.17	1357.34	303.45
Trade payables	245.03	387.06	1.37	-	-
Other financial liabilities #	44.22	47.92	19.32	1.81	-
	<u>1,357.48</u>	<u>903.08</u>	<u>419.86</u>	<u>1359.15</u>	<u>303.45</u>
<b>Year ended April 1, 2015</b>					
Interest bearing borrowings*	1,048.59	447.44	384.97	1,191.26	321.13
Trade payables	233.07	309.85	41.73	-	-
Other financial liabilities #	39.26	48.45	15.68	1.51	0.01
	<u>1,320.92</u>	<u>805.74</u>	<u>442.38</u>	<u>1,192.77</u>	<u>321.14</u>

\* 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 ₹ 5.35 Crores (March 31, 2016: ₹ 2.90 Crores and April 1, 2015: ₹ 6.00 Crores).  
Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.

### Note 45: 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 maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. 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).

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Interest-bearing loans and borrowings (Note 15)	<b>2,939.69</b>	3,123.12	2,906.67
Less: cash and bank balance (including other bank balance) (Note 8)	<b>(13.28)</b>	(23.41)	(44.98)
<b>Net debt</b>	<b>2,926.41</b>	3,099.71	2,861.69
Equity share capital (Note 13)	<b>258.36</b>	258.24	258.24
Other equity (Note 14)	<b>2,983.35</b>	2,727.89	2,543.03
<b>Total capital</b>	<b>3,241.71</b>	2,986.13	2,801.27
<b>Capital and net debt</b>	<b>6,168.12</b>	6,085.84	5,662.96
Gearing ratio	<b>47.44%</b>	50.93%	50.53%

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 interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

### Loan covenants

Under the terms of the major borrowing facilities, the Company has complied with the required financial covenants through out the reporting periods.

# Notes to Standalone Financial Statements

## Note 46 : First- time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first annual Ind AS financial statements, the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2016.

### A. Exemptions applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

#### Ind AS optional exemptions

##### 1 Deemed cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. This exemption can also be used for intangible assets covered by Ind AS 38. Accordingly, the Company has elected to measure all of its property, plant and equipment & intangible assets at fair value on the date of transition to Ind AS and used those fair value as deemed cost of Property, plant and equipment & Intangible assets.

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its Investment properties, as recognised in its Indian GAAP financials, as deemed cost at the transition date.

##### 2 Long Term Foreign Currency Monetary Items

The Company has elected the option provided under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

##### 3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

The Company has elected to apply this exemption.

##### 4 Investment in Subsidiaries and Joint ventures

The Company has elected the option provided under Ind AS 101 to measure all its investments in Subsidiaries and Joint venture at previous GAAP carrying value on the date of transition in its separate financial statement and used that carrying value as the deemed cost of such investments.

##### 5 Non-current assets held for sale and discontinued operations

The Company has elected the option provided under Ind AS 101 to measure non-current assets held for sale and discontinued operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs.

#### Ind AS mandatory exceptions

##### 1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 and March 31, 2016 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Company made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

1. Investment in equity instruments carried at FVOCI
2. Impairment of financial assets based on Expected Credit Loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

# Notes to Standalone Financial Statements

## 2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

### B. Reconciliation between previous GAAP and Ind AS

#### 1. Reconciliation of equity as at March 31, 2016 & April 1, 2015

₹ in Crores

Particulars	Notes	As at March 31, 2016	As at April 1, 2015
<b>Equity under previous GAAP</b>		3,014.48	2,845.28
Impact of fair valuation of Property, plant and equipment & Intangible assets	i	(10.72)	(11.56)
Impact of fair valuation of Financial Instruments	ii	80.79	51.55
Proposed dividend reversed including tax on dividend	iii	74.60	79.02
Impact of provision for Expected credit loss on financial instruments	iv	(5.23)	(5.23)
Other adjustments		(6.90)	(3.18)
Tax impact on Ind AS adjustments	v	(160.89)	(154.61)
<b>Equity as per Ind AS</b>		<u>2,986.13</u>	<u>2,801.27</u>

#### 2. Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ in Crores

Particulars	Notes	2015-16
<b>Profit after tax as per previous GAAP</b>		318.85
Impact on depreciation on account of fair valuation of Property, plant and equipment & Intangible assets		0.83
Impact of recognising cost of employee stock option scheme at fair value	vi	(2.59)
Impact of fair valuation of financial instruments		3.15
Reclassification of Re-measurement gains / (losses) on defined benefit plans to Other comprehensive income	vii	3.39
Other adjustments		(2.33)
Tax impacts on Ind AS adjustments		(0.66)
<b>Profit after tax as per Ind AS</b>		<u>320.64</u>
Other comprehensive income (net of tax)	viii	
Fair valuation impact on investment through FVOCI (net of tax)		26.09
Effective portion of gains and loss on hedging instruments in a cash flow hedge (net of tax)		14.19
Re-measurement gains / (losses) on defined benefit plans (net of tax)		(3.54)
<b>Total Comprehensive Income under Ind AS (net of tax)</b>		<u>357.38</u>

#### Notes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016

##### i. Fair Valuation of Property, plant and equipment & Intangible assets

The Company has elected to measure all items of Property, Plant and Equipment (PPE) & certain item of Intangible assets at fair value at the date of transition to Ind AS and to use the fair value as deemed cost on the date of transition. The resulting change has been adjusted in retained earnings. Change in depreciation & amortisation of the subsequent period due to fair valuation of items of PPE & Intangible assets have been recognised in statement of profit & loss.

## Notes to Standalone Financial Statements

### ii. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (based on the category in which they are classified).

Under previous GAAP, financial guarantee provided to the Banks on behalf of the subsidiaries, joint ventures and other third parties are disclosed as contingent liability. Under Ind AS, financial guarantee contracts are recognised as liability on the date of transition at the higher of (i) the amount of the loss allowance determined on the date of transition and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### iii. Proposed Dividend and tax thereon

Under Previous GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the company (on approval of Shareholders in a general meeting) or paid. Therefore, the liability recorded under previous GAAP has been derecognised.

### iv. Provision for Expected Credit Losses on financial instruments

Under previous GAAP, the Company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). On the date of transition, Expected Credit Loss on trade receivables and on loans have been adjusted in retained earnings and subsequent changes in Expected credit loss have been charged to the Statement of profit and loss.

### v. Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

### vi. Share based payment

Under the previous GAAP, the cost of equity-settled employee shares-based plan were recognised using the intrinsic method. Under Ind AS, the cost of equity-settled share based payment plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share based payment reserve account increased by ₹4.79 crores as at March 31, 2016 (April 1, 2015 : ₹2.20 crores). The profit for the year ended March 31, 2016 decreased by ₹2.59 crores. There is no impact on total equity.

### vii. Re-measurement gain / loss on defined benefit plan

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended on March 31, 2016 increased by ₹ 2.21 crores. There is no impact on the total equity as at March 31, 2016.

### viii. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes fair value gain / loss on FVOCI equity instruments, effective portion of gains / losses on cash flow hedging instruments and re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

### ix. Other adjustments

Other adjustments includes adjustments due to the GAAP differences related to recognition and measurement of employee benefits, financial charges etc.

### x. Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### xi. Classification & Presentation

#### a. Trade receivables where bills discounted

Under the previous GAAP, on discounting of bills receivables, such receivables are derecognised and are shown as contingent liability. Under Ind AS, as such bill discounting arrangement does not comply the derecognition criteria stated in Ind AS 109, such receivables are not derecognised and liability in the form of bill discounted has been recognised as borrowings.

#### b. Recognition of certain Government grant as deferred income

The government grant related to fixed assets was netted off with the cost respective Property, Plant and Equipment under previous GAAP. Under Ind AS, Property, Plant and Equipment has been recognised at gross cost and government grant has been recognised as deferred income.

# Notes to Standalone Financial Statements

The deferred income is recognised as income in the statement of Profit and Loss on a systematic basis over the useful life of the assets for which it is received.

## c. Investment property

Under the previous GAAP, Land & Building given on lease has been shown as Investment property and disclosed under the head Investments. Moreover, some portion of the land which is not in use are classified as Land held for sale and shown under the head other current assets. Under Ind AS, Land & Building given on lease are disclosed separately as Investment property on the face of the Balance sheet. Land which is currently not in determined use and does not comply the criteria for classification of non-current assets held for sale as per the requirement of Ind AS 105 are also classified as Investment property.

## d. Assets classified as held for sale and discontinued operation

A Composite Scheme of Arrangement (“the Scheme”) in the nature of Demerger and transfer of Real Estate Undertaking of Arvind Limited (“the Company”) to Arvind Infrastructure Limited (“AIL”) and Restructuring of Share Capital, under sections 391 to 394 read with sections 78, 100 and 103 of the Companies Act, 1956 has been sanctioned by the High Court of Gujarat at Ahmedabad on April 22, 2015 and the Scheme has become effective from the appointed date 1st April 2015. Under the previous GAAP, the concept of disposal group held for sale does not exist. The assets and liabilities of disposal group have not been presented as held for sale.

Ind AS 105 Non-current assets held for sale and Discontinued operations required disposal group to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regards. Based on the assessment performed by the management, it has been determined that the assets and liabilities of Real Estate undertaking should be presented as held for sale under Ind AS. Consequently, the assets and liabilities of disposal group held for sale have been presented separately from the other assets and other liabilities respectively in the opening balance sheet as at April 1, 2015 (Refer note 12 for details). There is no impact on the total equity as a result of this adjustment.

## e. Excise duty

Under the previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid on sale of products is separately presented on the face of statement of profit and loss as a part of expense. Thus sale of goods under Ind AS has increased by ₹7.55 crores with a corresponding increase in other expense.

## f. Discounts and incentives to customers

Under the previous GAAP, discounts and incentives to the customers were shown as a part of finance cost and other expense respectively. Under Ind AS, revenue from sale of products are recognised at net of discounts and incentives to the customers. Thus, sale of products under Ind AS has decreased by ₹44.80 crores with a corresponding decrease in finance cost and other expense.

## xii. Statement of cash flows

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss and difference in the definition of cash and cash equivalents under these two GAAPs like bank overdraft.

### Note 47 : Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’ and Ind AS 102, ‘Share-based payment.’ The amendments are applicable to the Company from April 1, 2017.

#### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Company.

#### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the ‘fair values’, but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Company.

## Notes to Standalone Financial Statements

**Note 48 : Disclosure in respect of Construction / Job work Contracts**

₹ in Crores

Particulars	Year ended	
	March 31, 2017	March 31, 2016
Amount of Contract Revenue recognized	<b>13.04</b>	7.40
<b>Disclosure in respect of contracts in progress at the reporting date</b>		
Contract cost incurred and recognised profits less recognised losses up to the reporting date	<b>72.11</b>	68.99
Advance received from customers	<b>1.79</b>	0.55
Amount of Retention	<b>0.30</b>	0.24
Due from customers	<b>7.09</b>	8.12

**Note 49 : Expenditure on Research and Development**

The Company has separate In-House Research & Development Centre at Naroda and Santej locations. Both the centres are involved into new product development, new process development etc. and are duly recognised 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 both the Centres are as under:

₹ in Crores

Particulars	2016-17	2015-16
<b>Naroda Centre</b>		
Capital Expenditure	<b>1.98</b>	-
Revenue Expenditure	<b>4.56</b>	4.09
<b>Total Expenditure at Naroda Centre</b>	<b>6.54</b>	<b>4.09</b>
<b>Santej Centre</b>		
Capital Expenditure	<b>1.06</b>	8.23
Revenue Expenditure	<b>30.15</b>	20.95
<b>Total Expenditure at Santej Centre</b>	<b>31.21</b>	<b>29.18</b>

**Note 50 : Rounding off**

Figures less than ₹ 50,000/- which are required to be shown separately, have been shown as actual in brackets.

**Note 51 : Regrouped, Recast, Reclassified**

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements.

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

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

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

**For and on behalf of the board of directors of Arvind Limited**

**Sanjay S. Lalbhai**  
Chairman &  
Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017

**Jayesh K. Shah**  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

# 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 Holding Company") and its subsidiary Companies (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures; comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of 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 Board of Directors of the Holding Company is responsible for the preparation 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 and consolidated cash flows and changes in equity of the Group including its Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of 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 respectively 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 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 Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and the matter 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 Holding Company'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 accounting policies used and the reasonableness of the accounting estimates made by Holding Company'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 the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of 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, 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31<sup>st</sup> March, 2017, and their consolidated profit (including other comprehensive income) and their consolidated cash flows and consolidated changes in equity for the year ended on that date.

### Other Matter

- (a) We did not audit the financial statements of 4 subsidiaries, whose financial statements reflect total assets of ₹ 169.80 Crores as at 31<sup>st</sup> March, 2017, total revenues of ₹ 118.22 Crores and net cash flows amounting to ₹ (0.02) Crores 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 ₹ 5.56 Crores for the year ended 31<sup>st</sup> March, 2017 as considered in the Consolidated Ind AS financial statements, in respect of joint ventures whose financial statements have not been audited by us. 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 joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of 7 subsidiaries, whose financial statements reflect total assets of ₹ 169.81 Crores as at 31<sup>st</sup> March, 2017, total revenues of ₹ 107.38 Crores and net cash outflows amounting to ₹ 7.72 Crores 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 loss of ₹ 3.65 Crores for the year ended 31<sup>st</sup> March, 2017 as considered in the Consolidated Ind AS financial statements, in respect of joint ventures. 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,

limited liability partnership entity and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, limited liability partnership entity and joint ventures, is based solely on such unaudited Ind AS financial statements.

Our opinion on the Consolidated Ind AS financial statements, 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 Ind AS financial statements certified by the Management.

- (c) The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2015 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, whose report for the year ended 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 dated 12<sup>th</sup> May, 2016 and 14<sup>th</sup> May, 2015 respectively expressed an unmodified opinion on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 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 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 Accounting Standards specified under Section 133 of the Act;

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled companies incorporated in India, none of the directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A"; and
- (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, 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 joint ventures.
  - ii. Provision has been made in the Consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and joint ventures incorporated in India.
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

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

Ahmedabad  
May 11, 2017

**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

## Annexure-A to the Independent Auditor's Report of even date on the Consolidated Ind AS Financial Statements of Arvind Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Arvind Limited ("the holding Company") and its subsidiary companies and its joint ventures incorporated in India, for the year ended March 31, 2017 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company.

#### Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company, 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 Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, 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, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

**CA. N. D. Anklesaria**  
Partner  
Membership No. 10250

Ahmedabad  
May 11, 2017

## Consolidated Balance Sheet as at March 31, 2017

₹ in Crores

Particulars	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
<b>ASSETS</b>				
<b>I. Non-current assets</b>				
(a) Property, plant and equipment	5	3,404.46	3,289.97	3,021.78
(b) Capital work-in-progress	5	95.70	98.27	95.40
(c) Investment property	6	119.35	119.98	119.34
(d) Goodwill	7	18.30	18.30	1.53
(e) Intangible assets	7	130.47	48.52	33.09
(f) Intangible assets under development	7	0.10	48.53	17.33
(g) Financial assets				
(i) Investments	8	276.67	423.81	306.23
(ii) Loans	8	2.77	3.18	4.11
(iii) Other financial assets	8	238.90	208.14	166.80
(h) Deferred tax assets (net)	29	225.77	191.49	157.84
(i) Other non-current assets	9	74.23	69.68	102.54
<b>Total non-current assets</b>		<b>4,586.72</b>	<b>4,519.87</b>	<b>4,025.99</b>
<b>II. Current assets</b>				
(a) Inventories	10	2,382.80	1,920.45	1,715.66
(b) Financial assets				
(i) Trade receivables	8	813.89	768.15	636.14
(ii) Cash and cash equivalents	8	20.93	29.55	32.75
(iii) Bank balance other than (ii) above	8	32.95	31.36	36.96
(iv) Loans	8	161.82	328.07	292.42
(v) Others financial assets	8	181.18	165.44	120.64
(c) Current tax assets (net)	11	51.79	72.85	70.69
(d) Other current assets	9	438.35	356.30	349.08
		<b>4,083.71</b>	<b>3,672.17</b>	<b>3,254.34</b>
(e) Assets classified as held for sale	12	-	-	229.93
<b>Total current assets</b>		<b>4,083.71</b>	<b>3,672.17</b>	<b>3,484.27</b>
<b>Total Assets</b>		<b>8,670.43</b>	<b>8,192.04</b>	<b>7,510.26</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	258.36	258.24	258.24
Other equity	14	3,309.81	2,388.16	2,171.42
<b>Equity attributable to equity holders of the Parent</b>		<b>3,568.17</b>	<b>2,646.40</b>	<b>2,429.66</b>
<b>Non-controlling interest</b>		<b>151.43</b>	<b>55.61</b>	<b>40.22</b>
<b>Total Equity</b>		<b>3,719.60</b>	<b>2,702.01</b>	<b>2,469.88</b>
<b>LIABILITIES</b>				
<b>I. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15	756.63	1,492.61	1,370.30
(ii) Other financial liabilities	15	44.98	37.40	27.97
(b) Long-term provisions	16	40.72	28.69	23.88
(c) Deferred tax liabilities (net)	29	81.66	67.52	22.81
(d) Government grants	17	35.46	30.48	13.26
<b>Total non-current liabilities</b>		<b>959.45</b>	<b>1,656.70</b>	<b>1,458.22</b>
<b>II. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	15	2,064.95	1,995.27	1,868.09
(ii) Trade payables	15	1,478.81	1,214.17	1,050.12
(iii) Other financial liabilities	15	304.11	499.54	447.43
(b) Other current liabilities	18	114.48	90.36	94.69
(c) Short-term provisions	16	16.82	27.57	13.77
(d) Government grants	17	5.23	3.91	2.97
(e) Current tax liabilities (net)	11	6.98	2.51	0.74
		<b>3,991.38</b>	<b>3,833.33</b>	<b>3,477.81</b>
(e) Liabilities directly associated with assets classified as held for sale	12	-	-	104.35
<b>Total current liabilities</b>		<b>3,991.38</b>	<b>3,833.33</b>	<b>3,582.16</b>
<b>Total equity and liabilities</b>		<b>8,670.43</b>	<b>8,192.04</b>	<b>7,510.26</b>
Summary of significant accounting policies	3			

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

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

For and on behalf of the board of directors of Arvind Limited

CA. N. D. Anklesaria  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017Sanjay S. Lalbhai  
Chairman &  
Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017Jayesh K. Shah  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017R. V. Bhimani  
Company  
Secretary  
Ahmedabad  
May 11, 2017

# Consolidated Statement of Profit and Loss for the year ended March 31, 2017

₹ in Crores

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
<b>Income</b>			
Revenue from operations			
Sale of Products	19	8,849.88	7,754.12
Sale of Services	19	28.57	22.65
Other Operating Income	19	357.09	233.80
<b>Revenue from operations</b>		<b>9,235.54</b>	8,010.57
Other income	20	78.00	82.05
<b>Total income (I)</b>		<b>9,313.54</b>	8,092.62
<b>Expenses</b>			
Cost of raw materials and accessories consumed	21	2,548.11	2,269.07
Purchase of stock-in-trade	22	2,011.47	1,304.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(363.06)	(107.22)
Project expenses		12.87	9.71
Employee benefits expense	24	1,096.26	898.09
Finance costs	25	288.41	358.63
Depreciation and amortisation expense	26	294.27	239.13
Impairment Loss	26	2.81	1.35
Other expenses	27	2,986.51	2,685.08
<b>Total expenses (II)</b>		<b>8,877.65</b>	7,658.60
<b>Profit before exceptional items, share of profit of joint ventures and tax (III)=(I-II)</b>		<b>435.89</b>	434.02
Exceptional items (IV)	28	18.06	(1.37)
Share of profit/(loss) of joint ventures accounted for using the equity method (V)	50	1.91	5.37
<b>Profit before tax (VI) = (III-IV+V)</b>		<b>419.74</b>	440.76
<b>Tax expense</b>			
Current tax	29	132.24	118.81
Deferred tax	29	(32.56)	5.81
<b>Total tax expense (VII)</b>		<b>99.68</b>	124.62
<b>Profit for the year after Tax (VIII) = (VI-VII)</b>		<b>320.06</b>	316.14
Other comprehensive income			
<b>A. Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>			
Re-measurement gains/(losses) on defined benefit plans	14	0.26	(6.35)
Share of Other Comprehensive Income of Joint Venture accounted for using Equity method (net of tax)	50	(0.08)	-
Income tax effect	29	(0.12)	2.26
		0.06	(4.09)
Net gain/(loss) on FVOCI equity instruments	14	47.45	(7.31)
Income tax effect	29	-	-
		47.45	(7.31)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (A)</b>		<b>47.51</b>	(11.40)
<b>B. Other comprehensive income that may be reclassified to profit or loss in subsequent periods:</b>			
Net gains/(loss) on hedging instruments in a cash flow hedge	14	35.56	21.70
Income tax effect	29	(12.30)	(7.51)
Exchange differences in translating the financial statements of a foreign operation	14	(5.85)	(0.97)
<b>Net other comprehensive income that may be reclassified to profit or loss in subsequent periods (B)</b>		<b>17.41</b>	13.22
<b>Total other comprehensive income for the year, net of tax (VIII) = (A+B)</b>		<b>64.92</b>	1.82
<b>Total comprehensive income for the year, net of tax (VII+VIII)</b>		<b>384.98</b>	317.96
<b>Profit for the year attributable to:</b>			
Equity holders of the parent		313.84	314.19
Non-controlling interest		6.22	1.95
		320.06	316.14
<b>Other comprehensive income attributable to:</b>			
Equity holders of the parent		64.91	1.73
Non-controlling interest		0.01	0.09
		64.92	1.82
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		378.75	315.92
Non-controlling interest		6.23	2.04
		384.98	317.96
Earning per equity share [nominal value per share ₹10/- (March 31, 2016: ₹10/-)]			
Basic	36	12.15	12.16
Diluted	36	12.14	12.16
<b>Summary of significant accounting policies</b>	3		

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

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

For and on behalf of the board of directors of Arvind Limited

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

**Sanjay S. Lalbhai**  
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Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017

**Jayesh K. Shah**  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

## Consolidated Statement of Cash Flows for the year ended March 31, 2017

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>A Operating activities</b>		
Profit Before taxation	419.74	440.76
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Share of Profit of joint ventures	(1.91)	(5.37)
Depreciation/Amortization	297.08	240.48
Exchange Difference	(5.85)	(0.97)
Interest Income	(24.92)	(40.34)
Interest and Other Borrowing Cost	288.41	358.63
Dividend Income	(1.21)	(1.32)
Bad Debts Written Off	1.65	0.33
Provision for Bad Debts	5.15	8.55
Sundry Debit Written off	1.88	0.63
Sundry Credit Balances Appropriated	(5.82)	(1.95)
Fixed Assets written off	1.29	0.68
(Profit)/Loss on Sale of Tangible/Intangible assets	(2.97)	(13.11)
Provision no longer required	(4.19)	(1.63)
Share based payment expense	7.25	2.59
Government grants	(11.58)	(4.05)
Financial guarantee commission	(0.12)	-
	<b>544.14</b>	<b>543.15</b>
<b>Operating Profit before Working Capital Changes</b>	<b>963.88</b>	<b>983.91</b>
<b>Working Capital Changes:</b>		
Changes in Inventories	(462.35)	(204.79)
Changes in trade payables	270.30	161.47
Changes in other current liabilities	24.12	(4.09)
Changes in other financial liabilities	(3.10)	36.14
Changes in provisions	5.65	13.89
Changes in trade receivables	(52.54)	(142.73)
Changes in other current assets	(83.99)	(7.78)
Changes in other financial assets	(15.13)	(72.30)
Changes in Other Bank Balances	3.33	5.79
<b>Net Changes in Working Capital</b>	<b>(313.71)</b>	<b>(214.40)</b>
<b>Cash Generated from Operations</b>	<b>650.17</b>	<b>769.51</b>
Direct Taxes paid (Net of Income Tax refund)	(106.71)	(119.20)
<b>Net Cash from Operating Activities</b>	<b>543.46</b>	<b>650.31</b>
<b>B Cash Flow from Investing Activities</b>		
Purchase of tangible/intangible assets	(453.59)	(616.14)
Sale of tangible assets	15.46	60.34
Changes in Capital Advances	(4.49)	32.79
Change in Long Term Investments	173.36	(16.98)
Changes in Non Controlling Interest	89.59	13.35
Changes in Loans given	165.78	(39.11)
Dividend Income	1.21	1.32
Changes in Government Grants	17.88	22.21
Interest Income	24.19	39.77
<b>Net cash flow from Investing Activities</b>	<b>29.39</b>	<b>(502.45)</b>

# Consolidated Statement of Cash Flows for the year ended March 31, 2017 (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>C Cash Flow from Financing Activities</b>		
Issue of Share Capital	0.12	-
Share Application Money Received	2.17	-
Changes in Non Controlling Interest by way of dilution	631.90	-
Securities Premium received	2.21	-
Securities Premium utilised	(1.73)	-
Dividend on equity shares for the year	(61.38)	(65.26)
Dividend distribution tax on dividend	(12.62)	(13.17)
Changes in long term Borrowings	(923.31)	158.43
Changes in short term borrowings	69.68	127.18
Interest and Other Borrowing Cost Paid	(288.51)	(358.09)
<b>Net Cash flow from Financing Activities</b>	<b>(581.47)</b>	<b>(150.91)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents</b>	<b>(8.62)</b>	<b>(3.05)</b>
Cash & Cash equivalent at the beginning of the period	29.55	32.75
Less : Cash & Cash equivalent of Subsidiary not consolidated (Note 48)	-	0.15
	<b>29.55</b>	32.60
Cash & Cash equivalent at the end of the period	<b>20.93</b>	29.55

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Cash and cash equivalents comprise of: (Note 8d)</b>		
Cash on Hand	0.68	0.52
Cheques on Hand	0.02	3.21
Balances with Banks	20.23	25.82
<b>Cash and cash equivalents</b>	<b>20.93</b>	<b>29.55</b>

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

Notes:

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

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

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

**CA. N. D. Anklesaria**

Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

**For and on behalf of the board of directors of Arvind Limited**

**Sanjay S. Lalbhai**

Chairman &  
Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017

**Jayesh K. Shah**

Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**

Company  
Secretary  
Ahmedabad  
May 11, 2017

## Consolidated Statement of Changes in Equity for the year ended March 31, 2017

	₹ in Crores
<b>A. Equity share capital</b>	
<b>Balance</b>	<b>Note 13</b>
<b>As at April 1, 2015</b>	<b>258.24</b>
Issue of Equity Share capital	-
<b>As at March 31, 2016</b>	<b>258.24</b>
Issue of Shares under ESOP	0.12
<b>As at March 31, 2017</b>	<b>258.36</b>

**B. Other equity****Attributable to the equity holders of the parent**

Particulars	₹ in Crores														
	Reserves and Surplus										FVOCI		Total		
	Share Application Money Pending Allotment	Capital Reserve on Consolidation	Share based payment reserve	Share Suspense	Amalgamation Adjustment Reserve	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings	Foreign currency item translation account	Net gains/(loss) on hedging instruments in a cash flow hedge	Foreign Currency Translation Reserve	Net gain/(loss) on FVOCI equity instruments	Non-controlling interest	Total equity
	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14	Note 14		
<b>Balance as at April 1, 2015</b>	<b>-</b>	<b>29.41</b>	<b>27.50</b>	<b>2.20</b>	<b>-</b>	<b>69.50</b>	<b>654.81</b>	<b>1.95</b>	<b>1,327.90</b>	<b>(3.88)</b>	<b>(5.39)</b>	<b>-</b>	<b>67.42</b>	<b>40.22</b>	<b>2,211.64</b>
Profit for the year	-	-	-	-	-	-	-	-	314.19	-	-	-	-	1.95	316.14
Other comprehensive income for the year	-	-	-	-	-	-	-	-	(41.8)	-	14.19	(0.97)	(7.31)	0.09	1.82
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	310.01	-	14.19	(0.97)	(7.31)	2.04	317.96
Final Dividend	-	-	-	-	-	-	-	-	(65.85)	-	-	-	-	-	(65.85)
Tax on final dividend	-	-	-	-	-	-	-	-	(13.17)	-	-	-	-	-	(13.17)
Adjustment on consolidation	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	(30.73)
Share based payments	-	-	-	-	-	-	-	-	(25.12)	-	-	-	-	-	(25.12)
Utilized during the year (Note 12)	-	-	-	-	-	-	-	-	2.59	-	-	-	-	-	2.59
Adjusted due to merger (Note 49)	-	-	-	-	-	-	-	-	(99.97)	-	-	-	-	-	(99.97)
Additional/Adjustments during the year	-	-	-	-	-	-	-	-	0.16	103.18	-	-	-	-	103.34
<b>Balance as at March 31, 2016</b>	<b>-</b>	<b>32.28</b>	<b>2.38</b>	<b>4.79</b>	<b>103.18</b>	<b>69.50</b>	<b>554.84</b>	<b>1.47</b>	<b>1,554.62</b>	<b>(3.88)</b>	<b>8.80</b>	<b>(0.97)</b>	<b>57.11</b>	<b>55.61</b>	<b>2,443.77</b>
<b>Balance as at April 1, 2016</b>	<b>-</b>	<b>32.28</b>	<b>2.38</b>	<b>4.79</b>	<b>103.18</b>	<b>69.50</b>	<b>554.84</b>	<b>1.47</b>	<b>1,554.62</b>	<b>-</b>	<b>8.80</b>	<b>(0.97)</b>	<b>57.11</b>	<b>55.61</b>	<b>2,443.77</b>
Profit for the year	-	-	-	-	-	-	-	-	313.84	-	-	-	-	6.22	320.06
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	23.26	(5.85)	47.45	0.01	64.92
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	0.05	-	23.26	(5.85)	47.45	6.23	384.98
Final Dividend	-	-	-	-	-	-	-	-	(61.98)	-	-	-	-	-	(61.98)
Dividend distribution tax	-	-	-	-	-	-	-	-	(12.62)	-	-	-	-	-	(12.62)
Adjustment on consolidation	-	-	-	-	-	-	-	-	(32.26)	-	-	-	-	-	(32.26)
Transfer to retained earnings	-	-	-	-	-	-	-	-	104.56	-	-	-	-	-	104.56
Share based payments	-	-	-	-	-	-	-	-	7.25	-	-	-	-	-	7.25
Additional/Adjustment during Year	-	-	-	-	-	-	-	-	(0.16)	-	-	-	-	-	(0.16)
Transfer to securities premium	-	-	-	-	-	-	-	-	2.21	-	-	-	-	-	2.21
Transfer from share based payment reserve	-	-	-	-	-	-	-	-	(1.41)	-	-	-	-	-	(1.41)
Utilized during the year	-	-	-	-	-	-	-	-	1.41	-	-	-	-	-	1.41
<b>Balance as at March 31, 2017</b>	<b>2.17</b>	<b>664.18</b>	<b>1.50</b>	<b>10.63</b>	<b>103.18</b>	<b>69.50</b>	<b>556.73</b>	<b>1.47</b>	<b>1,875.21</b>	<b>(6.82)</b>	<b>32.06</b>	<b>(1.73)</b>	<b>57.11</b>	<b>151.43</b>	<b>3,461.24</b>

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

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

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

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Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

# Notes to and Forming Part of the Consolidated Financial Statements as at and for the Year Ended 31 March 2017

Notes to and forming part of the consolidated financial statements as at and for the year ended 31 march 2017

## 1. Corporate Information

Arvind Limited ('the Group') 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 Group 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 has initiated E-commerce business by launching its website. Arvind also has the presence in Telecom business directly and through joint venture companies. Recently Arvind has made foray in to Technical Textiles on its own and in joint venture with leading global players. Arvind through its subsidiary is also engaged in manufacturing and fabrication of process equipment as well as in water treatment plants.

Arvind Limited together with its subsidiaries and joint ventures is hereinafter referred to as 'the Group'.

The Group is a public Group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on two recognised stock exchanges in India. The registered office of the Group is located at Naroda Road, Ahmedabad - 380025.

The Group's consolidated financial statements were authorised for issue in accordance with a resolution of the directors on May 11, 2017.

## 2. Statement of Compliance and Basis of Preparation and Consolidation

### 2.1 Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as issued under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Group prepared its consolidated financial statements in accordance with Accounting Standards specified in Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP") and other relevant provision of the Act. These consolidated financial statements for the year ended March 31, 2017 are the first consolidated financial statements that the Group has prepared in accordance with Ind AS. Refer to Note 46 for information of how the transition from previous GAAP to Ind AS has affected the Group's Balance sheet, Statement of profit & loss and Statement of cash flow.

### 2.2 Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the followings:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Derivative financial instruments measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;

- Share based payments;
- Defined benefit plans – plan assets measured at fair value;
- Value in Use

In addition, the carrying values of recognised assets and liabilities designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

### 2.3 Rounding of amounts

The consolidated financial statements are presented in INR and all values are rounded to the nearest crore as per the requirement of Schedule III, except when otherwise indicated.

### 2.4 Principles of Consolidation and equity accounting

#### (i) Subsidiaries

The Group consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at March 31, 2017. Control is achieved when the Group 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. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

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 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. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

## (ii) Associates and Joint Ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

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 its associate and joint venture are accounted for using the equity method.

## (iii) Equity Method

Under the equity method, the investment in an associate or 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 associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Group's share of the results of operations of the associate or 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 associate or 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 associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.

The financial statements of the associate or 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 associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or 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 associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or 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 associate or 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 profit or loss.

## 3. Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Group in preparing its consolidated financial statements consistently to all the periods presented, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2015 being the date of transition to Ind AS:

### 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.

The Group 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 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 Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from 1 April 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward with minimal adjustment. The same first time adoption exemption is also used for associates and joint ventures.

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.

Business combinations between entities under common control are accounted for at carrying value.

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 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, 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.

### 3.3 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.

### 3.4 Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also holding Group's functional currency.

#### Transactions and balances

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).

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

### 3.5 Fair value measurement

The Group measures financial instruments such as derivatives and Investments at fair value at the end of each reporting period.

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 (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 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.

#### Derecognition

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 derecognised.

#### Depreciation

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 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 and Leasehold Improvements is provided on straight line basis over the useful lives of the assets as estimated by management based on internal assessment. The management estimates the useful lives as follows:

Assets	Useful Life
Plant & Machinery other than Lab equipment	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.

#### Transition to Ind AS

On transition to Ind AS, the Group has elected to measure all items of property, plant and equipment (a) at fair value as at April 1, 2015 and used that fair value as deemed cost of the property, plant and equipment in case of holding and some subsidiary companies and (b) at deemed cost which is the carrying value of the property, plant and equipment as at April 1, 2015 in case of other subsidiary companies.

### 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.

#### Transition to Ind AS

For arrangements entered into prior to April 01, 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### 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 the 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 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.

#### **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 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 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 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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **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 Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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.

#### **Transition to Ind AS**

Since there is no change in functional currency, the Group has elected to continue with the carrying value of all of its Investment properties as at the date of transition measured as per the previous GAAP and used that as deemed cost after making necessary adjustments for decommissioning liability, if any, as at the date of transition i.e. April 1, 2015.

### **3.10 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. 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 either finite or indefinite.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be

supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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.

#### **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 the 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.

#### **Transition to Ind AS**

On transition to Ind AS, the Group has elected to measure certain items of intangible assets at fair value as at April 1, 2015 and used that fair value as deemed cost for those items of Intangible assets. Remaining items of Intangible assets are carried at cost eligible under Ind AS 38 less accumulated amortisation and accumulated impairment losses, if any.

### **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: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out 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 first in, first out 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. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

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 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 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 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.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

### 3.13 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. 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.

#### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which generally coincides with dispatch. Revenue from export sales are recognized on shipment basis. 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 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.

#### Sales Return

The Company recognises provision for sales return, based on the historical results, measured on net basis of the margin of the sales.

#### Rendering of services

Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

#### 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.

#### Interest income

For all financial instruments measured at amortised cost and interest-bearing financial assets classified as fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). 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

Dividend Income is recognised when the Group's right to receive is established which is generally occur when the shareholders approve the dividend.

#### Profit or loss on sale of Investments

Profit or Loss on sale of investments is 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 the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

#### Insurance claims

Claims receivable on account of Insurance are accounted for to the extent the Group is reasonably certain of their ultimate collection.

### 3.14 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### a) Financial assets

##### (i) Initial recognition and measurement of financial assets

All financial assets, except investment in subsidiaries and joint ventures, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**(ii) Subsequent measurement of financial assets**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

➤ **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. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

➤ **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 initially as well as 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 the P&L. 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.

➤ **Financial assets at fair value through profit or loss**

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for

categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, 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.

After initial measurement, such financial assets are subsequently measured at fair value with all changes recognised in Statement of profit and loss.

➤ **Equity instruments:**

All equity investments in scope of Ind-AS 109 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.

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 P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L

**(iii) Derecognition of financial assets**

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial asset expire,
- or
- The Group has transferred its contractual rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects

the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### (iv) Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for.

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

#### (v) Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 17
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Group follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18, if they do not contain a significant financing component
- Trade receivables or contract assets resulting from transactions within the scope of Ind AS 11 and Ind AS 18 that contain a significant financing component, if the Group applies practical expedient to ignore separation of time value of money, and
- All lease receivables resulting from transactions within the scope of Ind AS 17

The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash

flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Group is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). This amount is reflected in a separate line under the head “Other expenses” in the P&L. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Group does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## b) Financial Liabilities

### (i) Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value minus, in the case of financial liabilities not recorded at

fair value through profit or loss, transaction costs that are attributable to the issue of the financial liabilities.

The Group’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

### (ii) Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

#### • 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 P&L. 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.

#### • Loans and Borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 as finance costs in the statement of profit and loss.

This category generally applies to borrowings.

#### • Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured

at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

**(iii) Derecognition of financial liabilities**

A financial liability (or a part of a financial liability) is derecognised from its balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**c) Derivative financial instruments and hedge accounting  
Initial recognition and subsequent measurement**

The Group uses derivative financial instruments, such as forward currency contracts, options, cross currency swaps and interest rate swaps, to hedge its foreign currency risks and interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in

achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**(i) Fair value hedges**

The change in the fair value of a hedging instrument is recognised in the statement of profit and loss as finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the statement of profit and loss as finance costs.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss. When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit and loss.

**(ii) Cash flow hedges**

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the statement of profit and loss.

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments, as well as forward commodity contracts for its exposure to volatility in the commodity prices. The ineffective portion relating to foreign currency contracts is recognised in finance costs and the ineffective portion relating to commodity contracts is recognised in other income or expenses.

Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

**(iii) Hedges of a net investment**

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as OCI while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is reclassified to the statement of profit or loss (as a reclassification adjustment).

**d) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**3.15 Cash and cash equivalent**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand 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 statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

**3.16 Government Grants and Export incentives**

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 as income 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.

**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.

**3.17 Taxes**

Tax expense comprises of current income tax and deferred tax.

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Current income tax are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. 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.

**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 relating to items recognised outside Statement of profit and loss is recognised outside Statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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 the 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, exgratia, 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 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.

#### 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. 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 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 profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### 3.20 Earnings per share

Basic EPS is calculated by dividing the 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 calculated by dividing the profit / loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

### 3.21 Dividend distribution

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the Companies Act, 2013, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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.

### 3.22 Provisions

#### General

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. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. 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.

### 3.23 Non-current assets held for sale/ distribution to owners and discontinued operations

The Group classifies non-current assets 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.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

A disposal Group 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.

## 4- Significant accounting judgements, estimates and assumptions

The preparation of the Group's 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 Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### Finance lease commitments – Group as lessee

The Group has entered into leases whereby it has taken land on lease. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term constituting a major part of the economic life of the property and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as finance leases.

#### Revenue recognition

The Group assesses its revenue arrangement in order to determine if its business partner is acting as a principle or as an agent by analysing whether the Group has primary obligation for pricing latitude and exposure to credit / inventory risk associated with the sale of goods. The Group has concluded that certain arrangements are on principal to agent basis where its business partner is acting as an agent. Hence, sale of goods to its business partner is recognised once they are sold to the end customer.

### 4.2 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.

#### **Defined benefit plans**

The cost of the defined benefit plans and other post-employment benefits and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are based on expected future inflation rates for the country.

Further details about defined benefit obligations are provided in Note 34.

#### **Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note 42 for further disclosures.

#### **Allowance for uncollectible trade receivables**

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balance and historical experience. Additionally, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible. The carrying amount of allowance for doubtful debts is ₹ 4.66 Crores (March 31, 2016 : ₹ 0.95 Crores and April 1, 2015 : ₹ 0.75 Crores).

#### **Share-based payments**

The Group initially measures the cost of equity-settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share-based payment

transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For equity-settled share-based payment transactions, the liability needs to be measured at the time of grant. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 37.

#### **Taxes**

Deferred tax assets are recognised for unused tax credits to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Group has ₹ 252.46 Crores (March 31, 2016 : ₹ 244.29 Crores, April 1, 2015 : ₹ 246.95 Crores) of tax credits carried forward. These credits expire in 15 years. 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.

Further details on taxes are disclosed in Note 29.

#### **Revenue recognition – Customer loyalty program reward points**

The Group estimates the fair value of points awarded under the Customer loyalty program by applying statistical techniques. Inputs to the model include making assumptions about expected redemption rates, the mix of products that will be available for redemption in the future and customer preferences. As points issued under the programme do not expire, such estimates are subject to significant uncertainty. As at 31 March 2017, the estimated liability towards unredeemed points amounted to approximately ₹ 3.26 Crores (March 31, 2016 : ₹ 5.17 Crores and April 1, 2015 : ₹ 2.89 Crores).

#### **Intangible assets**

Refer Note 3.10 for the estimated useful life of Intangible assets. The carrying value of Intangible assets has been disclosed in Note 7.

#### **Property, plant and equipment**

Refer Note 3.6 for the estimated useful life of Property, plant and equipment. The carrying value of Property, plant and equipment has been disclosed in Note 5.

#### **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.

# Notes to Consolidated Financial Statements

## Note 5 : Property, plant and equipment

₹ in Crores

Fixed Assets	Freehold land	Leasehold land	Buildings	Plant & machinery	Furniture & fixture	Vehicles	Leasehold improvements	Office equipment	Computer, server & network	Total	Capital Work-in-Progress
<b>Gross Carrying Value</b>											
<b>Deemed Cost as at April 1, 2015</b>	<b>961.35</b>	<b>313.39</b>	<b>412.14</b>	<b>1,119.72</b>	<b>145.07</b>	<b>26.65</b>	<b>202.05</b>	<b>31.00</b>	<b>36.14</b>	<b>3,247.51</b>	<b>95.40</b>
Additions	37.75	-	63.04	262.65	62.50	14.86	69.21	12.47	14.49	536.97	87.86
Adjustment due to merger (Note 49)	-	-	(0.04)	-	(0.26)	(0.03)	-	(0.12)	(0.02)	(0.47)	-
Other adjustments (refer note 4 below)	-	-	-	5.60	-	-	-	-	-	5.60	0.73
Deductions	9.83	-	-	99.39	3.43	5.35	9.61	0.88	1.60	130.09	85.72
<b>As at March 31, 2016</b>	<b>989.27</b>	<b>313.39</b>	<b>475.14</b>	<b>1,288.58</b>	<b>203.88</b>	<b>36.13</b>	<b>261.65</b>	<b>42.47</b>	<b>49.01</b>	<b>3,659.52</b>	<b>98.27</b>
Additions	21.97	0.52	38.36	160.07	58.96	13.15	70.92	13.03	13.28	390.26	85.84
Adjustment due to merger (Note 49)	-	-	-	-	0.40	-	2.73	0.06	0.05	3.24	-
Other adjustments	-	-	-	2.08	-	-	-	-	-	2.08	-
Deductions	0.98	-	1.20	25.01	3.12	6.29	5.10	0.24	0.56	42.50	88.41
<b>As at March 31, 2017</b>	<b>1,010.26</b>	<b>313.91</b>	<b>512.30</b>	<b>1,425.72</b>	<b>260.12</b>	<b>42.99</b>	<b>330.20</b>	<b>55.32</b>	<b>61.78</b>	<b>4,012.60</b>	<b>95.70</b>
<b>Depreciation and Impairment</b>											
<b>As at April 1, 2015</b>	-	-	0.97	41.61	50.45	1.77	105.59	9.54	15.80	225.73	-
Depreciation for the year	-	0.17	20.25	125.97	26.68	4.78	31.40	7.61	9.66	226.52	-
Adjustment due to merger (Note 49)	-	-	(0.02)	-	(0.24)	(0.02)	(0.10)	(0.12)	(0.02)	(0.52)	-
Deductions	-	-	-	64.91	2.79	2.84	9.20	0.83	1.61	82.18	-
<b>As at March 31, 2016</b>	-	<b>0.17</b>	<b>21.20</b>	<b>102.67</b>	<b>74.10</b>	<b>3.69</b>	<b>127.69</b>	<b>16.20</b>	<b>23.83</b>	<b>369.55</b>	-
Depreciation for the year	-	0.29	22.20	143.63	29.55	6.19	41.36	8.90	11.33	263.45	-
Adjustment due to merger (Note 49)	-	-	-	-	0.02	-	1.00	0.01	0.03	1.06	-
Impairment for the year	-	-	-	-	-	-	2.81	-	-	2.81	-
Deductions	-	-	0.04	22.32	0.82	2.74	2.08	0.20	0.53	28.73	-
<b>As at March 31, 2017</b>	-	<b>0.46</b>	<b>43.36</b>	<b>223.98</b>	<b>102.85</b>	<b>7.14</b>	<b>170.78</b>	<b>24.91</b>	<b>34.66</b>	<b>608.14</b>	-
<b>Net Carrying Value</b>											
<b>As at March 31, 2017</b>	<b>1,010.26</b>	<b>313.45</b>	<b>468.94</b>	<b>1,201.74</b>	<b>157.27</b>	<b>35.85</b>	<b>159.42</b>	<b>30.41</b>	<b>27.12</b>	<b>3,404.46</b>	<b>95.70</b>
As at March 31, 2016	989.27	313.22	453.94	1,185.91	129.78	32.44	133.96	26.27	25.18	3,289.97	98.27
As at April 1, 2015	961.35	313.39	411.17	1,078.11	94.62	24.88	96.46	21.46	20.34	3,021.78	95.40

### Notes :

- Freehold Land includes some lands which are pending for registration in favour of the Company.
- Buildings includes ₹ 0.79 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.
- During the year, depreciation of ₹ 0.54 Crores (Previous year ₹ Nil) has been capitalised.
- Details of Borrowing Cost and Exchange Differences Capitalised in relation to plant & machinery:

₹ in Crores

Particulars	Other Adjustments				Addition in Capital Work in Progress	
	For the year		Transfer from Capital Work in Progress		For the year	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Borrowing Cost	0.99	1.85	0.65	0.66	-	0.65
Exchange Differences	0.36	3.68	0.08	(0.59)	-	0.08
<b>Total</b>	<b>1.35</b>	<b>5.53</b>	<b>0.73</b>	<b>0.07</b>	<b>-</b>	<b>0.73</b>

- The Group has elected to measure certain items of its property, plant and equipment at the date of transition at their fair values and used those fair values as deemed costs for such items of property, plant and equipment. The details are in Note 46.
- Refer Note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

## Notes to Consolidated Financial Statements

## Note 6 : Investment Properties

₹ in Crores

Investment property	Freehold Land	Leasehold Land	Building	Total
<b>Gross Carrying Value</b>				
<b>Deemed Cost as at April 1, 2015</b>	75.57	21.44	22.33	119.34
Additions	-	-	-	-
Adjustment due to merger (Note 49)	-	-	1.23	1.23
Deductions	-	-	-	-
<b>As at March 31, 2016</b>	<b>75.57</b>	<b>21.44</b>	<b>23.56</b>	<b>120.57</b>
Additions	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2017</b>	<b>75.57</b>	<b>21.44</b>	<b>23.56</b>	<b>120.57</b>
<b>Depreciation and Impairment</b>				
<b>As at April 1, 2015</b>	-	-	-	-
Depreciation for the year	-	-	0.59	0.59
Adjustment due to merger (Note 49)	-	-	-	-
Deductions	-	-	-	-
<b>As at March 31, 2016</b>	-	-	<b>0.59</b>	<b>0.59</b>
Depreciation for the year	-	-	0.63	0.63
Deductions	-	-	-	-
<b>As at March 31, 2017</b>	-	-	<b>1.22</b>	<b>1.22</b>
<b>Net Carrying Value</b>				
<b>As at March 31, 2017</b>	<b>75.57</b>	<b>21.44</b>	<b>22.34</b>	<b>119.35</b>
As at March 31, 2016	75.57	21.44	22.97	119.98
As at April 01, 2015	75.57	21.44	22.33	119.34

## Information regarding income and expenditure of Investment property

₹ in Crores

Particulars	2016-17	2015-16
Rental income derived from Investment properties	1.35	3.37
Direct operating expenses (including repairs and maintenance) generating rental income	0.15	0.11
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
<b>Income arising from investment properties before depreciation and indirect expenses</b>	<b>1.20</b>	<b>3.26</b>
Less : Depreciation	0.63	0.59
<b>Income arising from investment properties before indirect expenses</b>	<b>0.57</b>	<b>2.67</b>

As at March 31, 2017, March 31, 2016, the fair values of the properties are based on internal evaluation by the management.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 43.

## Fair value of the Investment properties are as under

₹ in Crores

Fair value	Land held for sale	Land Leasehold	Building	Total
<b>Balance as at April 1, 2015</b>	75.57	21.44	22.33	119.34
Fair value difference for the year	1.52	2.52	2.62	6.66
Adjustment due to merger	-	-	1.02	1.02
<b>Balance as at March 31, 2016</b>	<b>77.09</b>	<b>23.96</b>	<b>25.97</b>	<b>127.02</b>
Fair value difference for the year	0.75	0.24	0.92	1.91
<b>Balance as at March 31, 2017</b>	<b>77.84</b>	<b>24.20</b>	<b>26.89</b>	<b>128.93</b>

Estimation for fair value:

The fair valuation is based on current prices in the active market for similar properties. The main inputs used are quantum, area, location, demand, age of building and trend of fair market rent in the prevailing areas.

# Notes to Consolidated Financial Statements

## Note 7 : Intangible assets

₹ in Crores

Intangible assets	Computer Software	Patent & Technical knowhow	Technical Process development	Website	Brand Value & Licence Brands	Distribution Network	Vendors' Network	Jobworkers' Network	Total Intangible assets under development	Goodwill	Goodwill on Consolidation	Total Goodwill	
<b>Gross Carrying Value</b>													
<b>Deemed Cost as at April 1, 2015</b>	<b>42.94</b>	<b>10.06</b>	<b>0.21</b>	<b>6.55</b>	<b>0.01</b>	<b>4.31</b>	<b>6.27</b>	<b>1.73</b>	<b>72.08</b>	<b>17.33</b>	-	<b>1.53</b>	<b>1.53</b>
Additions	9.11	0.51	-	-	5.09	14.12	-	-	28.83	35.61	16.77	-	16.77
Adjustment due to merger (Note 49)	(0.03)	-	-	-	-	-	-	-	(0.03)	-	-	-	-
Deductions	0.12	-	-	-	-	-	-	-	0.12	4.41	-	-	-
<b>As at March 31, 2016</b>	<b>51.90</b>	<b>10.57</b>	<b>0.21</b>	<b>6.55</b>	<b>5.10</b>	<b>18.43</b>	<b>6.27</b>	<b>1.73</b>	<b>100.76</b>	<b>48.53</b>	<b>16.77</b>	<b>1.53</b>	<b>18.30</b>
Additions	21.66	23.79	24.73	41.17	-	-	-	-	111.35	0.09	-	-	-
Adjustment due to merger (Note 49)	-	-	1.67	-	-	-	-	-	1.67	-	-	-	-
Deductions	1.30	-	-	-	-	-	-	-	1.30	48.52	-	-	-
<b>As at March 31, 2017</b>	<b>72.26</b>	<b>34.36</b>	<b>26.61</b>	<b>47.72</b>	<b>5.10</b>	<b>18.43</b>	<b>6.27</b>	<b>1.73</b>	<b>212.48</b>	<b>0.10</b>	<b>16.77</b>	<b>1.53</b>	<b>18.30</b>
<b>Amortisation and Impairment</b>													
<b>As at April 1, 2015</b>	27.55	0.49	0.09	0.62	0.01	2.23	6.27	1.73	38.99	-	-	-	-
Amortisation for the Year	7.07	1.49	0.04	1.39	0.52	1.51	-	-	12.02	-	-	-	-
Impairment for the year	-	-	-	-	-	1.35	-	-	1.35	-	-	-	-
Deductions	0.12	-	-	-	-	-	-	-	0.12	-	-	-	-
<b>As at March 31, 2016</b>	<b>34.50</b>	<b>1.98</b>	<b>0.13</b>	<b>2.01</b>	<b>0.53</b>	<b>5.09</b>	<b>6.27</b>	<b>1.73</b>	<b>52.24</b>	-	-	-	-
Amortisation for the Year	9.71	6.33	4.99	7.91	0.78	1.01	-	-	30.73	-	-	-	-
Adjustment due to merger (Note 49)	-	-	0.33	-	-	-	-	-	0.33	-	-	-	-
Deductions	1.29	-	-	-	-	-	-	-	1.29	-	-	-	-
<b>As at March 31, 2017</b>	<b>42.92</b>	<b>8.31</b>	<b>5.45</b>	<b>9.92</b>	<b>1.31</b>	<b>6.10</b>	<b>6.27</b>	<b>1.73</b>	<b>82.01</b>	-	-	-	-
<b>Net Carrying Value</b>													
<b>As at March 31, 2017</b>	<b>29.34</b>	<b>26.05</b>	<b>21.16</b>	<b>37.80</b>	<b>3.79</b>	<b>12.33</b>	-	-	<b>130.47</b>	<b>0.10</b>	<b>16.77</b>	<b>1.53</b>	<b>18.30</b>
As at March 31, 2016	17.40	8.59	0.08	4.54	4.57	13.34	-	-	48.52	48.53	16.77	1.53	18.30
As at April 1, 2015	15.39	9.57	0.12	5.93	-	2.08	-	-	33.09	17.33	-	1.53	1.53

## Notes to Consolidated Financial Statements

## Note 8 : Financial assets

## 8 (a) Investments

₹ in Crores

Particulars	Face Value per Share (in ₹)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current investment</b>				
<b>Investment in equity shares of subsidiaries</b>				
<b>Unquoted</b>				
Arvind Foundation 10,000 (31st March 2016: 10,000, 1st April 2015: NIL)	10	0.01	0.01	-
<b>Investments in equity shares of joint ventures</b>				
Arya Omnitalk Wireless Solutions Private Limited* 1,000,000 (31st March 2016: 1,000,000, 1st April 2015: 1,000,000) shares	10	21.54	17.03	13.01
Arya Omnitalk Radio Trunking Services Private Limited* 1,005,000 (31st March 2016: 1,005,000, 1st April 2015: 1,005,000) shares	10	7.54	7.85	7.18
Tommy Hilfiger Arvind Fashions Private Limited 11,461,839 (31st March 2016: 11,461,839, 1st April 2015: 11,461,839) shares	10	51.77	49.68	45.29
Calvin Klein Arvind Fashion Private Limited 457,671 (31st March 2016: 294,305, 1st April 2015: 22,050) shares	10	98.64	94.30	88.87
Arudrama Developments Private Limited 50,000 (31st March 2016: 50,000, 1st April 2015: 50,000) shares	100	2.05	2.05	2.05
<b>Investment in equity shares of others</b>				
<b>Quoted</b>				
Atul Limited NIL (31st March 2016: 1,203,641, 1st April 2015: 773,641) shares	-	-	184.67	87.57
Amol Decalite Limited** 16,500 (31st March 2016: 16,500, 1st April 2015: 16,500) shares	10	0.06	0.06	0.06
<b>Unquoted</b>				
Amazon Textile Private Limited** 118,000 (31st March 2016: 118,000, 1st April 2015: 50,000) shares	10	2.05	2.05	0.87
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited** 140 (31st March 2016: 140, 1st April 2015: 140) shares	250	(₹ 35,000/-)	(₹ 35,000/-)	(₹ 35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited** 10 (31st March 2016: 10, 1st April 2015: 10) shares	100	(₹ 1,000/-)	(₹ 1,000/-)	(₹ 1,000/-)
<b>Total equity Investments</b>		<b>183.66</b>	<b>357.70</b>	<b>244.90</b>
<b>Investment in LLP's</b>				
Arvind and Smart Value Homes LLP		56.70	60.89	61.04
Ahmedabad East Infrastructure LLP		(₹ 7,000/-)	(₹ 7,000/-)	(₹ 7,000/-)
637 Developers		0.16	0.20	0.27
<b>Total Investments in LLP</b>		<b>56.86</b>	<b>61.09</b>	<b>61.31</b>
<b>Investment in government securities</b>				
National Saving Certificates (Lodged with Sales Tax and Government Authorities)		0.02	0.02	0.02
<b>Total Investments in government securities</b>		<b>0.02</b>	<b>0.02</b>	<b>0.02</b>

# Notes to Consolidated Financial Statements

## 8 (a) Investments (Contd.)

₹ in Crores

Particulars	Face Value per Share (in ₹)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Investment in debentures</b>				
Centerac eMarket Places Private Limited	10	10.00	5.00	-
0.00001% Fully & Compulsorily Convertible debentures				
81,050 (31st March 2016: 40,525, 1st April 2015: NIL) FCCD				
<b>Total Investments in debentures</b>		<b>10.00</b>	<b>5.00</b>	<b>-</b>
<b>Share application money</b>		<b>26.13</b>	-	-
<b>Total Investments</b>		<b>276.67</b>	<b>423.81</b>	<b>306.23</b>
Aggregate amount of quoted investment and market value thereof		0.06	184.73	87.63
Aggregate amount of unquoted investment		276.61	239.08	218.60

\* 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 :

₹ in Crores

Subsidiaries / Joint ventures	Nature of transaction	Impact of notional commission on fair valuation of financial guarantee	
		2016-17	2015-16
Arya Omnitalk Wireless Solutions Private Limited	Financial guarantee given	0.10	-
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	0.02	-

\*\* The management has assessed that carrying value of the investments approximate to their fair value.

## 8 (b) Trade receivables

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Unsecured, considered good	813.89	768.15	636.14
Doubtful	4.66	0.95	0.75
Less : Allowance for doubtful debts	(4.66)	(0.95)	(0.75)
<b>Total Trade and other receivables</b>	<b>813.89</b>	<b>768.15</b>	<b>636.14</b>

### Transferred receivables

The carrying amount of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the group has retained late payment and credit risk. The group therefore continues to recognise ₹ Nil (March 31, 2016 : ₹40.29 crores and April 1, 2015 : ₹25.57 crores) of the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

### 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 :

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Balance at the beginning of the year</b>	<b>0.95</b>	0.75
Add : Allowance for the year	5.00	0.59
Less : Write off of bad debts (net of recovery)	(1.29)	(0.39)
<b>Balance at the end of the year</b>	<b>4.66</b>	0.95

## Notes to Consolidated Financial Statements

## 8 (c) Loans

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured considered good</b>			
<b>Non-current</b>			
Loans to employees	2.77	3.18	4.11
	<u>2.77</u>	<u>3.18</u>	<u>4.11</u>
<b>Current</b>			
Loans to related parties	19.45	0.82	41.76
Loans to employees	1.58	2.33	2.23
Loan to others	140.79	324.92	248.43
	<u>161.82</u>	<u>328.07</u>	<u>292.42</u>
<b>Doubtful</b>			
Loans to related parties	5.23	5.23	-
Less : Allowance for doubtful loan	(5.23)	(5.23)	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Loans</b>	<u>164.59</u>	<u>331.25</u>	<u>296.53</u>

**Allowance for doubtful loans**

Company has provided allowance for doubtful loans based on the 12 months expected credit loss model.

For terms & condition of loans to related party, refer Note 35.

## 8 (d) Cash and cash equivalent

Balance with Banks			
In Current accounts and debit balance in cash credit accounts	19.81	25.21	30.19
Deposits with original maturity of less than three months	0.33	0.20	1.49
In Exchange Earners Foreign Currency account	0.09	0.41	-
In Savings account	(₹ 45,808/-)	(₹ 45,808/-)	(₹ 45,808/-)
Cheques on hand	0.02	3.21	0.03
Cash on hand	0.68	0.51	1.04
Foreign Currency on Hand	-	0.01	(₹ 15,192/-)
<b>Total cash and cash equivalents</b>	<u>20.93</u>	<u>29.55</u>	<u>32.75</u>

## 8 (e) Other bank balance

Unpaid dividend accounts	2.46	1.86	1.27
Deposits with original maturity of more than three months but less than 12 months	1.62	6.66	17.71
Deposits with original maturity more than 12 months	-	0.14	4.38
Deposits held as Margin Money*	27.80	21.67	12.65
Deposits lodged with Court	0.55	0.71	0.94
Lodged with Sales Tax Department	0.52	0.32	0.01
<b>Total other bank balances</b>	<u>32.95</u>	<u>31.36</u>	<u>36.96</u>
<b>Total cash and bank balance</b>	<u>53.88</u>	<u>60.91</u>	<u>69.71</u>

\* Under lien with bank as Security for Guarantee Facility

# Notes to Consolidated Financial Statements

## 8 (f) Other financial assets

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured, considered good</b>			
<b>Non-current</b>			
Security deposits	235.84	200.16	158.63
Bank deposits with maturity of more than 12 months	3.06	7.98	8.17
	<b>238.90</b>	208.14	166.80
<b>Current</b>			
Security deposits	5.48	4.09	1.88
Income receivable	36.00	44.28	31.52
Accrued Interest	2.46	1.73	1.16
Foreign exchange forward contracts (Cash flow hedge)	49.02	13.46	-
Receivable other than trade	88.22	101.88	86.08
	<b>181.18</b>	165.44	120.64
<b>Total financial assets</b>	<b>420.08</b>	<b>373.58</b>	<b>287.44</b>

### Foreign exchange forward contracts (Cash flow hedge)

Foreign exchange forward contracts, designated as cash flow hedges to hedge highly probable future purchases / sales in foreign currency are at fair value through other comprehensive income (FVOCI) and change in the fair value are recognised in other comprehensive income.

## 8 (g) Financial assets by category

₹ in Crores

Particulars	Equity Method	FVTPL	FVOCI	Amortised cost
<b>March 31, 2017</b>				
Investments				
- Equity shares	207.68	-	2.11	-
- Debentures	-	-	-	10.00
- Government securities	-	-	-	0.02
- Limited liability partnership	56.86	-	-	-
Trade receivables	-	-	-	813.89
Loans	-	-	-	164.59
Cash & bank balance	-	-	-	53.88
Other financial assets	-	-	49.02	371.06
<b>Total Financial assets</b>	<b>264.54</b>	<b>-</b>	<b>51.13</b>	<b>1,413.44</b>
<b>March 31, 2016</b>				
Investments				
- Equity shares	170.92	-	186.78	-
- Debentures	-	-	-	5.00
- Government securities	-	-	-	0.02
- Limited liability partnership	61.09	-	-	-
Trade receivables	-	-	-	768.15
Loans	-	-	-	331.25
Cash & bank balance	-	-	-	60.91
Other financial assets	-	-	13.46	360.12
<b>Total Financial assets</b>	<b>232.01</b>	<b>-</b>	<b>200.24</b>	<b>1,525.45</b>

## Notes to Consolidated Financial Statements

## 8 (g) Financial assets by category (Contd.)

₹ in Crores

Particulars	Equity Method	VTPL	FVOCI	Amortised cost
<b>April 1, 2015</b>				
Investments				
- Equity shares	156.40	-	88.50	-
- Debentures	-	-	-	-
- Government securities	-	-	-	0.02
- Limited liability partnership	61.31	-	-	-
Trade receivables	-	-	-	636.14
Loans	-	-	-	296.53
Cash & bank balance	-	-	-	69.71
Other financial assets	-	-	-	287.44
<b>Total Financial assets</b>	<b>217.71</b>	<b>-</b>	<b>88.50</b>	<b>1,289.84</b>

For Financial instruments risk management objectives and policies, refer Note 44.

Fair value disclosures for financial assets and liabilities are in Note 42 and fair value hierarchy disclosures are in Note 43.

## Note 9 : Other current / non-current assets

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Unsecured, considered good</b>			
<b>Non-current</b>			
Capital advances	73.79	69.30	102.09
Pre-paid expense	0.44	0.38	0.45
<b>Other Advances</b>			
Advances to suppliers			
Doubtful	0.29	0.49	0.52
Less : Provision for doubtful advances	(0.29)	(0.49)	(0.52)
	-	-	-
	74.23	69.68	102.54
<b>Current</b>			
Advance to suppliers	193.07	162.20	175.82
Balance with collectorate of central excise and customs	10.22	4.96	8.57
Sales tax/VAT/service tax receivable (net)	32.53	32.33	31.67
Export incentive receivable	78.75	66.57	75.14
Prepaid expenses	32.15	25.82	22.13
Other Current Asset	91.63	64.42	35.75
	438.35	356.30	349.08
<b>Total</b>	<b>512.58</b>	<b>425.98</b>	<b>451.62</b>
Advance to Directors or to firm/Private company where director is interested	-	-	-

# Notes to Consolidated Financial Statements

## Note 10 : Inventories (At lower of cost and net realisable value)

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Raw materials			
Raw materials and components	351.62	270.64	210.66
Raw materials in transit	0.56	0.65	1.01
Fuel	2.63	2.56	4.80
Material at site for project in progress	9.62	10.14	7.06
Work-in-progress	486.25	458.39	450.08
Finished goods	390.40	300.79	262.92
By-product	0.05	0.74	0.32
Stock-in-trade	1,004.28	746.52	689.03
Stock-in-trade in transit	4.29	4.07	2.68
Stores and spares	81.85	75.87	79.52
Waste	3.63	2.40	1.34
Packing Material	5.84	5.92	6.24
Land Held as Stock-in-trade	41.78	41.76	-
<b>Total</b>	<b>2,382.80</b>	<b>1,920.45</b>	<b>1,715.66</b>

## Note 11 : Current Tax Assets (Net)

Tax Paid in Advance (Net of Provision)	51.79	72.85	70.69
<b>Total</b>	<b>51.79</b>	<b>72.85</b>	<b>70.69</b>

## Note 11 : Current Tax Liability (Net)

Provision for Taxation (Net of Advance Tax)	6.98	2.51	0.74
<b>Total</b>	<b>6.98</b>	<b>2.51</b>	<b>0.74</b>

## Note 12 : Assets classified as held for sale & liabilities directly associated with assets classified as held for sale

₹ in Crores

Assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Assets classified as held for sale</b>			
Building	-	-	5.21
Plant & Equipment	-	-	1.20
Furniture & fixtures	-	-	0.96
Office equipment	-	-	0.44
Vehicles	-	-	0.86
Capital Work-in-Progress	-	-	0.11
Computer Software	-	-	0.02
Intangible under development	-	-	0.02
Security deposits	-	-	0.13
Cash on hand & Balance with bank in current account	-	-	3.93
Project work in progress	-	-	133.50
Loans & Other receivables	-	-	83.55
	-	-	229.93

## Notes to Consolidated Financial Statements

## Note 12 : Assets classified as held for sale &amp; liabilities directly associated with assets classified as held for sale (Contd.)

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Liabilities directly associated with assets classified as held for sale</b>			
Long Term Borrowings	-	-	22.79
Intercorporate deposits	-	-	46.02
Trade payable	-	-	6.26
Payable to employees	-	-	0.37
Statutory dues including Provident Fund and TDS	-	-	1.02
Other Current Liabilities	-	-	27.89
			104.35
<b>Net asset held for sale</b>			125.58

Above Assets and liability are of Real Estate Undertaking of Arvind Limited which has been classified as held for sale considering the following scheme of arrangement.

**Scheme of Arrangement**

A Composite Scheme of Arrangement (“the Scheme”) in the nature of Demerger and transfer of Real Estate Undertaking of Arvind Limited (“the Company”) to Arvind Infrastructure Limited (“AIL”) and Restructuring of Share Capital, under sections 391 to 394 read with sections 78, 100 and 103 of the Companies Act, 1956 has been sanctioned by the High Court of Gujarat at Ahmedabad on April 22, 2015. The Scheme has become effective from the appointed date 1st April 2015.

Pursuant to the Scheme, the Real Estate Undertaking stood demerged from the Company and transferred to and vested in AIL as a going concern with effect from the appointed date 1st April 2015. Upon the Scheme becoming effective:

- From the appointed date, the assets and liabilities of the Real Estate Undertaking of the Company (Demerged Undertaking) have been transferred to AIL at their respective Book values.
- AIL has credited its Share Capital Account with the aggregate face value of the equity shares issued 1 (One) fully paid Equity Shares of ₹ 10/- each of AIL for every 10 (Ten) fully paid up Equity Shares of ₹ 10/- each held by the shareholders of the Company.
- The existing shares of AIL held by the Company and its nominees shall stand cancelled and the amount of such investment in the books of the Company shall be written off against the Securities Premium Account.
- The amount of difference in the net value of assets transferred pursuant to the Scheme and the amount of consideration as issued, netted by existing share capital cancelled shall be adjusted against the Securities Premium Account.

Pursuant to the Scheme, Demerged Undertaking has been demerged from the Company with effect from 1st April 2015, (the appointed date):

- As on appointed date, all the assets and the liabilities have been transferred to AIL at their respective book values.
- As consideration, AIL has subsequently issued and allotted Equity Shares of ₹ 10/- each fully paid up in the ratio of 1 (One) Equity Share of ₹ 10/- each for every 10 (Ten) Equity Shares of ₹ 10/- each of the Company, to the shareholders of the Company.
- The amount of investment in AIL in the books of the Company of ₹ 100.05 Crores has been adjusted against the Securities Premium Account.
- The difference between the value of assets and liabilities transferred of ₹ 0.08 Crores has been adjusted against the Securities Premium Account.

# Notes to Consolidated Financial Statements

## Note 13 : Equity share capital

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Authorised share capital</b>						
Equity shares of ₹10/- each	565,000,000	565.00	565,000,000	565.00	565,000,000	565.00
Preference shares of ₹10/- each	10,000,000	100.00	10,000,000	100.00	10,000,000	100.00
<b>Issued and subscribed share capital</b>						
Equity shares of ₹10/- each	258,359,969	258.36	258,243,969	258.24	258,243,969	258.24
<b>Subscribed and fully paid up</b>						
Equity shares of ₹10/- each	258,359,069	258.36	258,243,069	258.24	258,243,069	258.24
<b>Forfeited shares</b>						
900 shares (previous year 900)	900	(₹ 4,500/-)	900	(₹ 4,500/-)	900	(₹ 4,500/-)
<b>Total</b>	<b>258,359,969</b>	<b>258.36</b>	<b>258,243,969</b>	<b>258.24</b>	<b>258,243,969</b>	<b>258.24</b>

### 13.1. Reconciliation of shares outstanding at the beginning and at the end of the Reporting year

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores	No. of shares	₹ in Crores
At the beginning of the year	258,243,069	258.24	258,243,069	258.24	258,176,389	258.17
Add:						
Shares allotted pursuant to exercise of Employee Stock Option Plan	116,000	0.12	-	-	66,680	0.07
Outstanding at the end of the year	258,359,069	258.36	258,243,069	258.24	258,243,069	258.24

### 13.2. Terms/Rights attached to the equity shares

The Company has one class of shares referred to as equity shares having a par value of ₹10 each. Each shareholder is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### 13.3. Number of Shares held by each shareholder holding more than 5% Shares in the company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares	% of shareholding	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities private limited	95,561,810	36.99	97,362,310	37.70	95,325,590	36.91
Life insurance corporation of India	-	-	-	-	15,591,817	6.04

### 13.4. Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2017)

3,410,528 Equity Shares of ₹ 10/- each were issued during the year 2012-2013 to the erstwhile shareholders of Arvind Products Limited pursuant to the Scheme of Amalgamation without payment being received in cash.

### 13.5. Shares reserved for issue under options

Refer Note 37 for details of shares to be issued under options

### 13.6 Objective, policy and procedure of capital management, refer Note 45

## Notes to Consolidated Financial Statements

## Note 14 : Other Equity

	₹ in Crores	
<b>Balance</b>	<b>As at March 31, 2017</b>	As at March 31, 2016
Share Application Money Pending Allotment	<b>2.17</b>	-
	<b>2.17</b>	-
<b>Note 14.1 Reserves &amp; Surplus</b>		
<b>Capital reserve</b>		
Balance as per last financial statements	<b>32.28</b>	29.41
Adjustments on consolidation	-	(0.38)
Addition/Adjustments during the year (Note 48)	<b>631.90</b>	3.25
Balance at the end of the year	<b>664.18</b>	32.28
<b>Capital reserve on Consolidation</b>		
Balance as per last financial statements	<b>2.38</b>	27.50
Adjustments on consolidation	<b>(0.88)</b>	(25.12)
Balance at the end of the year	<b>1.50</b>	2.38
<b>Share Suspense Account</b>		
Balance as per last financial statements	<b>0.16</b>	-
Adjustment due to merger (Note 49)	<b>(0.16)</b>	0.16
Balance at the end of the year	-	0.16
<b>Amalgamation reserve</b>		
Balance as per last financial statements	<b>103.18</b>	-
Adjustment due to merger (Note 49)	-	103.18
Balance at the end of the year	<b>103.18</b>	103.18
<b>General reserve</b>		
Balance as per last financial statements	<b>1.47</b>	1.95
Adjustment due to merger (Note 49)	-	(0.50)
Adjustment on Consolidation	-	0.02
Balance at the end of the year	<b>1.47</b>	1.47
<b>Securities premium account</b>		
Balance as per last financial statements	<b>554.84</b>	654.81
Received during the year	<b>2.21</b>	-
Transfer from share based payment reserve	<b>1.41</b>	-
Utilized during the year (Note 12)	<b>(1.73)</b>	(99.97)
Balance at the end of the year	<b>556.73</b>	554.84
<b>Capital redemption reserve</b>		
Balance as per last financial statements	<b>69.50</b>	69.50
Balance at the end of the year	<b>69.50</b>	69.50
<b>Foreign currency monetary item translation reserve (Note 39)</b>		
Balance as per last financial statements	-	(3.88)
Adjustment during the year	-	3.88
Balance at the end of the year	-	-
<b>Share based payment reserve (Note 37)</b>		
Balance as per last financial statements	<b>4.79</b>	2.20
Addition during the year	<b>7.25</b>	2.59
Transfer to Securities Premium Account	<b>(1.41)</b>	-
Balance at the end of the year	<b>10.63</b>	4.79

# Notes to Consolidated Financial Statements

## Note 14 : Other Equity (contd.)

Balance	₹ in Crores	
	As at March 31, 2017	As at March 31, 2016
<b>Surplus in statement of profit and loss</b>		
Balance as per last financial statements	1,554.62	1,327.90
Profit for the year	313.84	314.19
Transfer from OCI	104.56	-
OCI for the year	0.05	(4.18)
Adjustment due to merger (Note 49)	-	0.98
Adjustment on Consolidation	(23.26)	(5.25)
	<b>1,949.81</b>	<b>1,633.64</b>
Less: Appropriation		
Dividend on equity shares for the year	(61.98)	(65.85)
Dividend distribution tax on dividend	(12.62)	(13.17)
Balance at the end of the year	<b>1,875.21</b>	<b>1,554.62</b>
<b>Total reserves &amp; surplus</b>	<b>3,282.40</b>	<b>2,323.22</b>
<b>Note 14.2 Other comprehensive income</b>		
<b>Equity Instruments through OCI (net of tax)</b>		
Balance as per last financial statements	57.11	67.42
Gain/(Loss) during the year	47.45	(7.31)
Adjustment due to merger (Note 49)	-	(3.00)
Transfer to Retained Earning	(104.56)	-
Balance at the end of the year	-	57.11
<b>Foreign Currency Translation Reserve</b>		
Balance as per last financial statements	(0.97)	-
Gain/ (loss) for the year	(5.85)	(0.97)
Balance at the end of the year	<b>(6.82)</b>	<b>(0.97)</b>
<b>Cash Flow hedge reserve</b>		
Balance as per last financial statements	8.80	(5.39)
Gain/ (loss) for the year	35.56	21.70
Less: Tax impact	(12.30)	(7.51)
Balance at the end of the year	<b>32.06</b>	<b>8.80</b>
<b>Total Other comprehensive income</b>	<b>25.24</b>	<b>64.94</b>
<b>Total Other equity</b>	<b>3,309.81</b>	<b>2,388.16</b>

## Note 14.3 Dividend distribution made and proposed

### Cash dividends on Equity shares declared and paid

Particulars	₹ in Crores	
	As at March 31, 2017	As at March 31, 2016
Final dividend for year ended March 31, 2016: ₹2.40 per share (March 31, 2015: ₹2.55 per share)	61.98	65.85
Dividend distribution tax on final dividend	12.62	13.17

### Proposed dividends on Equity shares

Particulars	₹ in Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Final dividend for year ended March 31, 2017: ₹2.40 per share (March 31, 2016: ₹2.40 per share and March 31, 2015: ₹2.55 per share)	62.01	61.98	65.85
Dividend distribution tax on proposed dividend	12.62	12.62	13.17
	<b>74.63</b>	<b>74.60</b>	<b>79.02</b>

Proposed dividend on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

## Notes to Consolidated Financial Statements

## Note 15 : Financial liabilities

## 15 (a) Long-term Borrowings

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Long-term Borrowings (refer note (a) to (c) below)</b>			
<b>Non-current portion</b>			
<b>Secured</b>			
Term loan from Banks	626.06	1,347.94	1,285.46
Term loan from Financial Institutions and others	47.69	61.77	82.26
<b>Unsecured</b>			
From Financial Institutions	7.93	7.97	2.58
Non convertible Debentures	74.95	74.93	-
	756.63	1,492.61	1,370.30
<b>Current maturities</b>			
<b>Secured</b>			
Term loan from Banks	129.92	320.59	266.69
Term loan from Financial Institutions and others	14.11	10.33	34.88
	144.03	330.92	301.57
<b>Total long-term borrowings</b>	<b>900.66</b>	<b>1,823.53</b>	<b>1,671.87</b>
<b>Short-term Borrowings (refer note (d) &amp; (e) below)</b>			
<b>Secured</b>			
Working Capital Loans repayable on demand from Banks (including channel financing)	1,510.73	1,662.77	1,529.64
<b>Unsecured</b>			
Under Buyer's Credit Arrangement	186.48	231.99	183.05
Inter corporate Deposits			
From Related Parties (Note 35)	-	-	2.80
From Others	92.74	0.51	2.60
Commercial Papers	275.00	100.00	150.00
<b>Total short-term borrowings</b>	<b>2,064.95</b>	<b>1,995.27</b>	<b>1,868.09</b>
<b>Total borrowings</b>	<b>2,965.61</b>	<b>3,818.80</b>	<b>3,539.96</b>

## Nature of security:

## Term loan of ₹ 817.78 Crores

- Loans amounting to ₹ 639.55 Crores are secured by (a) first charge on all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants excluding Immovable properties of Asoka Spintex Textile Plant and Arvind International Textile Plant 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) additional charge by way of mortgage on Immovable Properties at villages Jethlaj, Karoli, Vadsar, Moti Bhojan, Santej and Khatrej; (c) charge on the Company's Trademarks; (d) Secured by second charge on all the Company's Current Assets both present and future relating to the Textile Plants and (e) first charge on Movable Fixed Assets of Jeans and Shirts Garment divisions at Bangalore.
- Loans amounting to ₹ 99.99 crores is secured against First charge over the entire fixed assets of the Company both present and future and second charge over entire stock, receivables and other current assets of the Company excluding stocks of Nautica Brand.
- Loans amounting to ₹ 55.05 crores are secured by first charge on entire fixed assets and second charge on entire current assets of the Company
- Loans amounting to ₹ 23.19 Crores are secured by hypothecation of related vehicles.
- Rate of Interest and Terms of Repayment

Particulars	₹ in Crores	Range of Interest (%)	Terms of Repayment from Balance sheet date
<b>From Banks</b>			
Rupee Loans	732.90	8.75% to 12.15%	Repayable in quarterly instalments ranging between 4 to 24 with moratorium period in some of the loans
Hire Purchase Loan	23.08	8.65% to 10.50%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
<b>From Financial Institutions and Others</b>			
Rupee Loans	61.69	9.45%	Repayable in 13 quarterly instalments
Hire Purchase Loan	0.11	10.75%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans

# Notes to Consolidated Financial Statements

## f Unsecured Non Convertible Debentures of ₹ 74.95 Crores

10.35% Non Convertible Debentures (750 Debentures of face value ₹ 1,000,000/- each) are redeemable at par in 3 equal annual instalments starting from July 27, 2018

## g Nature of Security

### Cash Credit and Other Facilities from Banks of ₹ 1510.73 Crores

Loans amounting to ₹ 1257.75 crores are secured by first charge on all the Company's Current Assets presently relating to the Textile Plants 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. They are also secured by a second charge over all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants 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. Some of the facilities are additionally secured by second charge on movable Plant and Machinery of the Jeans and Shirts Garment divisions at Bangalore.

Loans amounting to ₹ 1.27 crores are secured by first charge on stocks and books debts.

Loans amounting to ₹ 233.91 crores are secured by first charge over entire stocks, receivables and other current assets excluding stocks of Nautica Brand and second charge over entire fixed assets of the Company both present and future.

Loans amounting to ₹ 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 Company both present and future.

## h Rate of Interest

- Working Capital Loans from banks carry interest rates ranging from 4.95% to 11.90% per annum.
- Inter Corporate Deposit carries interest rate of 8% to 10.25% per annum.
- Commercial Papers carry interest rates ranging from 6.44% to 6.50% per annum.
- Buyer's credit arrangements carry interest rates ranging from 0.22% to 2.73%

## 15 (b) Trade payable

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Acceptances	117.60	211.23	219.53
Other trade payable (Refer note below)	1,361.21	1,002.94	830.59
<b>Total</b>	<b>1,478.81</b>	<b>1,214.17</b>	<b>1,050.12</b>

- a 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: ₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	44.21	31.06
(b) Interest paid during the year;	1.66	1.09
(c) Amount of payment made to the supplier beyond the appointed day during accounting;	201.97	67.94
(d) Interest due and payable for the period of delay in making payment;	3.65	2.44
(e) Interest accrued and unpaid at the end of the accounting year;	3.65	2.44
(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.	3.39	2.44

## 15 (c) Other financial liabilities

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current</b>			
Security Deposits	44.98	37.40	27.97
	44.98	37.40	27.97
<b>Current</b>			
Current maturity of long term borrowings	144.03	330.92	301.57
Interest accrued but not due	15.60	14.06	10.36
Payable to employees	112.96	101.71	79.17
Deposits from customers and others	11.12	11.40	13.78
Financial guarantee contract (Note a)	-	12.00	12.00
Payable in Respect of Capital Goods	10.07	15.33	10.13
Mark to market of derivative financial instruments	-	-	8.24
Unpaid dividends (Note b)	2.46	1.86	1.27
Book overdraft	6.66	11.75	10.53
Current account with LLP	0.05	0.05	0.05
Other financial liabilities	1.16	0.46	0.33
	304.11	499.54	447.43
<b>Total</b>	<b>349.09</b>	<b>536.94</b>	<b>475.40</b>

## Notes to Consolidated Financial Statements

## Notes:

## (a) Financial guarantee contract

The Group has given the financial guarantee to Banks on behalf of third party. Amount of fair value of the financial guarantee contract includes loss allowance of ₹NIL Crores (March 31, 2016: ₹8.40 Crores & April 1, 2015: ₹8.40 Crores) with respect to the guarantee given to Bank on behalf of third party provided based on the assessment of credit risk involved.

- (b) There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as on March 31, 2017, (March 31, 2016: Nil, April 1, 2015: Nil)..

## 15 (d) Financial liabilities by category

₹ in Crores

Particulars	FVTPL	FVOCI	Amortised cost
<b>March 31, 2017</b>			
Borrowings	-	-	2,821.58
Trade payable	-	-	1,478.81
Current maturity of long term borrowings	-	-	144.03
Payable to employees	-	-	112.96
Deposits from customers and others	-	-	11.12
Security Deposits	-	-	44.98
Interest accrued but not due	-	-	15.60
Payable in Respect of Capital Goods	-	-	10.07
Unpaid dividends	-	-	2.46
Book overdraft	-	-	6.66
Current account with LLP	-	-	0.05
Other financial liabilities	-	-	1.16
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,649.48</b>
<b>March 31, 2016</b>			
Borrowings	-	-	3,487.88
Trade payable	-	-	1,214.17
Current maturity of long term borrowings	-	-	330.92
Payable to employees	-	-	101.71
Deposits from customers and others	-	-	11.40
Security Deposits	-	-	37.40
Financial guarantee	12.00	-	-
Interest accrued but not due	-	-	14.06
Payable in Respect of Capital Goods	-	-	15.33
Unpaid dividends	-	-	1.86
Book overdraft	-	-	11.75
Current account with LLP	-	-	0.05
Other financial liabilities	-	-	0.46
<b>Total Financial liabilities</b>	<b>12.00</b>	<b>-</b>	<b>5,226.99</b>
<b>April 1, 2015</b>			
Borrowings	-	-	3,238.39
Trade payable	-	-	1,050.12
Current maturity of long term borrowings	-	-	301.57
Payable to employees	-	-	79.17
Deposits from customers and others	-	-	13.78
Security Deposits	-	-	27.97
Financial guarantee	12.00	-	-
Interest accrued but not due	-	-	10.36
Payable in Respect of Capital Goods	-	-	10.13
Loss on derivative contract	-	8.24	-
Unpaid dividends	-	-	1.27
Book overdraft	-	-	10.53
Current account with LLP	-	-	0.05
Other financial liabilities	-	-	0.33
<b>Total Financial liabilities</b>	<b>12.00</b>	<b>8.24</b>	<b>4,743.67</b>

For Financial instruments risk management objectives and policies, refer Note 44

Fair value disclosures for financial assets and liabilities are in Note 42 and fair value hierarchy disclosures are in Note 43.

# Notes to Consolidated Financial Statements

## Note 16 : Provisions

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Long-term</b>			
<b>Provision for employee benefits (refer Note 34)</b>			
Provision for leave encashment	26.23	19.45	17.52
Provision for Gratuity	5.12	1.46	0.64
Provision for compensatory pension	1.94	1.53	1.28
Provision for Medical benefits	7.43	6.25	4.44
	<b>40.72</b>	28.69	23.88
<b>Short-term</b>			
<b>Provision for employee benefits (refer Note 34)</b>			
Provision for leave encashment	5.15	3.18	2.80
Provision for Gratuity	0.51	2.51	2.20
Provision for superannuation	2.17	1.85	1.93
Provision for compensatory pension	0.10	0.08	0.09
Provision for Medical benefits	0.45	0.62	0.41
<b>Others</b>			
Provision for Wealth tax	0.11	0.11	1.35
Provision for Warranties (Refer note (a) below)	5.33	16.22	1.99
Provision for Litigation/Disputes (Refer note (b) below)	3.00	3.00	3.00
	<b>16.82</b>	27.57	13.77
<b>Total</b>	<b>57.54</b>	56.26	37.65

### (a) Provision for Warranties

The Group has made provisions for warranty expenses. The movement in the provision account is as under:

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance as per last financial statements	16.22	1.99
Provision made during the year	5.33	15.32
Reversal during the year	(16.22)	(1.09)
Balance at the end of the year	<b>5.33</b>	16.22

### (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:

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Balance as per last financial statements	3.00	3.00
Addition/Settlement during the year (Net)	-	-
Balance at the end of the year	<b>3.00</b>	3.00

## Notes to Consolidated Financial Statements

## Note 17 : Government grant

Particulars	₹ in Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Non-current</b>			
Deferred income	35.46	30.48	13.26
	<u>35.46</u>	<u>30.48</u>	<u>13.26</u>
<b>Current</b>			
Deferred income	5.23	3.91	2.97
	<u>5.23</u>	<u>3.91</u>	<u>2.97</u>
<b>Total</b>	<u>40.69</u>	<u>34.39</u>	<u>16.23</u>

Government grants have been received for the purchase of certain items of property, plant and equipment and workers' training expenses.

There are no unfulfilled conditions or contingencies attached to these grants as at March 31.

## Government grant

Particulars	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
As at April 1	34.39	16.23
Received during the year	17.88	22.21
Released to statement of profit and loss	(11.58)	(4.05)
<b>As at March 31</b>	<u>40.69</u>	<u>34.39</u>

## Note 18 : Other current liabilities

Particulars	₹ in Crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Current</b>			
Advance from customers	45.41	39.73	46.53
Statutory dues including provident fund and tax deducted at source	61.19	41.63	36.61
Deferred income of loyalty program reward points (Refer note (a) below)	3.26	5.17	2.89
Other liabilities	4.62	3.83	8.66
<b>Total</b>	<u>114.48</u>	<u>90.36</u>	<u>94.69</u>

## (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	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Balance as per last financial statements	5.17	2.89
Add : deferment during the year (Net)	(1.91)	2.28
Balance at the end of the year	<u>3.26</u>	<u>5.17</u>

# Notes to Consolidated Financial Statements

## Note 19 : Revenue from operations

Particulars	₹ in Crores	
	2016-17	2015-16
Sale of products	<b>8,849.88</b>	7,754.12
Sale of services	<b>28.57</b>	22.65
Other Operating income		
Waste sale	<b>91.55</b>	76.85
Gain/(Loss) on forward contracts	<b>12.91</b>	(8.57)
Export incentives	<b>206.80</b>	145.44
Miscellaneous receipts	<b>45.83</b>	20.08
	<b>357.09</b>	233.80
<b>Total</b>	<b>9,235.54</b>	8,010.57

## Note 20 : Other income

Interest income	<b>24.92</b>	40.34
Dividend income	<b>1.21</b>	1.32
Government grants*	<b>11.58</b>	4.05
Rent	<b>0.36</b>	3.18
Profit on sale of fixed assets (Net)	<b>2.97</b>	3.79
Scrap income	<b>12.36</b>	13.77
Sundry credit balances appropriated	<b>5.82</b>	1.95
Provision no longer required	<b>4.19</b>	1.63
Miscellaneous income	<b>14.59</b>	12.02
<b>Total</b>	<b>78.00</b>	82.05

\*Government grants have been received for the purchase of certain items of Property, Plant and Equipment and for workers' training expenses. There are no unfulfilled conditions or contingencies attached to these grants as at March 31, 2017.

## Note 21 : Cost of raw materials and components consumed

Stock at the beginning of the year	<b>271.38</b>	210.98
Add : Purchases	<b>2,628.40</b>	2,329.47
	<b>2,899.78</b>	2,540.45
Less : Inventory at the end of the year	<b>351.67</b>	271.38
<b>Total</b>	<b>2,548.11</b>	2,269.07

## Note 22 : Purchases of stock-in-trade

Purchase of stock-in-trade	<b>2,011.47</b>	1,304.76
<b>Total</b>	<b>2,011.47</b>	1,304.76

## Notes to Consolidated Financial Statements

## Note 23 : Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	₹ in Crores	
	2016-17	2015-16
<b>Stock at the end of the year</b>		
Finished goods	390.40	300.79
Stock-in-trade	1,004.28	746.52
Work-in-Progress	486.25	458.39
Project work-in-progress	9.62	10.14
Waste	3.63	2.40
	<b>1,894.18</b>	1,518.24
<b>Stock at the beginning of the year</b>		
Finished goods	300.79	262.92
Stock-in-trade	746.52	689.03
Work-in-Progress	458.39	450.08
Project work-in-progress	10.14	7.06
Waste	2.40	1.34
	<b>1,518.24</b>	1,410.43
<b>(Increase) / Decrease in stocks</b>	<b>(375.94)</b>	(107.81)
Excise duty in value of Stock increase / (decrease)	(0.01)	0.48
Adjustment on Consolidation	12.89	0.11
<b>Total</b>	<b>(363.06)</b>	(107.22)

## Note 24 : Employee benefits expense

Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 34)	976.70	804.70
Contribution to provident and other funds	79.90	65.55
Welfare and training expenses	32.41	25.25
Share based payment to employees (Refer Note 37)	7.25	2.59
<b>Total</b>	<b>1,096.26</b>	898.09

## Note 25 : Finance costs

Interest expense - Loans	202.16	264.75
Interest expense - others	63.13	75.14
Interest expense - Related Parties	0.65	0.08
Exchange loss	2.15	5.87
Forward Contract Premium Amortisation	-	1.81
Other finance cost	20.32	10.98
<b>Total</b>	<b>288.41</b>	358.63

## Note 26 : Depreciation and amortization expense

Depreciation on Tangible assets (Refer Note 5)	262.91	226.52
Depreciation on Investment properties (Refer Note 6)	0.63	0.59
Amortization on Intangible assets (Refer Note 7)	30.73	12.02
	<b>294.27</b>	239.13
Impairment Loss (Refer Note 5 & 7)	2.81	1.35
	<b>2.81</b>	1.35
<b>Total</b>	<b>297.08</b>	240.48

# Notes to Consolidated Financial Statements

## Note 27 : Other expenses

Particulars	₹ in Crores	
	2016-17	2015-16
Power and fuel	495.25	493.65
Stores consumed	473.33	463.66
Insurance	9.96	10.70
Processing charges	300.62	295.75
Printing, stationery & communication	32.62	26.29
Rent	358.91	264.34
Commission, Brokerage & discount	139.01	106.41
Rates and taxes	34.34	27.89
Repairs :		
To Building	4.40	4.22
To Machineries (including spares consumption)	134.36	124.34
To others	64.86	42.94
Freight, insurance & clearing charge	107.66	92.00
Excise duty expense	36.42	26.26
Legal & Professional charges	49.95	36.29
Conveyance & Travelling expense	61.68	52.31
Advertisement and publicity	162.05	176.81
Director's sitting fees	0.05	0.04
Miscellaneous Labour charges	162.63	127.41
Royalty on Sales	115.56	88.59
Allowances for doubtful debts/advances	5.15	8.55
Bad debt written off	1.65	0.33
Sundry debits written off	1.88	0.63
Share of Loss from Limited Liability Partnership	-	0.07
Auditor's remuneration	3.36	3.54
Bank charges	23.65	23.98
Spend on CSR activities	9.12	7.27
Exchange difference (net)	(15.21)	5.55
Fixed assets written off	1.29	0.68
Provision for Product Warranties/Guarantees	5.33	15.32
Miscellaneous expenses	206.63	159.26
<b>Total</b>	<b>2,986.51</b>	<b>2,685.08</b>

## Payment to Auditors (Net of service tax)

### Payment to Auditors as

Auditors	1.88	1.70
For tax audit	0.35	0.30
For taxation matters	0.07	0.04
For Company law matters	0.22	0.22
For Other certification work	0.76	1.20
For reimbursement of expenses	0.08	0.08
<b>Total</b>	<b>3.36</b>	<b>3.54</b>

## Note 28 : Exceptional items

Retrenchment compensation	12.49	7.95
Loss/(Profit) on Sale of Fixed Assets	-	(9.32)
Settlement of disputed claims	5.57	-
<b>Total</b>	<b>18.06</b>	<b>(1.37)</b>

## Notes to Consolidated Financial Statements

**Note 29 : Income tax**

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

Particulars	₹ in Crores	
	2016-17	2015-16
<b>Statement of Profit and Loss</b>		
<b>Current tax</b>		
Current income tax	132.24	118.81
<b>Deferred tax</b>		
Deferred tax expense	(32.56)	5.81
<b>Income tax expense reported in the statement of profit and loss</b>	<b>99.68</b>	<b>124.62</b>
<b>OCI section</b>		
<b>Statement to Other comprehensive income (OCI)</b>		
<b>Deferred tax related to items recognised in OCI during the year</b>		
Net loss/(gain) on actuarial gains and losses	0.12	(2.26)
Net gains/(loss) on hedging instruments in a cash flow hedge	12.30	7.51
<b>Deferred tax charged to OCI</b>	<b>12.42</b>	<b>5.25</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2017 and March 31, 2016.

**A) Current tax**

Accounting profit before tax from continuing operations	18,446.26	16,099.33
Tax @ 34.608% (March 31, 2016: 34.608%)	172.03	154.99
<b>Adjustment</b>		
In respect of current income tax of previous years	0.33	(7.78)
Unused tax losses not recognised earlier now utilised	(30.81)	(9.37)
Exempt income	(17.52)	(9.61)
Additional allowance on revenue and capital expenses	(17.00)	(20.41)
Other non-deductible expenses	3.13	14.24
Difference in tax rates for certain entities of the group	0.65	0.89
Non-recognition of deferred tax assets due to absence of probable certainty of reversal in future	5.22	8.77
Other adjustments	(3.93)	(1.85)
<b>At the effective income tax rate of 29.68% (March 31, 2016 : 29.17%)</b>	<b>112.10</b>	<b>129.87</b>

**B) Movement in Deferred tax assets and liability**

Particulars	Balance Sheet			Statement of Profit and Loss	
	March 31, 2017	March 31, 2016	April 1, 2015	March 31, 2017	March 31, 2016
	Accelerated depreciation for tax purposes	170.81	143.57	119.59	27.24
Impact of fair valuation of Land	131.08	143.83	154.35	(12.75)	(10.52)
Provision for doubtful debt (including allowance for ECL)	(9.58)	(7.32)	(4.15)	(2.26)	(3.17)
Expenditure allowable on payment basis	(15.12)	(14.95)	(13.50)	(0.17)	(1.45)
Expenditure allowable over the period (Section 35D/35DD)	(9.60)	(10.36)	(11.46)	0.76	1.10
Unused losses available for offsetting against future taxable income	(143.13)	(8.44)	(24.21)	(134.69)	15.77
Unused tax credit available for offsetting against future taxable income (MAT Credit Entitlement)	(252.46)	(244.29)	(246.95)	(8.17)	2.66
Impact of deferment of revenue, net of related cost	-	(108.06)	(88.76)	108.06	(19.30)
Deferred tax on unrealised profit	(17.60)	(7.11)	(5.49)	(10.49)	(1.62)
Others	1.49	(10.84)	(14.45)	12.33	3.61
<b>Deferred tax expense/(income)</b>				<b>(20.14)</b>	<b>11.06</b>
<b>Net deferred tax (assets)/liabilities</b>	<b>(144.11)</b>	<b>(123.97)</b>	<b>(135.03)</b>		

# Notes to Consolidated Financial Statements

₹ in Crores

<b>Reconciliation of deferred tax assets / (liabilities), net</b>	<b>March 31, 2017</b>	March 31, 2016
Opening balance as of April 1	<b>123.97</b>	135.03
Tax income/(expense) during the year recognised in profit or loss	<b>32.56</b>	(5.81)
Tax income/(expense) during the year recognised in OCI	<b>(12.42)</b>	(5.25)
<b>Closing balance as at March 31</b>	<b>144.11</b>	123.97

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:

## Details of deferred tax assets

₹ in Crores

<b>Particulars</b>	<b>Balance Sheet</b>		
	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>April 1, 2015</b>
Accelerated depreciation for tax purposes	<b>1.29</b>	2.33	3.52
Impact of fair valuation of Land	<b>(47.27)</b>	(37.66)	(27.36)
Provision for doubtful debt (including allowance for ECL)	<b>(5.61)</b>	(4.88)	(1.85)
Expenditure allowable on payment basis	<b>(6.16)</b>	(5.47)	(6.72)
Expenditure allowable over the period (Section 35D/35DD)	<b>0.38</b>	(0.03)	-
Unused losses available for offsetting against future taxable income	<b>(143.13)</b>	(8.44)	(24.21)
Unused tax credit available for offsetting against future taxable income	<b>(11.65)</b>	(12.39)	(4.30)
Impact of deferment of revenue, net of related cost	-	(108.06)	(88.76)
Deferred tax on unrealised profit	<b>(13.20)</b>	(7.11)	-
Others	<b>(0.42)</b>	(9.78)	(8.16)
	<b>(225.77)</b>	(191.49)	(157.84)

## Details of deferred tax liabilities

Accelerated depreciation for tax purposes	<b>169.52</b>	141.24	116.07
Impact of fair valuation of Land	<b>178.35</b>	181.49	181.71
Provision for doubtful debt (including allowance for ECL)	<b>(3.97)</b>	(2.44)	(2.30)
Expenditure allowable on payment basis	<b>(8.96)</b>	(9.48)	(6.78)
Expenditure allowable over the period (Section 35D/35DD)	<b>(9.98)</b>	(10.33)	(11.46)
Unused tax credit available for offsetting against future taxable income	<b>(240.81)</b>	(231.90)	(242.65)
Impact of deferment of revenue, net of related cost	-	-	-
Deferred tax on unrealised profit	<b>(4.40)</b>	-	(5.49)
Others	<b>1.91</b>	(1.06)	(6.29)
	<b>81.66</b>	67.52	22.81
<b>Net deferred tax (assets)/liabilities</b>	<b>(144.11)</b>	(123.97)	(135.03)

During the year ended 31 March 2017 and 31 March 2016, the Group has paid dividend to its shareholders. This has resulted in payment of dividend distribution tax (DDT) to taxation authorities. The Group believes that dividend distribution tax represents additional payment to taxation authority on behalf of the shareholders. Hence, dividend distribution tax paid is charged to equity.

## Notes to Consolidated Financial Statements

## Note 30 : Contingent liabilities

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
<b>Contingent liabilities not provided for</b>			
a. Bills discounted	149.13	181.47	201.00
b. Claims against Group not acknowledged as debts	8.56	9.42	8.26
c. Guarantees given by bank on behalf of the Group	157.71	173.38	125.09
d. Guarantees given by the Group to Banks on behalf of Joint Ventures	5.34	11.57	41.06
e. Guarantees given by the Group to Banks on behalf of Other Companies	77.84	101.44	91.06
f. Disputed demands in respect of			
Excise/Customs duty	25.91	28.37	32.89
Sales tax	175.82	91.25	57.81
Income tax	15.90	9.32	8.67
Service tax	3.54	3.88	3.00
Textile Committee Cess	0.11	0.11	0.11
Provident Fund	0.76	-	-

## Notes :

- (a) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the (f) above pending resolution of the respective proceedings.
- (b) The Group does not expect any reimbursements in respect of the above contingent liabilities.
- (c) Refer Note 50 for Contingent Liabilities of Joint Ventures

## Note 31 : Capital commitment and other commitments

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
<b>Capital commitments</b>			
Estimated amount of Contracts remaining to be executed on capital account and not provided for	62.26	41.97	87.06
<b>Other commitments</b>	-	-	-

- (a) Refer Note 50 for Capital commitment and other commitments of Joint Ventures

## Note 32 : Foreign Exchange Derivatives and Exposures not hedged

## A. Foreign Exchange Derivatives

Nature of instrument	Currency	Year ended March 31, 2017		Year ended March 31, 2016		Year ended April 1, 2015	
		In Mn	₹ in Crores	In Mn	₹ in Crores	In Mn	₹ in Crores
Forward contracts							
Sales	USD	101.58	693.31	86.93	602.27	121.15	786.18
Purchase	USD	3.88	25.16	3.59	23.81	3.73	23.29
	GBP	0.35	2.83	-	-	-	-
Swap							
Interest Swap	USD	-	-	-	-	10.00	56.73
Option contracts	USD	60.00	426.00	-	-	142.20	881.64

All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.

# Notes to Consolidated Financial Statements

## B. Exposure Not Hedged

Nature of exposure	Currency	Year ended March 31, 2017		Year ended March 31, 2016		Year ended April 1, 2015	
		In Mn	₹ in Crores	In Mn	₹ in Crores	In Mn	₹ in Crores
Receivables	USD	26.88	174.32	22.20	147.06	24.30	151.88
	EUR	1.74	12.09	1.84	13.89	0.74	5.00
	GBP	0.82	6.61	0.20	1.95	0.44	4.03
Payable towards borrowings	USD	20.94	136.06	39.98	264.88	39.22	245.11
	EUR	3.40	23.56	3.02	22.79	-	-
	JPY	40.75	2.36	63.36	3.74	-	-
Receivable towards loans	USD	3.50	22.74	1.42	9.41	1.42	8.88
Payable to creditors	USD	7.80	49.30	9.04	59.85	9.07	56.67
	EUR	0.97	6.71	0.97	7.31	0.80	5.38
	JPY	6.98	0.40	0.89	0.04	1.48	0.11
	SEK	0.14	0.10	1.89	1.55	0.57	0.41
	GBP	0.19	1.56	-	-	0.08	0.64
	SGD	0.18	0.82	-	-	-	-

### Note 33 : Segment Reporting

#### Operating Segments:

- Textile :** Fabric, Garments and Fabric Retail
- Branded Apperals :** Branded Garments and Speciality Retail
- Arvind Internet :** E-commerce & Creyate.
- Others :** Technical Textiles, Agriculture Produce, EPABX and One to Many Radio, Engineering, Water Treatment, Others including newly commenced business.

#### 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.

#### Segment revenue and results:

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of allocable income).

#### Segment assets and Liabilities:

Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, Inventory and other operating assets. Segment liabilities primarily includes trade payable and other liabilities. Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets/liabilities.

#### Inter Segement 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.

#### Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

## Notes to Consolidated Financial Statements

## Note 33 : Segment Reporting (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Segment Revenue</b>		
a) Textiles	5,714.22	5,220.34
b) Branded Apparels	2,901.56	2,301.86
c) Arvind Internet	15.13	6.39
d) Others	691.57	553.48
e) Unallocable	-	-
<b>Total Revenue</b>	<b>9,322.48</b>	8,082.07
Less: Inter Segment Revenue	86.94	71.50
<b>Segment Revenue from External Customers</b>	<b>9,235.54</b>	8,010.57
<b>Segment Results</b>		
Segment Results before Interest & Finance Cost		
a) Textiles	782.11	783.38
b) Branded Apparels	59.06	29.48
c) Arvind Internet	(88.87)	(22.92)
d) Others	(16.84)	31.41
<b>Total Segment Results</b>	<b>735.46</b>	821.35
Unallocated Income/(Expenses) (Net)	(29.22)	(27.33)
<b>Total</b>	<b>706.24</b>	794.02
Less: Interest & Finance Cost	288.41	358.63
<b>Profit from Ordinary Activities</b>	<b>417.83</b>	435.39
Provision for Taxes	(99.68)	(124.62)
Share of profit in Joint Ventures	1.91	5.37
<b>Net Profit</b>	<b>320.06</b>	316.14
<b>Other Information</b>		
<b>Segment Assets</b>		
a) Textiles	4,056.27	3,906.81
b) Branded Apparels	2,211.38	1,709.39
c) Arvind Internet	112.95	78.18
d) Others	1,119.40	1,022.43
<b>Total Segment Assets</b>	<b>7,500.00</b>	6,716.81
Unallocated Assets	4,070.08	3,526.75
Investments in Joint Ventures	181.54	170.91
Elimination	(3,081.19)	(2,222.43)
<b>Total Assets</b>	<b>8,670.43</b>	8,192.04
<b>Segment Liabilities</b>		
a) Textiles	727.23	728.46
b) Branded Apparels	1,009.61	692.52
c) Arvind Internet	15.26	7.34
d) Others	243.47	201.50
<b>Total Segment Liabilities</b>	<b>1,995.57</b>	1,629.82
Unallocated Liabilities	3,128.62	3,943.05
Elimination	(173.36)	(82.84)
<b>Total Liabilities</b>	<b>4,950.83</b>	5,490.03
<b>Segment Depreciation/Impairment</b>		
a) Textiles	154.03	130.50
b) Branded Apparels	86.50	73.96
c) Arvind Internet	11.53	3.97
d) Others	23.25	20.06
<b>Total Segment Depreciation/Impairment</b>	<b>275.31</b>	228.49
Unallocated Depreciation/Impairment	18.96	10.64
<b>Total Depreciation/Impairment</b>	<b>294.27</b>	239.13

# Notes to Consolidated Financial Statements

## Note 33 : Segment Reporting (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Capital Expenditure</b>		
a) Textiles	171.73	226.29
b) Branded Apparels	138.03	161.49
c) Arvind Internet	43.43	38.24
d) Others	43.77	69.44
<b>Total Segment Capital Expenditure</b>	<b>396.96</b>	495.46
Unallocated Capital Expenditure	81.53	88.49
<b>Total Capital Expenditure</b>	<b>478.49</b>	583.95
<b>Non cash expenses other than Depreciation</b>		
a) Textiles	3.65	1.08
b) Branded Apparels	0.98	9.56
c) Arvind Internet	0.02	0.63
d) Others	7.18	0.07
<b>Total Segment Non cash expenses other than Depreciation</b>	<b>11.83</b>	11.34
Unallocated Non cash expenses other than Depreciation	0.07	0.20
<b>Total Non cash expenses other than Depreciation</b>	<b>11.90</b>	11.54

## Segment Assets and Liabilities as at April 1, 2015

₹ in Crores

Particulars	Assets	Liabilities
a) Textiles	3720.12	647.52
b) Branded Apparels	1389.16	590.53
c) Arvind Internet	27.28	4.90
d) Real Estate*	229.93	104.35
e) Others	641.25	119.09
<b>Total</b>	<b>6007.74</b>	<b>1466.39</b>
Inter Segment	(1551.61)	(61.83)
Unallocable	2897.73	3635.82
Investment in Joint Ventures	156.40	-
<b>Total</b>	<b>7510.26</b>	<b>5040.38</b>

\* Demerged with effect from April 1, 2015 (Refer Note 12)

- 1 Inter-Segment revenues are eliminated and reflected in the 'Inter Segment Revenue' column.
- 2 Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on Group basis.
- 3 Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on Group basis.
- 4 Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties.

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
<b>Segment Revenue*</b>		
a) In India	6,876.86	5,814.92
b) Rest of the world	2,358.68	2,195.65
<b>Total Sales</b>	<b>9,235.54</b>	8,010.57
<b>Carrying Cost of Segment Assets**</b>		
a) In India	8,284.31	7,970.67
b) Rest of the world	386.12	221.37
<b>Total</b>	<b>8,670.43</b>	8,192.04
<b>Carrying Cost of Segment Non Current Assets**@</b>		
a) In India	3,768.63	3,638.17
b) Rest of the world	73.98	55.08
<b>Total</b>	<b>3,842.61</b>	3,693.25

\* Based on location of Customers

\*\* Based on location of Assets

@ Excluding Financial Assets, Investments accounted for using equity method and deferred tax asset.

Note:-

Considering the nature of business of group in which it operates, the group deals with various customers including multiple geographics. Consequently, none of the customer contribute materially to the revenue of the Group.

## Notes to Consolidated Financial Statements

**Note 34 : Disclosure pursuant to Employee benefits****A. Defined contribution plans:**

Amount of ₹ 59.69 Crores (March 31, 2016: ₹ 51.97 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense"

₹ in Crores

Particulars	As at March 31, 2017	As at March 31, 2016
Provident Fund & Pension Scheme	57.22	49.87
Superannuation Fund	2.47	2.10
	<b>59.69</b>	<b>51.97</b>

The Group's Provident Fund is administered by the 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 6o 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 Company does not expect any deficiency in the foreseeable future.

**B. Defined benefit plans:**

The Group has following post employment benefits which are in the nature of defined benefit plans:

**(a) Gratuity**

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. The gratuity plan is a funded plan administered by a Trust and the Group makes contributions to recognised Trust and/or LIC.

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

₹ in Crores

Particulars	April 1, 2016	Gratuity cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2017
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
<b>Gratuity</b>												
Defined benefit obligation	93.69	12.85	7.37	20.22	(12.62)	-	0.26	3.46	(1.03)	2.69	-	103.98
Fair value of plan assets	(103.48)	-	(8.30)	(8.30)	(0.74)	(3.15)	-	-	-	(3.15)	-	(115.67)
<b>Benefit liability</b>	<b>(9.79)</b>	<b>12.85</b>	<b>(0.93)</b>	<b>11.92</b>	<b>(13.36)</b>	<b>(3.15)</b>	<b>0.26</b>	<b>3.46</b>	<b>(1.03)</b>	<b>(0.46)</b>	<b>-</b>	<b>(11.69)</b>
<b>Post employment Medical benefits</b>												
Defined benefit obligation	6.87	0.54	0.54	1.08	(0.27)	-	-	(0.14)	0.34	0.20	-	7.88
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>6.87</b>	<b>0.54</b>	<b>0.54</b>	<b>1.08</b>	<b>(0.27)</b>	<b>-</b>	<b>-</b>	<b>(0.14)</b>	<b>0.34</b>	<b>0.20</b>	<b>-</b>	<b>7.88</b>
<b>Total benefit liability</b>	<b>(2.92)</b>	<b>13.39</b>	<b>(0.39)</b>	<b>13.00</b>	<b>(13.63)</b>	<b>(3.15)</b>	<b>0.26</b>	<b>3.32</b>	<b>(0.69)</b>	<b>(0.26)</b>	<b>-</b>	<b>(3.81)</b>

# Notes to Consolidated Financial Statements

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

₹ in Crores

Particulars	April 1, 2015	Cost charged to statement of profit and loss			Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	March 31, 2016
		Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 30)		Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI		
<b>Gratuity</b>												
Defined benefit obligation	86.40	10.94	6.93	17.87	(14.06)	-	-	0.87	2.61	3.48	-	93.69
Fair value of plan assets	(96.03)	-	(7.78)	(7.78)	1.58	0.84	-	-	-	0.84	(2.09)	(103.48)
<b>Benefit liability</b>	<b>(9.63)</b>	<b>10.94</b>	<b>(0.85)</b>	<b>10.09</b>	<b>(12.48)</b>	<b>0.84</b>	<b>-</b>	<b>0.87</b>	<b>2.61</b>	<b>4.32</b>	<b>(2.09)</b>	<b>(9.79)</b>
<b>Post employment Medical benefits</b>												
Defined benefit obligation	4.85	0.24	0.39	0.63	(0.65)	-	-	0.78	1.25	2.03	-	6.87
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit liability</b>	<b>4.85</b>	<b>0.24</b>	<b>0.39</b>	<b>0.63</b>	<b>(0.65)</b>	<b>-</b>	<b>-</b>	<b>0.78</b>	<b>1.25</b>	<b>2.03</b>	<b>-</b>	<b>6.87</b>
<b>Total benefit liability</b>	<b>(4.78)</b>	<b>11.18</b>	<b>(0.46)</b>	<b>10.72</b>	<b>(13.13)</b>	<b>0.84</b>	<b>-</b>	<b>1.65</b>	<b>3.86</b>	<b>6.35</b>	<b>(2.09)</b>	<b>(2.92)</b>

The major categories of plan assets of the fair value of the total plan assets of Gratuity are as follows:

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
	(%) of total plan assets	(%) of total plan assets	(%) of total plan assets
Central Government Securities	0.22%	0.25%	0.27%
Public Sector/Financial Institutional Bonds	0.30%	0.30%	2.14%
Portfolio with Mutual Fund	99.41%	99.41%	97.51%
Others (including bank balances)	0.04%	0.04%	0.08%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Discount rate	6.90%-7.57%	7.96%-8.21%	7.81%-8.08%
Future salary increase	4.00%-5.00%	4.00%-6.00%	4.00%-6.00%
Medical cost inflation	4.00%	4.00%	4.00%
Expected rate of return on plan assets	6.90%-7.57%	7.96%-8.21%	7.81%-8.08%
Attrition rate	2.00%-7.00%	2.00%-5.00%	2.00%-5.00%
Mortality rate during employment	<b>Indian assured lives Mortality (2006-08)</b>	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	<b>N.A.</b>	N.A.	N.A.

## Notes to Consolidated Financial Statements

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

₹ in Crores

Particulars	Sensitivity level	(increase)/decrease in defined benefit obligation (Impact)	
		Year ended March 31, 2017	Year ended March 31, 2016
<b>Gratuity</b>			
Discount rate	1% increase	(8.08)	(7.43)
	1% decrease	9.40	8.77
Salary increase	1% increase	9.49	8.95
	1% decrease	(8.24)	(7.67)
Attrition rate	1% increase	3.30	3.07
	1% decrease	(3.76)	(3.44)
<b>Post employment medical benefits</b>			
Discount rate	1% increase	(0.57)	(0.46)
	1% decrease	0.75	0.59
Medical cost inflation	1% increase	0.65	0.52
	1% decrease	(0.53)	(0.42)
Attrition rate	1% increase	(0.16)	(0.14)
	1% decrease	0.24	0.21

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

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Within the next 12 months (next annual reporting period)	14.11	12.79
2 to 5 years	34.97	31.43
Beyond 5 years	70.22	63.48
	119.30	107.70
<b>Post employment medical benefits</b>		
Within the next 12 months (next annual reporting period)	0.45	0.42
2 to 5 years	1.71	1.92
Beyond 5 years	0.90	3.13
	3.06	5.47
<b>Total expected payments</b>	<b>122.36</b>	<b>113.17</b>

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

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Gratuity	9	9
Post employment medical benefits	9	9

The followings are the expected contributions to planned assets for the next year:

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Post employment medical benefits	NA	NA

### C. Other Long term employee benefit plans

#### Leave encashment

Amount of ₹ 24.15 Crores (March 31, 2016: ₹ 19.44 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense"

# Notes to Consolidated Financial Statements

## Note 35 : Disclosure pursuant to Related Party

As per the Indian Accounting Standard on “Related Party Disclosures” (Ind AS 24), the related parties of the Group are as follows :

### a Name of Related Parties and Nature of Relationship :

<b>Key Management Personnel</b>	
1	Shri Sanjay S. Lalbhai
2	Shri Jayesh K. Shah
3	Shri Punit S. Lalbhai
4	Shri Kulin S. Lalbhai
<b>Non Executive Directors</b>	
1	Shri Dileep C. Chokshi
2	Dr. Bakul H. Dholakia
3	Shri Nilesh D. Shah
4	Ms. Renuka Ramnath
5	Mr. Samir U. Mehta
6	Mr. Vallabh R. Bhanshali
<b>Joint Ventures</b>	
1	Calvin Klein Arvind Fashion Private Limited
2	Tommy Hilfiger Arvind fashion Private Limited
3	Arya Omnitalk Wireless Solutions Private Limited
4	Arya Omnitalk Radio Trunking Services Private Limited
5	Arudrama Developments Private Limited
<b>Limited Liability Partnership</b>	
1	Arvind and Smart Value Homes LLP
<b>Subsidiary Companies</b>	
1	Arvind Worldwide (M) Inc.
2	Arvind Foundation
<b>Company under the control of Key Managerial Personnel</b>	
1	Aura Securities Private Limited
2	Amplus Capital Advisors Private Limited
3	Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)
<b>Company under the control of Non Executive Director</b>	
1	Multiples Private Equity Fund II LLP
<b>Trusts</b>	
1	Arvind Mills Employees’ Provident Fund
2	Lalbhai Group of Companies Officers’ Superannuation Fund
	Chairman and Managing Director
	Director & Chief Financial Officer
	Executive Director
	Executive Director

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

## Notes to Consolidated Financial Statements

## b. Disclosure in respect of Related Party Transactions :

Nature of Transactions	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
<b>Purchase of Goods and Materials</b>		
Tommy Hilfiger Arvind Fashions Private Limited	0.24	0.19
<b>Sales of Goods and Materials</b>		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	0.01	(₹ 15,000/-)
Arya Omnitalk Wireless Solutions Private Limited	7.71	7.60
Calvin Klein Arvind Fashion Private Limited	1.48	-
<b>Remuneration</b>		
Shri Sanjay S. Lalbhai, Chairman and Managing Director	7.43	8.19
Shri Jayesh K. Shah, Director & Chief Financial Officer	5.28	4.75
Shri Punit S. Lalbhai	4.03	2.53
Shri Kulin S. Lalbhai	4.06	2.53
<b>Commission to Non Executive Directors</b>		
Shri Dileep C. Chokshi	0.08	0.08
Dr. Bakul H. Dholakia	0.08	0.08
Shri Nilesh D. Shah	0.08	0.07
Ms. Renuka Ramnath	0.06	0.06
Mr. Samir U. Mehta	0.05	0.05
Mr. Vallabh R. Bhanshali	0.05	0.05
<b>Other Income</b>		
Amplus Capital Advisors Private Limited	-	0.01
Calvin Klein Arvind Fashion Private Limited	-	0.05
<b>Guarantee commission Income</b>		
Arya Omnitalk Wireless Solutions Private Limited	0.10	-
Arya Omnitalk Radio Trunking Services Private Limited	0.02	-
<b>Other Expenses</b>		
Arya Omnitalk Wireless Solutions Private Limited	-	0.04
<b>Rendering of Services</b>		
Arya Omnitalk Wireless Solutions Private Limited	1.56	1.32
Arya Omnitalk Radio Trunking Services Private Limited	1.68	1.47
<b>Interest Expense</b>		
Aura Securities Private Limited	0.65	0.08
<b>Interest Income</b>		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	0.06	4.24
<b>Donation Given</b>		
Arvind Foundation	5.65	5.16
<b>Contribution Given</b>		
Arvind Mills Employees' Provident Fund	25.33	21.84
Lalbhai Group of Companies Officers' Superannuation Fund	2.30	1.86
<b>Loan Given/(Repaid) (Net)</b>		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	(0.82)	(40.94)
Aura Securities Private Limited	-	2.80
<b>Issue of Shares in Subsidiary Company</b>		
Multiples Private Equity Fund II LLP	51.78	-
<b>Investments (Net)</b>		
Arvind Foundation	-	0.01
Calvin Klein Arvind Fashion Private Limited	9.80	24.50
Arvind and Smart Value Homes LLP	(3.95)	-
Arya Omnitalk Wireless Solutions Private Limited	0.10	-
Arya Omnitalk Radio Trunking Services Private Limited	0.02	-
<b>Investments adjusted against Securities Premium</b>		
Arvind Smartspaces Limited (Formerly known as Arvind Infrastructure Limited)	-	(100.05)

# Notes to Consolidated Financial Statements

## c Transactions and Balances :

₹ in Crores

Particulars	Key Management Personnel and relatives		Company under the control of Key Managerial Personnel		Subsidiary Companies		Joint Venture		Company under the control of Non Executive Director		Trust	
	Year ended		Year ended		Year ended		Year ended		Year ended		Year ended	
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
<b>Transactions</b>												
Purchase of Goods and Materials	-	-	-	-	-	-	0.24	0.19	-	-	-	-
Sales of Goods and Materials	-	-	0.01	(₹15,000/-)	-	-	9.19	7.60	-	-	-	-
Sales of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Remuneration	20.80	18.00	-	-	-	-	-	-	-	-	-	-
Commission	0.40	0.39	-	-	-	-	-	-	-	-	-	-
Donation Given	-	-	-	-	5.65	5.16	-	-	-	-	-	-
Contribution Given	-	-	-	-	-	-	-	-	-	-	27.63	23.70
Other Income	-	-	-	0.01	-	-	-	0.05	-	-	-	-
Guarantee commission	-	-	-	-	-	-	0.12	-	-	-	-	-
Other Expenses	-	-	-	-	-	-	-	0.04	-	-	-	-
Rendering of Services	-	-	-	-	-	-	3.24	2.79	-	-	-	-
Interest Expense	-	-	0.65	0.08	-	-	-	-	-	-	-	-
Interest Income	-	-	0.06	4.24	-	-	-	-	-	-	-	-
Issue of Shares in Subsidiary Company	-	-	-	-	-	-	-	-	51.78	-	-	-
Investments made	-	-	-	-	-	0.01	5.97	24.50	-	-	-	-
Investments adjusted against Securities Premium	-	-	-	(100.05)	-	-	-	-	-	-	-	-
Loans Given/(Repaid)(Net)	-	-	(0.82)	(38.14)	-	-	-	-	-	-	-	-

Particulars	Key Management Personnel and relatives			Company under the control of Key Managerial Personnel			Subsidiary Companies			Joint Venture		
	Year ended			Year ended			Year ended			Year ended		
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015
<b>Balances as at the year</b>												
Guarantees	-	-	-	-	-	-	-	-	-	5.34	11.57	41.06
Trade and other receivables	-	-	-	(₹8,407/-)	-	28.67	-	-	-	5.11	5.58	2.96
Trade and other payables	-	-	-	-	-	-	-	-	-	0.30	0.23	0.80
Payable in respect of loans	-	-	-	-	-	2.80	-	-	-	-	-	-
Receivable in respect of loans	-	-	-	-	0.82	41.76	5.23	5.23	-	-	-	-

## e Terms and conditions of transactions with related parties

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances other than loan given & taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
- Loans in INR given to the related party carries interest rate of Nil (March 31, 2016 : 10.25% & April 1, 2015 : 10.75%). Loans in USD given to the related party carries interest rate of Nil (March 31, 2016 : Nil & April 1, 2015 : 3.90%)
- Loans in INR taken from the related party carries interest rate 10.25% (March 31, 2016 : 10.25% & April 1, 2015 : 10.75% - 11%)
- Financial guarantee given to Bank on behalf of Joint ventures carries no charge and are unsecured.
- Company has provided allowance for expected credit loss based on 12 months model on loans given to the subsidiary AWMI.

## f Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2017 (March 31, 2016: ₹Nil and April 1, 2015: ₹Nil)

## g Transactions with key management personnel

Compensation of key management personnel of the Company

₹ in Crores

Particulars	2016-17	2015-16
Short-term employee benefits	19.71	17.24
Post employment benefits	0.93	0.65
Other long-term employment benefits	0.16	0.11
<b>Total compensation paid to key management personnel</b>	<b>20.80</b>	<b>18.00</b>

The amounts disclosed in the table are the amounts recognised as an expense during the year excluding expense of post-employment medical benefits of key management personnel and share based payment of ₹ 2.84 Crores (Previous year ₹ Nil) in respect of Director & Chief Financial Officer.

## Notes to Consolidated Financial Statements

## Note 36 : Earning per share

Particulars		2016-17	2015-16
<b>Earning per share (Basic and Diluted)</b>			
Profit attributable to ordinary equity holders	₹ in Crores	<b>313.84</b>	314.19
Total no. of equity shares at the end of the year	Nos.	<b>258,359,069</b>	258,243,069
<b>Weighted average number of equity shares</b>			
For basic EPS	Nos.	<b>258,267,891</b>	258,243,069
For diluted EPS	Nos.	<b>258,579,904</b>	258,298,693
Nominal value of equity shares	₹	<b>10</b>	10
Basic earning per share	₹	<b>12.15</b>	12.16
Diluted earning per share	₹	<b>12.14</b>	12.16
<b>Weighted average number of equity shares</b>			
Weighted average number of equity shares for basic EPS		<b>258,267,891</b>	258,243,069
Effect of dilution: Share options		<b>312,013</b>	55,624
Weighted average number of equity shares adjusted for the effect of dilution		<b>258,579,904</b>	258,298,693

## Note 37 : Share based payments

## Arvind Limited

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 ₹ 10 each.

Scheme	ESOS 2008	
	May 23, 2014	August 22, 2016
Date of grant	May 23, 2014	August 22, 2016
Number of options granted	1,050,000	900,000
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.	

## The following table sets forth a summary of the activity of options:

Particulars	2016-17	2015-16
<b>Options</b>		
Outstanding at the beginning of the year	<b>1,050,000</b>	1,050,000
Vested but not exercised at the beginning of the year	-	-
Granted during the year	<b>900,000</b>	-
Forfeited during the year	-	-
Exercised during the year	<b>116,000</b>	-
Expired during the year	-	-
Outstanding at the end of the year	<b>1,834,000</b>	1,050,000
Exercisable at the end of the year	-	-
<b>Weighted average exercise price per option (₹)</b>	<b>257.40</b>	200.45

# Notes to Consolidated Financial Statements

**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	<b>March 31, 2017</b>	March 31, 2016	April 01, 2015
			<b>Share options</b>	Share options	Share options
May 23, 2014	April 30, 2019	200.45	<b>934,000</b>	1,050,000	1,050,000
August 22, 2016	July 31, 2017	316.50	<b>900,000</b>	-	-
<b>Weighted average remaining contractual life (Years)</b>			<b>5.23</b>	6.09	7.09

The Company has granted 9,00,000 options during the year ended on March 31, 2017 (March 31, 2016 : 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.

<b>Particulars</b>	
Share price as at measurement date	₹316.50
Expected volatility	37.82%
Expected life (years)	1
Dividend yield	24%
Risk-free interest rate (%)	6.73%

## **Arvind Fashion Limited**

The Company has instituted Employee Stock Option Scheme 2016 ("ESOP 2016"), pursuant to the approval of the shareholders of the Company at their General Meeting held on October 15, 2016. Under ESOP 2016, on March 31, 2017, the Company has granted 3,394,114 options convertible into equal number of Equity Shares of face value of 10 each. The following table sets forth the particulars of the options under ESOP 2016:

<b>Scheme</b>	<b>ESOP 2016</b>
Date of grant	October 25, 2016
Number of options granted	14,18,332, 1,69,846 and 18,05,936
Exercise price per option	₹ 54, ₹ 91 and ₹ 97
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.

The following table sets forth a summary of the activity of options:

<b>Particulars</b>	<b>2016-17</b>
<b>Options</b>	
Outstanding at the beginning of the year	-
Vested but not exercised at the beginning of the year	-
Granted during the year	<b>3,394,114</b>
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at the end of the year	<b>3,394,114</b>
Exercisable at the end of the year	-
<b>Weighted average exercise price per option (₹)</b>	<b>78.73</b>

## Notes to Consolidated Financial Statements

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, 2017
			Share options
October 25, 2016	*	₹ 54,91 and 97	3,394,114
Weighted average remaining contractual life (Years)			5.5

\* At the time of listing or at the time of sale of 51% equity by promoters, whichever is earlier.

The Company has granted 33,94,114 options during the year ended on March 31, 2017 (March 31, 2016 : 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	₹ 84.94
Expected volatility	18.34%
Expected life (years)	4
Dividend yield	0%
Risk-free interest rate (%)	6.68%

### 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	₹ in Crores	
	2016-17	2015-16
Employee option plan	7.25	2.59
<b>Total employee share based payment expense</b>	<b>7.25</b>	<b>2.59</b>

### Note 38 : Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per notification is given below:

Particulars	₹ in Crores		
	SBNs*	Other denomination notes	Total
<b>Closing cash balance as on November 8, 2016</b>	1.90	0.28	2.18
(+) Permitted Receipts	-	35.25	35.25
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	1.90	34.31	36.21
<b>Closing cash balance as on December 30, 2016</b>	-	1.22	1.22

\*For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 8, 2016.

# Notes to Consolidated Financial Statements

## Note 39 : Long-term foreign currency monetary items

The Group has elected the option to continue the below stated policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the financial statements for the period ending immediately before March 31, 2016 as per the previous GAAP.

- Exchange rate differences of long-term foreign currency loans which are related to acquisition of depreciable fixed assets have been added to or deducted from the cost of the assets and depreciated over the balance life of the assets and;
- Exchange rate differences on other long-term foreign currency loans have been transferred to 'Foreign Currency Monetary Item Translation Difference Account' to be amortized over the balance period of loans.

As a result:

- An amount of ₹ 0.44 Crores (March 31, 2016 : 3.76 Crores and April 1, 2015 : 2.84 Crores) being the exchange rate loss for the year has been adjusted against the fixed assets.
- An amount of ₹ Nil (March 31, 2016 : Nil and April 1, 2015 : ₹3.88 Crores) being the exchange rate loss for the year remains to be amortized as at the balance sheet date.

## Note 40 : Lease Rent

### Operating Lease

- Factory Building is taken on lease period of 8 to 20 years with no option of renewal, no sub lease of the building.  
The particulars of these leases are as follows:

Particulars	₹ in Crores	
	Year ended	
	March 31, 2017	March 31, 2016
Future Minimum lease payments obligation on non-cancellable operating leases:		
Not later than one year	<b>86.65</b>	68.47
Later than one year and not later than five years	<b>19.97</b>	13.88
Later than five years	<b>45.80</b>	24.11
Lease Payment recognised in Statement of Profit and Loss	<b>20.88</b>	30.48
	<b>18.33</b>	9.71

- Plant & Machineries are taken on operating lease for a period of 8 years with the option of renewal  
The particulars of these leases are as follows:

Future Minimum lease payments obligation on non-cancellable operating leases:		
Not later than one year	<b>203.58</b>	40.04
Later than one year and not later than five years	<b>49.70</b>	15.17
Later than five years	<b>132.98</b>	21.13
Lease Payment recognised in Statement of Profit and Loss	<b>20.90</b>	3.74
	<b>38.00</b>	29.80

- The Group has taken various residential and office premises under operating lease or leave and license Agreements. These are generally cancellable, having a term between 11 months and 9 years and have no specific obligation for renewal. Payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 27.

- Rent Income also includes Lease Rental received towards Land and Buildings. Such operating lease is generally for a period from 12 to 15 years with the option of renewal on mutual consent and premature termination of agreement through agreed notice period.  
The particulars of these leases are as follows:

Future Minimum lease rental under non-cancellable operating leases:		
Not later than one year	<b>0.87</b>	0.95
Later than one year and not later than five years	<b>0.08</b>	0.08
Later than five years	<b>0.34</b>	0.25
Lease income recognised in Statement of Profit and Loss	<b>0.45</b>	0.62
	<b>0.79</b>	3.16

## Notes to Consolidated Financial Statements

**Note 41 : Corporate Social Responsibility (CSR) Activities:**

- a. The Group is required to spend ₹ 9.43 Crores ; (March 31, 2016 :7.62 Crores) on CSR activities.  
b. Amount spent during the year on:

₹ in Crores

Particulars	Year ended					
	March 31, 2017			March 31, 2016		
	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	9.12	-	9.12	7.27	-	7.27
(iii) Expenditure on Administrative Overheads for CSR	0.33	-	0.33	0.36	-	0.36

## c. Related Party Disclosures :

As per the Indian Accounting Standard on "Related Party Disclosures" (Ind AS 24), the related parties of the Group are as follows :

## a. Name of Related Parties and Nature of Relationship :

Arvind Foundation (Incorporated under Section 8 of the Companies Act, 2013)	Subsidiary Company
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## b. Disclosure in respect of Related Party Transactions :

₹ in Crores

Nature of Transactions	Year ended	
	March 31, 2017	March 31, 2016
Arvind Foundation		
Donation given	5.65	5.16
Capital Contribution	-	0.01

**Note 42 : 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:

₹ in Crores

Particulars	Carrying amount			Fair value		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Financial assets</b>						
Investments measured at fair value through OCI	2.11	186.78	88.50	2.11	186.78	88.50
Investments measured at amortized cost	10.02	5.02	0.02	10.02	5.02	0.02
<b>Total</b>	<b>12.13</b>	<b>191.80</b>	<b>88.52</b>	<b>12.13</b>	<b>191.80</b>	<b>88.52</b>
<b>Financial liabilities</b>						
Borrowings	2,965.61	3,818.80	3,539.96	2,967.12	3,819.49	3,539.25
<b>Total</b>	<b>2,965.61</b>	<b>3,818.80</b>	<b>3,539.96</b>	<b>2,967.12</b>	<b>3,819.49</b>	<b>3,539.25</b>

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.

The discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the investments.

# Notes to Consolidated Financial Statements

## Note 43 : Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities

### Quantitative disclosures fair value measurement hierarchy for financial assets as at March 31, 2017, March 31, 2016 and April 1, 2015

₹ in Crores

Particulars	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2017</b>					
<b>Assets measured at fair value</b>					
<b>Fair value through Other Comprehensive Income</b>					
Investment in Equity shares, quoted	March 31, 2017	0.06	0.06	-	-
Investment in Equity shares, unquoted	March 31, 2017	2.05	-	-	2.05
Foreign exchange forward contracts (Cash flow hedge)	March 31, 2017	49.02	-	49.02	-
<b>Assets for which fair values are disclosed</b>					
Investment property	March 31, 2017	128.93	-	-	128.93
Investment in Debentures, unquoted	March 31, 2017	10.00	-	10.00	-
Investment in Government Security, unquoted	March 31, 2017	0.02	-	0.02	-
<b>As at March 31, 2016</b>					
<b>Assets measured at fair value</b>					
<b>Fair value through Other Comprehensive Income</b>					
Investment in Equity shares, quoted	March 31, 2016	184.73	184.73	-	-
Investment in Equity shares, unquoted	March 31, 2016	2.05	-	-	2.05
Foreign exchange forward contracts (Cash flow hedge)	March 31, 2016	13.46	-	13.46	-
<b>Assets for which fair values are disclosed</b>					
Investment property	March 31, 2016	127.02	-	-	127.02
Investment in Debentures, unquoted	March 31, 2016	5.00	-	5.00	-
Investment in Government Security, unquoted	March 31, 2016	0.02	-	0.02	-
<b>As at April 1, 2015</b>					
<b>Assets measured at fair value</b>					
<b>Fair value through Other Comprehensive Income</b>					
Investment in Equity shares, quoted	April 1, 2015	87.63	87.63	-	-
Investment in Equity shares, unquoted	April 1, 2015	0.87	-	-	0.87
<b>Assets for which fair values are disclosed</b>					
Investment property	April 1, 2015	119.34	-	-	119.34
Investment in Government Security, unquoted	April 1, 2015	0.02	-	0.02	-
<b>Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2017, March 31, 2016 and April 1, 2015</b>					
<b>As at March 31, 2017</b>					
<b>Liabilities disclosed at fair value</b>					
Borrowings	March 31, 2017	2,965.61	-	2,965.61	-
<b>As at March 31, 2016</b>					
<b>Liabilities measured at fair value</b>					
Financial guarantee contract	March 31, 2016	12.00	-	12.00	-
<b>Liabilities disclosed at fair value</b>					
Borrowings	March 31, 2016	3,818.80	-	3,818.80	-
<b>As at April 1, 2015</b>					
<b>Liabilities measured at fair value</b>					
Derivative financial liabilities	April 01, 2015	8.24	-	8.24	-
Financial guarantee contract	April 01, 2015	12.00	-	12.00	-
<b>Liabilities disclosed at fair value</b>					
Borrowings	April 01, 2015	3,539.96	-	3,539.96	-

## Notes to Consolidated Financial Statements

### Note 44 : Financial instruments risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise borrowings and trade & other payables. The main purpose of these financial liabilities is to finance the Group's operations and to support its operations. The Group's principal financial assets include Investments, loans given, trade and other receivables and cash & short-term deposits that derive directly from its operations.

The Group's activities expose it to market risk, credit risk and liquidity risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency exposures and interest rate swaps to hedge certain variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading/speculative instruments.

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. 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 management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings, deposits, Investments, trade and other receivables, trade and other payables and derivative financial instruments.

Within the various methodologies to analyse and manage risk, Group has implemented a system based on "sensitivity analysis" on symmetric basis. This tool enables the risk managers to identify the risk position of the entities. Sensitivity analysis provides an approximate quantification of the exposure in the event that certain specified parameters were to be met under a specific set of assumptions. The risk estimates provided here assume:

- a parallel shift of 50-basis points of the interest rate yield curves in all currencies.
- a simultaneous, parallel foreign exchange rates shift in which the INR appreciates / depreciates against all currencies by 2%
- 10% increase / decrease in equity prices of all investments traded in an active market, which are classified as financial asset measured at FVOCI.

The potential economic impact, due to these assumptions, is based on the occurrence of adverse/inverse market conditions and reflects estimated changes resulting from the sensitivity analysis. Actual results that are included in the Statement of profit & loss may differ materially from these estimates due to actual developments in the global financial markets.

The analyses exclude the impact of movements in market variables on: the carrying values of gratuity, pension and other post-retirement obligations and provisions.

The following assumption has been made in calculating the sensitivity analyses:

- The sensitivity of the relevant statement of profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2017, March 31, 2016 and April 1, 2015 including the effect of hedge accounting.
- The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges and net investment in foreign operations as at March 31, 2017, March 31, 2016 and April 1, 2015 for the effects of the assumed changes of the underlying risk

#### Interest rate risk

Interest rate risk arises from the sensitivity of financial assets and liabilities to changes in market rates of interest. The Group seeks to mitigate such risk by entering into interest rate derivative financial instruments such as interest rate swaps or cross-currency interest rate swaps. Interest rate swap agreements are used to adjust the proportion of total debt, that are subject to variable and fixed interest rates.

Under an interest rate swap agreement, the Group either agrees to pay an amount equal to a specified fixed-rate of interest times a notional principal amount, and to receive in return an amount equal to a specified variable-rate of interest times the same notional principal amount or, vice-versa, to receive a fixed-rate amount and to pay a variable-rate amount. The notional amounts of the contracts are not exchanged. No other cash payments are made unless the agreement is terminated prior to maturity, in which case the amount paid or received in settlement is established by agreement at the time of termination, and usually represents the net present value, at current rates of interest, of the remaining obligations to exchange payments under the terms of the contract.

As at March 31, 2017, after taking into account the effect of interest rate swaps, approximately 24% of the Group's Borrowings are at fixed rate of interest (March 31, 2016 : 13% and April 1, 2015 : 13%)

# Notes to Consolidated Financial Statements

## 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, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Crores

Particulars	Effect on profit before tax
<b>March 31, 2017</b>	
Increase in 50 basis points	(11.18)
Decrease in 50 basis points	11.18
<b>March 31, 2016</b>	
Increase in 50 basis points	(15.03)
Decrease in 50 basis points	15.03
<b>April 1, 2015</b>	
Increase in 50 basis points	(14.37)
Decrease in 50 basis points	14.37

## Exclusion from this analysis are as follows:

- Fixed rate financial instruments measured at cost : Since a change in interest rate would not change the carrying amount of this category of instruments, there is no net income impact and they are excluded from this analysis
- The effect of interest rate changes on future cash flows is excluded from this analysis.

## Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business in local currency and in foreign currency, primarily in USD. The Group has obtained foreign currency loans and has foreign currency trade payables and receivables etc. and is, therefore, exposed to foreign exchange risk. 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 Group.

The Group manages its foreign currency risk by hedging appropriate percentage of its foreign currency exposure, as approved by Board as per established risk management policy. Details of the hedge & unhedged position of the Group given in Note no.32

## Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, GBP and ETB rates to the functional currency of respective entity, with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The impact on the Group's pre-tax equity is due to changes in the fair value of foreign currency monetary items designated as cash flow hedge and net investment in foreign operations.

₹ in Crores

	Change in USD rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	5.06	(20.37)
	-2%	(5.06)	20.37
March 31, 2016	+2%	0.08	(13.40)
	-2%	(0.08)	13.40
April 1, 2015	+2%	0.16	(18.12)
	-2%	(0.16)	18.12
	Change in ETB rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	-	3.71
	-2%	-	(3.71)
March 31, 2016	+2%	-	0.56
	-2%	-	(0.56)
April 1, 2015	+2%	-	0.26
	-2%	-	(0.26)
	Change in EUR rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	0.11	-
	-2%	(0.11)	-
March 31, 2016	+2%	(0.25)	-
	-2%	0.25	-
April 1, 2015	+2%	0.12	-
	-2%	(0.12)	-
	Change in GBP rate	Effect on profit before tax	Effect on pre-tax equity
March 31, 2017	+2%	0.06	-
	-2%	(0.06)	-
March 31, 2016	+2%	0.01	-
	-2%	(0.01)	-
April 1, 2015	+2%	0.05	-
	-2%	(0.05)	-

## Notes to Consolidated Financial Statements

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.

### Equity price risk

The Group's investment consists of investments in publicly traded companies held for purposes other than trading. Such investments held in connection with non-consolidated investments represent a low exposure risk for the Group and are not hedged.

As at March 31, 2016, the exposure to listed equity securities at fair value was ₹ 184.67 Crores. A decrease of 10% on the BSE market index could have an impact of approximately ₹ 18.47 Crores on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

As at March 31, 2017, the Group does not have any material exposure to listed equity securities.

### (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

#### Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally on 7 days to 180 days credit term. Credit limits are established for all customers based on internal rating criteria. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The Group has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual incurred historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 8. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The requirement of impairment is analysed as each reporting date. Refer Note 8 for details on the impairment of trade receivables.

#### Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties who meets the minimum threshold requirements under the counterparty risk assessment process. The Group monitors the ratings, credit spreads and financial strength of its counterparties. Based on its on-going assessment of counterparty risk, the group adjusts its exposure to various counterparties. The Group's maximum exposure to credit risk for the components of the Balance sheet as of March 31, 2017, March 31, 2016 & April 1, 2015 is the carrying amount as disclosed in Note 42 except for financial guarantees. The Group's maximum exposure for financial guarantee is given in Note 30.

### (c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Group closely monitors its liquidity position and deploys a robust cash management system. It maintains adequate sources of financing including bilateral loans, debt and overdraft from both domestic and international banks at an optimised cost. It also enjoys strong access to domestic capital markets across equity.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

₹ in Crores

Particulars	payable with in 0-12 months	more than 12 months	Total
<b>Year ended March 31, 2017</b>			
Interest bearing borrowings*	2,267.99	888.18	3,156.17
Trade payables	1,478.81	-	1,478.81
Other financial liabilities#	160.08	44.98	205.06
	<b>3,906.88</b>	<b>933.16</b>	<b>4,840.04</b>
<b>Year ended March 31, 2016</b>			
Interest bearing borrowings*	2,473.70	1,829.65	4,303.35
Trade payables	1,214.17	-	1,214.17
Other financial liabilities#	168.62	37.40	206.02
	<b>3,856.49</b>	<b>1,867.05</b>	<b>5,723.54</b>
<b>Year ended April 1, 2015</b>			
Interest bearing borrowings*	2,319.00	1,723.45	4,042.45
Trade payables	1,050.12	-	1,050.12
Other financial liabilities#	146.95	26.88	173.83
	<b>3,516.07</b>	<b>1,750.33</b>	<b>5,266.40</b>

\* 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 ₹ 15.60 Crores (March 31, 2016: ₹ 14.06 Crores and April 1, 2015: ₹ 10.36 Crores). Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.

# Notes to Consolidated Financial Statements

## Note 45 : 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 maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. 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).

₹ in Crores

Particulars	Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
Interest-bearing loans and borrowings (Note 15)	2,965.61	3,818.80	3,539.96
Less: cash and bank balance (including other bank balance) (Note 8)	(53.88)	(60.91)	(69.71)
<b>Net debt</b>	<b>2,911.73</b>	<b>3,757.89</b>	<b>3,470.25</b>
Equity share capital (Note 13)	258.36	258.24	258.24
Other equity (Note 14)	3,309.81	2,388.16	2,171.42
Total capital	3,568.17	2,646.40	2,429.66
<b>Capital and net debt</b>	<b>6,479.90</b>	<b>6,404.29</b>	<b>5,899.91</b>
Gearing ratio	44.93%	58.68%	58.82%

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 interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and April 1, 2015.

### Loan covenants

Under the terms of the major borrowing facilities, the Group has complied with the required financial covenants through out the reporting periods.

## Note 46 : First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2017, are the first annual Ind AS financial statements, the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Group prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2015, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 1, 2015 and the previously published Indian GAAP financial statements as at and for the year ended March 31, 2016.

### Exemptions applied

Ind AS 101 "First-time Adoption of Indian Accounting Standards" allows first-time adopter certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

### Ind AS optional exemptions

#### 1 Deemed cost

Ind AS 101 permits a first time adopter to elect to measure an item of property, plant and equipment at the transition to Ind AS at its fair value and use that fair value as its deemed cost at that date. This exemption can also be used for intangible assets covered by Ind AS 38.

Accordingly, the Group has elected to measure certain items of its property, plant and equipment & intangible assets at fair value on the date of transition to Ind AS and used those fair value as deemed cost of Property, plant and equipment & Intangible assets.

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its Investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its Investment properties, as recognised in its Indian GAAP financials, as deemed cost at the transition date.

# Notes to Consolidated Financial Statements

## 2 Long Term Foreign Currency Monetary Items

The Group has elected the option provided under Ind AS 101 to continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

## 3 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption.

## 4 Investment in Joint ventures

Under Indian GAAP, assets and liabilities of joint venture were consolidated to the proportion of holding of the group. Under Ind AS, investment in joint venture is measured using equity method. For transition from proportionate consolidation to equity method, the Group has elected the option given under Ind AS 101 of measuring its investment in joint venture, on the transition date, at aggregate of the carrying amounts of the assets and liability previously proportionately consolidated, including any goodwill arising from acquisition.

## 5 Non-current assets held for sale and discontinued operations

The Group has elected the option provided under Ind AS 101 to measure non-current assets held for sale and discontinued operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind ASs.

## 6 Business Combination

All transactions qualifying as business combinations under Ind AS103, occurring before the transition date, the Group has opted not to restate any business combinations before the date of transition.

## 7 Cumulative translation difference

Ind AS 101 permit cumulative translation gains and losses to be reset to zero at the transition date. This provide relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary was formed or acquired.

The group has elected to apply this exemption.

## Ind AS mandatory exceptions

### 1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2015 and March 31, 2016 are consistent with the estimates as at the same date made in the conformity with previous GAAP. The Group made estimates for the following in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

1. Investment in equity instruments carried at FVOCI
2. Impairment of financial assets based on Expected Credit Loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

### 2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

# Notes to Consolidated Financial Statements

## Reconciliation between previous GAAP and Ind AS

### 1. Reconciliation of equity as at March 31, 2016 & April 1, 2015

₹ in Crores

Particulars	Notes	As at March 31, 2016	As at April 1, 2015
<b>Equity under previous GAAP</b>		<b>2,911.71</b>	<b>2,723.88</b>
Impact of fair valuation of Property, plant and equipment & Intangible assets	i	2.84	(10.71)
Impact of fair valuation of Financial Instruments	ii	26.76	39.07
Proposed dividend reversed including tax on dividend	iii	74.60	79.02
Impact of change in Revenue recognition net of related costs	xii	(380.71)	(309.87)
Impact of provision for Expected credit loss on financial instruments	iv	(18.60)	(4.49)
Restatement of result due to merger	x	103.26	-
Impact on non controlling interest	xi	(2.71)	(5.71)
Other adjustments	ix	(24.93)	(16.01)
Tax impact on Ind AS adjustments	v	(45.82)	(65.52)
<b>Equity as per Ind AS</b>		<b>2,646.40</b>	<b>2,429.66</b>

### 2. Reconciliation of total comprehensive income for the year ended March 31, 2016

₹ in Crores

Particulars	Notes	2015-16
<b>Profit after tax as per previous GAAP</b>		<b>362.70</b>
Impact on depreciation on account of fair valuation of Property, plant and equipment & Intangible assets		12.45
Impact of recognising cost of employee stock option scheme at fair value	vi	(2.59)
Impact of provision for Expected credit loss on financial instruments	iv	(6.88)
Reclassification of Re-measurement gains/(losses) on defined benefit plans to Other comprehensive income	vii	4.32
Impact of change in Revenue recognition net of related costs	xii	(70.84)
Impact of restatement due to merger	x	(2.04)
Other adjustments	ix	(8.41)
Tax impacts on Ind AS adjustments		25.48
<b>Profit after tax as per Ind AS</b>		<b>314.19</b>
<b>Other comprehensive income (net of tax)</b>	viii	
Fair valuation impact on investment through FVOCI (net of tax)		(7.31)
Effective portion of gains and loss on hedging instruments in a cash flow hedge (net of tax)		14.19
Exchange differences in translating the financial statements of a foreign operation		(0.97)
Re-measurement gains/(losses) on defined benefit plans (net of tax and non controlling interest)		(4.18)
<b>Total Comprehensive Income under Ind AS, net of tax</b>		<b>315.92</b>

Notes to the reconciliation of equity as at April 1, 2015 and March 31, 2016 and total comprehensive income for the year ended March 31, 2016

#### i. Fair Valuation of Property, plant and equipment & Intangible assets

The Group has elected to measure certain items of Property, Plant and Equipment (PPE) & Intangible assets at fair value at the date of transition to Ind AS and to use the fair value as deemed cost on the date of transition. The resulting change has been adjusted in retained earnings. Change in depreciation & amortisation of the subsequent period due to fair valuation of items of PPE & Intangible assets have been recognised in statement of profit & loss.

#### ii. Impact of fair valuation of Financial Instruments

Under previous GAAP, the long-term investments were measured at cost less permanent diminution in value, if any. Ind AS requires all investments to be measured at fair value at the reporting date and all changes in the fair value subsequent to the transition date to be recognised either in the Statement of profit and loss or Other Comprehensive Income (based on the category in which they are classified).

Under previous GAAP, financial guarantee provided to the Banks on behalf of joint ventures and other third parties are disclosed as contingent liability. Under Ind AS, financial guarantee contracts are recognised as liability on the date of transition at the higher of (i) the amount of the loss allowance determined on the date of transition and (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### iii. Proposed Dividend and tax thereon

Under Previous GAAP, proposed dividends are recognized as liability in the period to which they relate irrespective of the approval by shareholders. Under Ind AS, a proposed dividend is recognised as a liability in the period in which it is declared by the Group (on approval of Shareholders in a general meeting) or paid. Therefore, the liability recorded under previous GAAP has been derecognised.

## Notes to Consolidated Financial Statements

### iv. Provision for Expected Credit Losses on financial instruments

Under previous GAAP, the Group has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL). On the date of transition, Expected Credit Loss on trade receivables and on loans have been adjusted in retained earnings and subsequent changes in Expected credit loss have been charged to the Statement of profit and loss.

### v. Tax impacts on Ind AS adjustments

The impact of transition adjustments together with Ind AS mandate of using balance sheet approach (against profit and loss approach under previous GAAP) for computation of deferred tax has resulted in adjustment to Reserves, with consequential impact in the subsequent periods to the Statement of profit and loss or Other comprehensive income, as the case may be.

### vi. Share based payment

Under the previous GAAP, the cost of equity-settled employee shares-based plan were recognised using the intrinsic method. Under Ind AS, the cost of equity-settled share based payment plan is recognised based on the fair value of the options as at the grant date. Consequently, the amount recognised in share based payment reserve account increased by ₹4.79 crores as at March 31, 2016 (April 1, 2015: ₹2.20 crores). The profit for the year ended March 31, 2016 decreased by ₹2.59 crores. There is no impact on total equity.

### vii. Re-measurement gain / loss on defined benefit plan

Under Ind AS, re-measurement i.e. actuarial gain loss and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these re-measurement were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended on March 31, 2016 increased by ₹ 6.35 crores. There is no impact on the total equity as at March 31, 2016.

### viii. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income and expense that are not recognised in profit or loss but are shown in the Statement of profit and loss as "other comprehensive income" includes fair value gain / loss on FVOCI equity instruments, effective portion of gains / losses on cash flow hedging instruments and re-measurement of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

### ix. Other adjustments

Other adjustments includes adjustments due to the GAAP differences related to recognition and measurement of employee benefits, financial charges etc.

### x. Business Combination-Merger

All transactions qualifying as business combinations under Ind AS103, the Group has restated the financials with effect from appointed date mentioned in the business combination agreements.

### xi. Minority Interest

Impact on non-controlling interest includes the share in profit or loss on Ind AS adjustments and share in loss attributed which was not required to be attributed under previous GAAP as this results in to non-controlling interest having deficit balance.

### xii. Revenue Recognition and related cost

Under Ind AS, Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group, the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the revenue can be reliably measured, regardless of when the payment is being made. This has resulted into restatement of revenue recognition.

### xiii. Retained earnings

Retained earnings as at April 1, 2015 has been adjusted consequent to the above Ind AS transition adjustments.

### xiv. Classification & Presentation

#### a. Trade receivables where bills discounted

Under the previous GAAP, on discounting of bills receivables, such receivables are derecognised and are shown as contingent liability. Under Ind AS, as such bill discounting arrangement does not comply the derecognition criteria stated in Ind AS 109, such receivables are not derecognised and liability in the form of bill discounted has been recognised as borrowings.

#### b. Recognition of certain Government grant as deferred income

The government grant related to assets was netted off with the cost respective Property, Plant and Equipment under previous GAAP. Under Ind AS, Property, Plant and Equipment has been recognised at gross cost and government grant has been recognised as deferred income. The deferred income is recognised as income in the statement of profit and loss on a systematic basis over the useful life of the assets for which it is received.

# Notes to Consolidated Financial Statements

## c. Investment property

Under the previous GAAP, Land & Building given on lease has been shown as Investment property and disclosed under the head Investments. Moreover, some portion of the land which is not in use are classified as Land held for sale and shown under the head other current assets. Under Ind AS, Land & Building given on lease are disclosed separately as Investment property on the face of the Balance sheet. Land which is currently not in determined use and does not comply the criteria for classification of non-current assets held for sale as per the requirement of Ind AS 105 are also classified as Investment property.

## d. Assets classified as held for sale and discontinued operation

A Composite Scheme of Arrangement (“the Scheme”) in the nature of Demerger and transfer of Real Estate Undertaking of Arvind Limited (“the Group”) to Arvind Infrastructure Limited (“AIL”) and Restructuring of Share Capital, under sections 391 to 394 read with sections 78, 100 and 103 of the Companies Act, 1956 has been sanctioned by the High Court of Gujarat at Ahmedabad on April 22, 2015 and the Scheme has become effective from the appointed date 1st April 2015. Under the previous GAAP, the concept of disposal group held for sale does not exist. The assets and liabilities of disposal group have not been presented as held for sale.

Ind AS 105 Non-current assets held for sale and Discontinued operations required disposal group to be identified as held for sale if the carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. Ind AS 105 lays down detailed guidelines and criteria in this regards. Based on the assessment performed by the management, it has been determined that the assets and liabilities of Real Estate undertaking should be presented as held for sale under Ind AS. Consequently, the assets and liabilities of disposal group held for sale have been presented separately from the other assets and other liabilities respectively in the opening balance sheet as at April 1, 2015 (Refer note 12 for details). There is no impact on the total equity as a result of this adjustment.

## e. Excise duty

Under the previous GAAP, sale of goods was presented as net of excise duty. Under Ind AS, revenue from sale of products is presented inclusive of excise duty. The excise duty paid on sale of products is separately presented on the face of statement of profit and loss as a part of expense. Thus sale of goods under Ind AS has increased by ₹ 25.58 crores with a corresponding increase in other expense.

## f. Discounts and incentives to customers

Under the previous GAAP, discounts and incentives to the customers were shown as a part of finance cost and other expense respectively. Under Ind AS, revenue from sale of products are recognised at net of discounts and incentives to the customers. Thus, sale of products under Ind AS has decreased by ₹ 44.80 crores with a corresponding decrease in finance cost and other expense.

## xv. Statement of cash flows

The impact of transition from previous GAAP to Ind AS on the statement of cash flows is due to various reclassification adjustments recorded under Ind AS in Balance sheet and Statement of profit and loss and difference in the definition of cash and cash equivalents under these two GAAPs like bank overdraft.

## Note 47 : Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, ‘Statement of cash flows’ and Ind AS 102, ‘Share-based payment.’ The amendments are applicable to the Group from April 1, 2017.

### Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The effect on the financial statements is being evaluated by the Group.

### Amendment to Ind AS 102:

The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes. It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity settled awards. Market-based performance conditions and non-vesting conditions are reflected in the ‘fair values’, but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement. The effect on the financial statements is being evaluated by the Group.

## Notes to Consolidated Financial Statements

### Note 48 : Changes in Non controlling interest

During the year ended March 31, 2017, pursuant to Share subscription and shareholders agreement, Arvind Fashion Limited (AFL), erstwhile wholly owned subsidiary of the Company has issued 1,12,08,200 equity shares of ₹ 2/- each at a premium of ₹ 658.20, outside the group, whereby the controlling interest of the group in such subsidiary has reduced to 89.69% from 100%. On the date of allotment of equity shares, the carrying amounts of the controlling and non-controlling interests have been adjusted to reflect the changes in their relative interests in AFL and consequently, the dilution gain of ₹ 631.90 Crores has been recognised directly in equity as attributable to the equity shareholders of the Parent.

### Note 49 : Business Combinations

I A Composite Scheme of Arrangement (“the Scheme”) in the nature of merger of Arvind Brands Limited (ABL) and Asman Investments Limited (AIL) with Arvind Brand and Retail Limited (ABRL), all being subsidiary entities of the Group, under sections 391 to 394 of the Companies Act, 1956 which has been sanctioned by the High Court of Gujarat at Ahmedabad on 11th July 2016. The Scheme has become effective from the appointed date 1st January 2016.

ABL, wholly owned subsidiary of AIL, was engaged in business of textiles.

AIL, subsidiary of Arvind Limited, was engagement is business of textiles.

The above merger has been accounted for in accordance with accounting treatment stated in the scheme as summarised below:

- (a) Upon scheme being effective, the assets and liabilities of ABL & AIL shall be recorded in the books of ABRL at fair market values on appointed or such other price as may be prevailing in the market on effective date as per the Purchase Method under the Accounting Standard, AS-14, issued under the Companies (Accounting Standard) Rules, 2016.
- (b) As consideration, ABRL has subsequently issued and allotted Equity Shares of ₹ 2/- each fully paid up in the ratio of:
  - 1 (One) Equity Share of ₹ 10/- each for every 1 (One) Equity Shares of ₹ 10/- each of ABL, to the shareholders of ABL;
  - 1 (One) Equity Share of ₹ 10/- each for every 1 (One) Equity Shares of ₹ 10/- each of AIL, to the shareholders of ABL;
- (c) Excess of the value of the net assets of ABL and AIL appearing in the respective books of accounts aggregate amounting to ₹ 103.18 Crores shall be credited in the books of ABRL to a separate account to be named and styled as “Amalgamation Reserve Account”.

II Following investments were made by the Group during the year to acquire control over below investee entities:

Name of the investee	Arvind Premium Retail Limited	Arvind True Blue Limited	Arvind Ruf & Tuf Private Limited
Date of acquisition	March 30, 2017	March 30, 2017	July 22, 2016
Voting rights acquired	51%	100%	100%
Consideration Paid	₹ 0.01 Crores	₹ 0.01 Crores	₹ 0.01 Crores

# Notes to Consolidated Financial Statements

## Note 50 : Interest in Other Entities

### 1 The Consolidated Financial Statements present the Consolidated Accounts of Arvind Limited with its Subsidiaries, Joint Ventures (and its subsidiaries and joint ventures).

Sr. No.	Name of Entities	Country of Incorporation	Activities	Proportion of Ownership of Interest		
				As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
<b>Subsidiaries</b>						
<b>Indian Subsidiaries</b>						
1	The Anup Engineering Limited	India	Engineering	<b>93.54%</b>	92.92%	88.24%
2	Arvind Lifestyle Brands Limited	India	* Branded Garments	<b>100%</b>	100%	100%
3	Syntel Telecom Limited	India	Telecom	<b>100%</b>	100%	100%
4	Arvind Brands and Retail Limited	India	@ Branded Garments	<b>100%</b>	100%	100%
5	Asman Investments Private Limited	India	Garments	-	-	91.77%
6	Arvind Envisol Private Limited	India	Engineering	<b>100%</b>	100%	100%
7	Arvind Internet Limited	India	\$ E-Commerce	<b>100%</b>	100%	100%
8	Dholka Textile Park Private Limited	India	Textiles	<b>100%</b>	100%	100%
9	Arvind Garments Park Private Limited	India	Garments	<b>100%</b>	100%	100%
10	Arvind PD Composites Private Limited	India	Technical Textile	<b>51%</b>	51%	51%
11	Arvind OG Nonwovens Private Limited	India	Technical Textile	<b>74%</b>	74%	74%
12	Arvind Goodhill Suit Manufacturing Private Limited	India	Garments	<b>51%</b>	51%	51%
13	Arvind Beauty Brands Private Limited	India	* Beauty Products	<b>100%</b>	100%	-
14	Arvind Fashions Limited	India	Branded Garments	<b>89.69%</b>	-	-
15	Arvind Ruf & Tuf Private Limited	India	\$ Garments	<b>100%</b>	-	-
16	Arvind Premium Retail Limited	India	\$ Garments	<b>51%</b>	-	-
17	Arvind True Blue Limited	India	\$ Garments	<b>87.50%</b>	-	-
18	Arvind Foundation	India	! CSR Activity	<b>100.00%</b>	100.00	-
<b>Foreign Subsidiaries</b>						
19	Arvind Worldwide Inc., USA	USA	Textiles	<b>100%</b>	100%	100%
20	Arvind Worldwide (M) Inc.	Mauritius	^ Textiles	<b>100%</b>	100%	100%
21	Westech Advance Materials Limited	Canada	Textiles	<b>51%</b>	51%	0%
22	Arvind Niloy Exports Private Limited, Bangladesh	Bangladesh	Textiles	<b>70%</b>	70%	70%
23	Arvind Textile Mills Limited, Bangladesh	Bangladesh	Textiles	<b>100%</b>	100%	100%
24	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	Ethiopia	Garments	<b>100%</b>	100%	100%
25	Arvind Overseas (Mauritius) Limited	Mauritius	^^ Textiles	<b>100%</b>	100%	100%
26	Arvind Spinning Limited	Mauritius	^^ Textiles	<b>100%</b>	100%	100%
<b>Limited Liability Partnerships</b>						
27	Maruti Ornet and Infrabuild LLP	India	# Construction	<b>100%</b>	100%	0%
<b>Joint Ventures</b>						
28	Arya Omnitalk Wireless Solutions Private Limited	India	Telecom	<b>50%</b>	50%	50%
29	Arya Omnitalk Radio Trunking Services Private Limited	India	Telecom	<b>50%</b>	50%	50%
30	Tommy Hilfiger Arvind Fashions Private Limited	India	* Branded Garments	<b>50%</b>	50%	50%
31	Calvin Klein Arvind Fashion Private Limited	India	* Branded Garments	<b>49%</b>	49%	49%
32	Arudrama Developments Private Limited	India	\$ Construction	<b>50%</b>	50%	50%
33	Arvind and Smart Value Homes LLP	India	* Construction	<b>50%</b>	50%	50%

\* Held by Arvind Fashions Limited

\$ Held by Arvind Brands and Retail Limited

@ Jointly held by Arvind Limited and Dholka Textile Park Private Limited

# Jointly held by Arvind Limited and Arvind Internet Limited

^ Not considered for Consolidation for the year 2016-2017 and 2015-2016 being defunct status.

^^ Not considered for Consolidation for the year being defunct status.

! The Group has made investment of ₹ 0.01 Crores in the equity shares of Arvind Foundation, which is a Company incorporated under Section 8 of the Companies Act, 2013, 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.

### 2 Material party-owned subsidiaries

Ind AS 112.12 requires the disclosure of financial information in respect of subsidiaries that have non-controlling interests that are material to the reporting entity (i.e. the Group). A subsidiary may have significant non-controlling interest per se but disclosure is not required if that interest is not material at the Group level. Similarly, these disclosures do not apply to the non-controlling interests that are material in aggregate but not individually. The Group does not have any subsidiaries that have non-controlling interests that are material to the group.

## Notes to Consolidated Financial Statements

## 3 Below mentioned information relates to the Proportionate of Group's share

## A Summarised Financial Information in respect of Joint Ventures

₹ in Crores

Particulars	Arya Omnitalk Radio Trunking Services Private Limited			Arya Omnitalk Wireless Solutions Private Limited			Tommy Hilfiger Arvind Fashions Private Limited			Arvind and Smart Value Homes LLP			Arudrama Developments Private Limited			Calvin Klein Arvind Fashion Private Limited		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
<b>(A) Non-Current Assets</b>	<b>2.50</b>	2.54	2.21	<b>3.19</b>	2.09	1.80	<b>29.48</b>	24.63	24.69	<b>1.22</b>	1.13	0.78	<b>1.46</b>	1.42	1.40	<b>7.80</b>	7.02	8.07
<b>(B) Current Assets</b>																		
i) Cash and cash equivalent	<b>0.13</b>	0.34	0.13	<b>0.09</b>	0.17	0.25	<b>0.12</b>	1.36	0.17	<b>0.38</b>	1.00	0.29	-	-	-	<b>0.06</b>	0.44	6.77
ii) Others	<b>9.35</b>	9.80	9.03	<b>33.39</b>	26.27	27.36	<b>98.94</b>	70.60	61.86	<b>66.68</b>	76.58	77.60	<b>1.31</b>	1.32	1.32	<b>68.80</b>	41.42	25.95
Total Current Assets	<b>9.48</b>	10.14	9.16	<b>33.48</b>	26.44	27.61	<b>99.06</b>	71.96	62.03	<b>67.06</b>	77.58	77.89	<b>1.31</b>	1.32	1.32	<b>68.86</b>	41.86	32.72
<b>Total Assets (A+B)</b>	<b>11.98</b>	12.67	11.37	<b>36.67</b>	28.53	29.41	<b>128.54</b>	96.59	86.72	<b>68.28</b>	78.71	78.67	<b>2.77</b>	2.74	2.72	<b>76.66</b>	48.88	40.79
<b>(A) Non-Current Liabilities</b>																		
i) Financial Liabilities	<b>0.14</b>	0.14	0.09	<b>0.20</b>	0.16	0.11	-	-	-	<b>0.41</b>	1.30	0.82	-	-	-	<b>5.64</b>	4.58	4.49
ii) Non-Financial Liabilities	<b>0.48</b>	0.45	0.24	<b>2.07</b>	1.51	1.90	<b>1.52</b>	1.29	1.38	<b>0.11</b>	0.16	0.22	-	-	-	<b>0.35</b>	0.19	0.12
<b>Total Non-Current Liabilities</b>	<b>0.62</b>	0.59	0.33	<b>2.27</b>	1.67	2.01	<b>1.52</b>	1.29	1.38	<b>0.52</b>	1.46	1.04	-	-	-	<b>5.99</b>	4.77	4.61
<b>(B) Current Liabilities</b>																		
i) Financial Liabilities	<b>1.63</b>	1.81	1.66	<b>10.27</b>	7.17	9.98	<b>74.64</b>	45.18	40.47	<b>3.40</b>	6.25	6.07	-	-	-	<b>58.49</b>	35.92	38.65
ii) Non-Financial Liabilities	<b>2.62</b>	2.64	2.04	<b>2.54</b>	2.63	3.75	<b>2.55</b>	2.38	1.54	<b>0.45</b>	1.03	0.78	<b>0.72</b>	0.69	0.67	<b>0.58</b>	0.93	0.60
<b>Total Current Liabilities</b>	<b>4.25</b>	4.45	3.70	<b>12.81</b>	9.80	13.73	<b>77.19</b>	47.56	42.01	<b>3.85</b>	7.28	6.85	<b>0.72</b>	0.69	0.67	<b>59.07</b>	36.85	39.25
<b>Total Liabilities (A+B)</b>	<b>4.87</b>	5.04	4.03	<b>15.08</b>	11.47	15.74	<b>78.71</b>	48.85	43.39	<b>4.37</b>	8.74	7.89	<b>0.72</b>	0.69	0.67	<b>65.06</b>	41.62	43.86
<b>Net Assets</b>	<b>7.11</b>	7.63	7.34	<b>21.59</b>	17.07	13.67	<b>49.83</b>	47.74	43.33	<b>63.91</b>	69.97	70.78	<b>2.05</b>	2.05	2.05	<b>11.60</b>	7.26	(3.07)

## B Summarised Performance in respect of Joint Ventures

₹ in Crores

Particulars	Arya Omnitalk Radio Trunking Services Private Limited		Arya Omnitalk Wireless Solutions Private Limited		Tommy Hilfiger Arvind Fashions Private Limited		Arvind and Smart Value Homes LLP		Calvin Klein Arvind Fashion Private Limited	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	<b>15.14</b>	13.77	<b>43.96</b>	36.12	<b>157.09</b>	139.52	<b>7.09</b>	21.49	<b>64.57</b>	52.28
Profit and Loss before Tax	<b>1.45</b>	1.64	<b>6.78</b>	5.91	<b>3.27</b>	6.80	<b>(0.56)</b>	(1.16)	<b>(5.46)</b>	(4.38)
Tax Expenses	<b>0.47</b>	0.49	<b>2.20</b>	2.45	<b>1.18</b>	2.40	<b>(0.15)</b>	(0.36)	-	-
Profit/(Loss) after Tax	<b>0.98</b>	1.15	<b>4.58</b>	3.46	<b>2.09</b>	4.40	<b>(0.41)</b>	(0.80)	<b>(5.46)</b>	(4.38)
Other Comprehensive Income	<b>(0.04)</b>	(0.07)	<b>(0.06)</b>	(0.06)	-	-	<b>0.03</b>	(0.01)	-	-
Total Comprehensive Income	<b>0.94</b>	1.08	<b>4.52</b>	3.40	<b>2.09</b>	4.40	<b>(0.38)</b>	(0.81)	<b>(5.46)</b>	(4.38)
Depreciation and Amortisation	<b>0.36</b>	0.35	<b>0.37</b>	0.52	<b>3.51</b>	2.51	<b>0.03</b>	0.06	<b>2.48</b>	2.45
Interest Income	<b>0.48</b>	0.33	<b>0.67</b>	0.34	<b>0.25</b>	0.52	-	-	<b>0.16</b>	0.07
Interest Expenses	<b>0.02</b>	0.02	<b>0.05</b>	0.05	<b>2.33</b>	1.37	-	-	<b>2.30</b>	2.15

## (C) Reconciliation of Net Assets considered for consolidated financial to net asset as per joint ventures financials

₹ in Crores

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Net assets as per Entity's Financials	<b>156.09</b>	151.72	134.10
Add: (Less) Consolidation Adjustments			
Goodwill	<b>88.36</b>	88.36	88.36
Unrealised profit on Group Transactions	<b>(7.21)</b>	(9.08)	(9.74)
Other Adjustments	<b>1.00</b>	0.80	4.72
<b>Net assets as per Consolidated Financials</b>	<b>238.24</b>	231.80	217.44

## (D) Reconciliation of Profit and Loss/OCI considered for consolidated financial to net asset as per joint ventures financials

₹ in Crores

Particulars	2016-17	2015-16
Profit/(Loss) as per Entity's Financials	<b>1.78</b>	3.83
Add: (Less) Consolidation Adjustments	<b>0.13</b>	1.54
<b>Profit and Loss as per Consolidated Financials</b>	<b>1.91</b>	5.37
OCI as per Entity's Financials	<b>(0.07)</b>	(0.14)
Add: (Less) Consolidation Adjustments	<b>(0.01)</b>	0.14
<b>OCI as per Consolidated Financials</b>	<b>(0.08)</b>	-

# Notes to Consolidated Financial Statements

## (D) Interest in Joint Ventures

₹ in Crores

Particulars	As at 31st March, 2017	As at 31st March, 2016
<b>(a) Arya Omnitalk Radio Trunking Services Private Limited</b>		
<b>Interest at 1st April</b>	<b>7.85</b>	7.18
Add: Share of profit for the year	0.98	1.15
Add/(Less): Share of OCI for the year	(0.04)	-
Less: Dividend distributed	(1.21)	(0.65)
Less: Other Adjustments	(0.04)	0.17
<b>Balance as at 31st March</b>	<b>7.54</b>	7.85
<b>(b) Arya Omnitalk Wireless Solutions Private Limited</b>		
<b>Interest at 1st April</b>	<b>17.03</b>	13.01
Add: Share of profit for the year	4.58	3.72
Add/(Less): Share of OCI for the year	(0.06)	-
Less: Other Adjustments	(0.01)	0.30
<b>Balance as at 31st March</b>	<b>21.54</b>	17.03
<b>(c) Tommy Hilfiger Arvind Fashions Private Limited</b>		
<b>Interest at 1st April</b>	<b>49.68</b>	45.29
Add: Share of profit for the year	2.09	4.40
Add/(Less): Share of OCI for the year	-	-
Less: Other Adjustments	-	(0.01)
<b>Balance as at 31st March</b>	<b>51.77</b>	49.68
<b>(d) Arvind and Smart Value Homes LLP</b>		
<b>Interest at 1st April</b>	<b>60.89</b>	61.04
Add: Share of profit for the year	(0.28)	(0.15)
Add/(Less): Share of OCI for the year	0.02	-
Less: Withdrawal of Current Contribution	(3.95)	-
Less: Other Adjustments	0.02	-
<b>Balance as at 31st March</b>	<b>56.70</b>	60.89
<b>(e) Arudrama Developments Private Limited</b>		
<b>Interest at 1st April</b>	<b>2.05</b>	2.05
Add: Share of profit for the year	-	-
Add/(Less): Share of OCI for the year	-	-
Less: Withdrawal of current Contribution	-	-
Less: Other Adjustments	-	-
<b>Balance as at 31st March</b>	<b>2.05</b>	2.05
<b>(f) Calvin Klein Arvind Fashion Private Limited</b>		
<b>Interest at 1st April</b>	<b>94.30</b>	88.87
Add: Share of profit for the year	(5.46)	(3.75)
Add/(Less): Share of OCI for the year	-	-
Less: Increase in Investments (net)	9.80	14.70
Less: Other Adjustments	-	(5.52)
<b>Balance as at 31st March</b>	<b>98.64</b>	94.30
<b>(g) Joint Venture Total</b>		
<b>Interest at 1st April</b>	<b>231.80</b>	217.44
Add: Share of profit for the year	1.91	5.37
Add/(Less): Share of OCI for the year	(0.08)	-
Less: Dividend distributed	(1.21)	(0.65)
Less: Increase in Investments (net)	9.80	14.70
Less: Withdrawal of current Contribution	(3.95)	-
Less: Other Adjustments	(0.03)	(5.06)
<b>Balance as at 31st March</b>	<b>238.24</b>	231.80

## (E) Group's Share in Contingent Liability of Joint Ventures

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
1 Contingent Liability in respect of guarantee given by Bank	6.35	6.63	5.61
2 Disputed Demand in respect of:			
Income Tax	-	0.03	0.08
Sales Tax	0.02	0.02	0.02
Excise Duty	-	1.04	1.04
Service Tax	0.44	0.44	0.44
3 Claims against the Company not acknowledged as debts	0.61	0.61	0.61
4 Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	0.13	0.10

Note: The above figures are considered based on unaudited financial statements of the respective Joint Ventures.

## Notes to Consolidated Financial Statements

Note 51: Disclosures mandated by Schedule III of Companies Act 2013

₹ in Crores

Name of Entities	2016-17							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount (₹ in Crores)	As a % of consolidation net assets	Amount (₹ in Crores)	As a % of consolidation net assets	Amount (₹ in Crores)	As a % of consolidation net assets	Amount (₹ in Crores)
<b>Parent :</b>								
Arvind Llimited	95.22%	3,170.73	85.14%	270.88	76.86%	49.96	83.74%	320.84
<b>Subsidiary :</b>								
<b>- Indian</b>								
The Anup Engineering Limited	5.07%	168.67	10.00%	31.83	(0.05%)	(0.03)	8.30%	31.80
Arvind Lifestyle Brands Limited	15.12%	503.60	8.23%	26.17	(0.78%)	(0.51)	6.70%	25.66
Syntel Telecom Limited	0.03%	0.84	0.41%	1.31	0.00%	-	0.34%	1.31
Arvind Brands and Retail Limited	20.06%	667.90	(78.65%)	(250.21)	33.00%	21.45	(59.71%)	(228.76)
Asman Investments Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Arvind Envisol Limited	0.42%	14.11	3.80%	12.10	(0.35%)	(0.23)	3.10%	11.87
Arvind Internet Limited	0.34%	11.32	(0.03%)	(0.10)	0.00%	-	(0.03%)	(0.10)
Dholka Textile Park Private Limited	0.00%	-	0.03%	0.08	0.00%	-	0.02%	0.08
Arvind Garments Park Private Limited	(0.00%)	(0.08)	0.00%	-	0.00%	-	0.00%	-
Arvind PD Composites Private Limited	0.73%	24.17	1.42%	4.53	0.00%	-	1.18%	4.53
Arvind OG Nonwovens Private Limited	0.87%	29.03	0.71%	2.25	0.00%	-	0.59%	2.25
Arvind Goodhill Suit Manufacturing Private Limited	1.14%	37.97	0.75%	2.40	0.31%	0.20	0.68%	2.60
Arvind Beauty Brands Private Limited	1.96%	65.23	(3.15%)	(10.02)	0.15%	0.10	(2.59%)	(9.92)
Arvind Fashions Limited	23.78%	791.84	(1.09%)	(3.47)	(0.14%)	(0.09)	(0.93%)	(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	(0.03%)	(0.87)	0.00%	-	0.00%	-	0.00%	-
<b>- Foreign</b>								
Arvind Worldwide Inc., USA	0.14%	4.71	0.10%	0.31	(0.12%)	(0.08)	0.06%	0.23
Westech Advance Materials Limited	1.11%	36.91	0.78%	2.49	2.49%	1.62	1.07%	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	1.83%	61.03	(3.95%)	(12.58)	(7.68%)	(4.99)	(4.59%)	(17.57)
<b>- LLP</b>								
Maruti Ornet and Infrabuild LLP	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>Sub Total</b>		<b>5,584.10</b>		<b>76.85</b>		<b>67.47</b>		<b>144.32</b>
Inter Company Elimination & Consolidation Adjustments	(67.69%)	(2,254.17)	75.84%	241.30	(3.80%)	(2.47)	62.33%	238.83
<b>Total</b>	<b>100.00%</b>	<b>3,329.93</b>	<b>100.00%</b>	<b>318.15</b>	<b>100.00%</b>	<b>65.00</b>	<b>100.00%</b>	<b>383.15</b>
Non Controlling Interest in Subsidiaries		151.43		(6.22)		(0.01)		(6.23)
<b>Joint Venture (Investment as per Equity method)</b>								
Arya Omnitalk Wireless Solutions Private Limited		21.54		4.58		(0.06)		4.52
Arya Omnitalk Radio Trunking Services Private Limited		7.54		0.98		(0.04)		0.94
Tommy Hilfiger Arvind Fashions Private Limited		51.77		2.09		-		2.09
Calvin Klein Arvind Fashion Private Limited		98.64		(5.46)		-		(5.46)
Arudrama Developments Private Limited		2.05		-		-		-
Arvind and Smart Value Homes LLP		56.70		(0.28)		0.02		(0.26)
<b>Grand Total</b>		<b>3,719.60</b>		<b>313.84</b>		<b>64.91</b>		<b>378.75</b>

# Notes to Consolidated Financial Statements

Disclosures mandated by Schedule III of Companies Act 2013 (Contd.)

₹ in Crores

Name of Entities	2015-16							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount (₹ in Crores)	As a % of consolidation net assets	Amount (₹ in Crores)	As a % of consolidation net assets	Amount (₹ in Crores)	As a % of consolidation net assets	Amount (₹ in Crores)
<b>Parent :</b>								
Arvind Limited	120.57%	2,911.33	103.18%	320.64	2018.68%	36.74	114.33%	357.38
<b>Subsidiary :</b>								
<b>- Indian</b>								
The Anup Engineering Limited	5.67%	136.86	7.54%	23.43	(0.55%)	(0.01)	7.49%	23.42
Arvind Lifestyle Brands Limited	8.27%	199.61	(11.67%)	(36.27)	(39.56%)	(0.72)	(11.83%)	(36.99)
Syntel Telecom Limited	(0.02%)	(0.47)	0.21%	0.65	0.00%	-	0.21%	0.65
Arvind Brands and Retail Limited	30.49%	736.19	(0.39%)	(1.20)	(1835.71%)	(33.41)	(11.07%)	(34.61)
Asman Investments Private Limited	0.00%	-	(0.07%)	(0.23)	0.00%	-	(0.07%)	(0.23)
Arvind Envisol Limited	(0.24%)	(5.76)	4.16%	12.93	0.55%	0.01	4.14%	12.94
Arvind Internet Limited	0.47%	11.42	(1.76%)	(5.48)	0.00%	-	(1.75%)	(5.48)
Dholka Textile Park Private Limited	(0.00%)	(0.08)	0.00%	-	0.00%	-	0.00%	-
Arvind Garments Park Private Limited	(0.00%)	(0.08)	0.00%	-	0.00%	-	0.00%	-
Arvind PD Composites Private Limited	0.73%	17.55	0.18%	0.57	0.00%	-	0.18%	0.57
Arvind OG Nonwovens Private Limited	1.11%	26.79	0.03%	0.08	0.00%	-	0.03%	0.08
Arvind Goodhill Suit Manufacturing Private Limited	1.47%	35.38	0.00%	-	7.14%	0.13	0.04%	0.13
Arvind Beauty Brands Private Limited	1.29%	31.15	(1.24%)	(3.86)	0.00%	-	(1.23%)	(3.86)
<b>- Foreign</b>								
Arvind Worldwide Inc., USA	0.19%	4.48	0.11%	0.33	18.68%	0.34	0.21%	0.67
Westech Advance Materials Limited	1.36%	32.89	0.05%	0.17	59.89%	1.09	0.40%	1.26
Arvind Niloy Exports Private Limited, Bangladesh	(0.04%)	(1.08)	(0.07%)	(0.23)	(7.14%)	(0.13)	(0.12%)	(0.36)
Arvind Textile Mills Limited, Bangladesh	0.04%	0.87	(0.12%)	(0.38)	(1.10%)	(0.02)	(0.13%)	(0.40)
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	0.94%	22.76	(0.43%)	(1.33)	(3.30%)	(0.06)	(0.44%)	(1.39)
<b>- LLP</b>								
Maruti Ornet and Infrabuild LLP	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>Sub Total</b>		<b>4,159.82</b>		<b>309.82</b>		<b>3.96</b>		<b>313.78</b>
Inter Company Elimination & Consolidation Adjustments	(72.28%)	(1,745.22)	0.31%	0.95	(117.58%)	(2.14)	(0.38%)	(1.19)
<b>Total</b>	<b>100.00%</b>	<b>2,414.60</b>	<b>100.00%</b>	<b>310.77</b>	<b>100.00%</b>	<b>1.82</b>	<b>100.00%</b>	<b>312.59</b>
Non Controlling Interest in Subsidiaries		55.61		(1.95)		(0.09)		(2.04)
<b>Joint Venture (Investment as per Equity method)</b>								
Arya Omnitalk Wireless Solutions Private Limited		17.03		3.72		-		3.72
Arya Omnitalk Radio Trunking Services Private Limited		7.85		1.15		-		1.15
Tommy Hilfiger Arvind Fashions Private Limited		49.68		4.40		-		4.40
Calvin Klein Arvind Fashion Private Limited		94.30		(3.75)		-		(3.75)
Arudrama Developments Private Limited		2.05		-		-		-
Arvind and Smart Value Homes LLP		60.89		(0.15)		-		(0.15)
<b>Grand Total</b>		<b>2,702.01</b>		<b>314.19</b>		<b>1.73</b>		<b>315.92</b>

## Notes to Consolidated Financial Statements

## Disclosures mandated by Schedule III of Companies Act 2013 (Contd.)

₹ in Crores

Name of Entities	As at 1st April, 2015	
	Net Assets i.e. Total Assets minus Total Liabilities	
	As a % of consolidation net assets	Amount ₹ In Crores
<b>Parent :</b>		
Arvind Limited	123.25%	2,726.47
<b>Subsidiary :</b>		
<b>- Indian</b>		
The Anup Engineering Limited	5.13%	113.44
Arvind Lifestyle Brands Limited	2.33%	51.59
Syntel Telecom Limited	(0.05%)	(1.12)
Arvind Brands and Retail Limited	20.41%	451.43
Asman Investments Private Limited	0.02%	0.41
Arvind Envisol Limited	(0.85%)	(18.70)
Arvind Internet Limited	0.84%	18.50
Dholka Textile Park Private Limited	(0.00%)	(0.08)
Arvind Garments Park Private Limited	(0.00%)	(0.08)
Arvind PD Composites Private Limited	0.65%	14.48
Arvind OG Nonwovens Private Limited	1.00%	22.20
Arvind Goodhill Suit Manufacturing Private Limited	1.23%	27.26
Arvind Infrastructure Groups	1.16%	25.61
<b>- Foreign</b>		
Arvind Worldwide Inc., USA	0.17%	3.81
Arvind Worldwide (M) Inc.	(0.24%)	(5.39)
Arvind Niloy Exports Private Limited, Bangladesh	(0.04%)	(0.78)
Arvind Textile Mills Limited, Bangladesh	0.06%	1.27
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	0.61%	13.59
<b>Sub Total</b>		<b>3,443.91</b>
Inter Company Elimination & Consolidation Adjustments	(55.68%)	(1,231.69)
<b>Total</b>	<b>100.00%</b>	<b>2,212.22</b>
Non Controlling Interest in Subsidiaries		40.22
<b>Joint Venture (Investment as per Equity method)</b>		
Arya Omnitalk Wireless Solutions Private Limited		13.01
Arya Omnitalk Radio Trunking Services Private Limited		7.18
Tommy Hilfiger Arvind Fashions Private Limited		45.29
Calvin Klein Arvind Fashion Private Limited		88.87
Arudrama Developments Private Limited		2.05
Arvind and Smart Value Homes LLP		61.04
<b>Grand Total</b>		<b>2,469.88</b>

# Notes to Consolidated Financial Statements

## Note 52 : Disclosure in respect of Construction / Job work Contracts

Particulars	₹ in Crores	
	Year ended March 31, 2017	Year ended March 31, 2016
Amount of Contract Revenue recognized	13.04	7.40
Disclosure in respect of contracts in progress at the reporting date		
Contract cost incurred and recognised profits less recognised losses up to the reporting date	72.11	68.99
Advance received from customers	1.79	0.55
Amount of Retention	0.30	0.24
Due from customers	7.09	8.12

## Note 53 : Expenditure on Research and Development

The Group has separate In-House Research & Development Centre at Naroda and Santej locations. Both the centres are involved into new product development, new process development etc. and are duly recognised 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 both the Centres are as under:

Particulars	₹ in Crores	
	2016-17	2015-16
<b>Naroda Centre</b>		
Capital Expenditure	1.98	-
Revenue Expenditure	4.56	4.09
<b>Total Expenditure at Naroda Centre</b>	<b>6.54</b>	<b>4.09</b>
<b>Santej Centre</b>		
Capital Expenditure	1.06	8.23
Revenue Expenditure	30.15	20.95
<b>Total Expenditure at Santej Centre</b>	<b>31.21</b>	<b>29.18</b>

## Note 54 : Rounding off

Figures less than ₹ 50,000/- which are required to be shown separately, have been shown as actual in brackets.

## Note 55 : Regrouped, Recast, Reclassified

Figures of the earlier year have been regrouped or reclassified to conform to Ind AS presentation requirements.

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

**CA. N. D. Anklesaria**  
Partner  
Membership No.10250  
Ahmedabad  
May 11, 2017

**For and on behalf of the board of directors of Arvind Limited**

**Sanjay S. Lalbhai**  
Chairman &  
Managing Director  
DIN: 00008329  
Ahmedabad  
May 11, 2017

**Jayesh K. Shah**  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

## FORM AOC - 1

(Persuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## STATEMENT CONTAINING SALIENT 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, 2017	INR	13.60	155.07	219.05	50.38	-	179.35	49.04	17.21	31.83	Nil	93.54%
2	Arvind Internet Limited	March 31, 2017	INR	33.06	(21.74)	11.50	0.18	-	0.00	(0.10)	0.00	(0.10)	Nil	100%
3	Arvind Lifestyle Brands Limited	March 31, 2017	INR	54.40	449.20	1786.08	1282.48	0.02	2558.85	14.09	(12.08)	26.17	Nil	100%
4	Syntel Telecom Limited	March 31, 2017	INR	0.05	0.79	7.28	6.44	-	20.68	1.96	0.65	1.31	Nil	100%
5	Arvind Brands and Retail Limited	March 31, 2017	INR	16.97	652.98	695.53	25.58	29.53	3.22	(243.59)	6.62	(250.21)	Nil	100%
6	Arvind PD Composites Private Limited	March 31, 2017	INR	0.28	23.89	55.29	31.12	-	56.71	2.81	(1.72)	4.53	Nil	51%
7	Arvind Envisol Limited	March 31, 2017	INR	0.21	13.90	84.13	70.02	-	110.18	19.36	7.26	12.10	Nil	100%
8	Arvind Goodhill Suit Manufacturing Private Limited	March 31, 2017	INR	0.84	37.13	105.27	67.30	-	58.37	(2.21)	(4.61)	2.40	Nil	51%
9	Dholka Textile Park Pvt Limited (Formerly Known as Arvind Spinning Park Pvt. Ltd.)	March 31, 2017	INR	0.01	(0.01)	47.64	47.64	-	0.00	0.12	0.04	0.08	Nil	100%
10	Arvind Garments Park Pvt Limited (Formerly Known as Arvind Processing Park Pvt. Ltd.)	March 31, 2017	INR	0.01	(0.09)	31.10	31.18	-	0.00	0.00	0.00	0.00	Nil	100%
11	Arvind OG Nonwovens Pvt. Limited	March 31, 2017	INR	3.13	25.90	66.93	37.90	-	45.12	(0.48)	(2.73)	2.25	Nil	74%
12	Arvind Worldwide Inc. USA	March 31, 2017	1 USD = ₹64.8500	2.19	2.52	28.18	23.47	-	6.27	0.26	(0.05)	0.31	Nil	100%
13	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	March 31, 2017	1 ETB = ₹2.8518	25.47	35.56	68.74	7.71	-	10.87	(12.58)	0.00	(12.58)	Nil	100%
14	Arvind Textile Mills Limited, Bangladesh	March 31, 2017	1 TAKA = ₹0.8051	5.17	(4.68)	0.64	0.15	-	0.15	(0.38)	0.01	(0.39)	Nil	100%
15	Arvind Niloy Exports Pvt. Ltd., Bangladesh	March 31, 2017	1 TAKA = ₹0.8051	0.65	(1.68)	0.22	1.25	-	0.00	(0.01)	0.00	(0.01)	Nil	70%
16	Westech Advanced Materials Limited	March 31, 2017	1 CAN\$ = ₹48.5925	31.63	5.28	44.15	7.24	-	42.48	3.31	0.82	2.49	Nil	51%
17	Arvind Beauty Brands Retail Pvt Ltd	March 31, 2017	INR	6.46	58.77	100.20	34.97	-	93.18	(16.11)	(6.09)	(10.02)	Nil	100%
18	Arvind Fashions Limited (From 29/09/2016)	March 31, 2017	INR	21.74	855.35	1173.42	296.33	85.25	292.69	(5.54)	(2.07)	(3.47)	Nil	89.69%
19	Arvind Ruf & Tuf Private Limited (From 22/07/2016)	March 31, 2017	INR	0.01	(0.72)	6.93	7.64	-	0.92	(0.72)	0.00	(0.72)	Nil	100%
20	Arvind Premium Retail Limited (From 30/03/2017)	March 31, 2017	INR	0.02	(1.79)	9.12	10.89	-	0.00	0.00	0.00	0.00	Nil	51%
21	Arvind True Blue Limited (From 30/03/2017)	March 31, 2017	INR	8.01	(8.88)	14.49	15.36	-	0.00	0.00	0.00	0.00	Nil	87.50%

## Notes

## (A) Investments Exclude Investments in Subsidiaries and LLPs

## (B) The Following Subsidiaries are yet to commence operation :

- [1] Dholka Textile Park Pvt Limited (Formerly Known as Arvind Spinning Park Pvt. Ltd.)  
 [2] Arvind Garments Park Pvt Limited (Formerly Known as Arvind Processing Park Pvt. Ltd.)

## (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

**FORM AOC - 1**

(Persuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES**

**Part “B” : Joint Venture**

₹ in crores

Sr. no.	Particulars	Arya Omnitalk Wireless Solutions Private Limited	Arya Omnitalk Radio Trunking Services Private Limited	Tommy Hilfiger Arvind Fashions Private Limited	Calvin Klein Arvind Fashion Private Limited (Previously known as “Premium Wholesale Garment Private Limited”)	Arudrama Developers Private Limited
		(a)	(b)	(c)	(d)	(e)
1	Latest Audited Balance Sheet Date	31/03/2017	31/03/2017	31/03/2016	31/03/2016	31/03/2016
2	Shares of Joint Ventures held by company on the year end					
	i) Numbar	1,000,000	1,005,000	11,461,839	294,305	50,000
	ii) Amount of Investment in Joint Ventures	1.00	6.01	37.82	105.32	2.05
	iii) Extend of Holding%	50%	50%	50%	49%	50%
3	Description of how there is significant influence	Note A	Note A	Note A	Note A	Note A
4	Reason why the joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Net worth attributable to shareholding as per latest Audited Balance sheet	21.59	7.11	47.74	7.26	2.05
6	Profit/(Loss) for the year					
	i) Considered in Consolidation	4.52	0.94	4.40	(3.75)	-
	ii) Not Considered in Consolidation	-	-	-	(0.63)	-

**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 11, 2017

**Jayesh K. Shah**  
Director &  
Chief Financial Officer  
DIN: 00008349  
Ahmedabad  
May 11, 2017

**R. V. Bhimani**  
Company  
Secretary  
Ahmedabad  
May 11, 2017

## LOCATIONS &amp; SITES FOR THE YEAR 2016-17

## Locations &amp; Sites

Lifestyle Fabrics – Denim Arvind Limited Naroda Road Ahmedabad – 380 025 Gujarat, India Tel: +91-79-30138000/30138181 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: ashish.kumar@arvindexports.com	Lifestyle Apparel – Shirts Arvind Limited # 63/9, Dodda Thogur Village Electronic City, Hosur Road Bangalore-560100, Karnataka, India Tel: +91-80-33717000 E-mail: ashish.kumar@arvindexports.com
Arvind Intex 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 &amp; Joint Ventures

Arvind Lifestyle Brands Limited 8th Floor, Duparc 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 Pvt. Ltd. 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 66KV Electric Sub Station, Odhav Road, Ahmedabad-382415, Gujarat, India Tel: +91-079-22870622, 079-40258920 Fax: +91-079-22870642 E-mail: paresh.shah@anupengg.com	Arvind Envisol Limited Arvind Mill Premises, Naroda Road Ahmedabad – 380 025 Tel: 079-30136019/6038/6039 Fax: 079-30138677 E-mail: dinesh.yadav@arvind.in
Arya Omnitalk Wireless Solutions Private Limited Unit No.202, 2 <sup>nd</sup> Floor, Summer Court, Magarpatta City, Pune – 411 013 Tel: +91-20-26851072, 40118100 Fax: +91-20-26851077 E-mail:manoj.kottil@aryaomnitalk.com	Arvind Fashions Limited 8 <sup>th</sup> Floor, Duparc Trinity, 17, M.G. Road, Bangalore – 560001 Tel: +91-80-40487501	

## Overseas Offices

Arvind Worldwide Inc. 584, Broadway Suite # 801 New York, NY 10012, USA Tel +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	
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**ARVIND LIMITED**

(CIN: L17119GJ1931PLC000093)  
 Regd. Office: Naroda Road, Ahmedabad-380 025.  
 E-mail: 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**

I hereby record my presence at the **86<sup>TH</sup> ANNUAL GENERAL MEETING** of the Company held on Friday, the 4th August, 2017 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

**ARVIND LIMITED**

(CIN: L17119GJ1931PLC000093)  
 Regd. Office: Naroda Road, Ahmedabad-380 025.  
 E-mail: investor@arvind.in Website: www.arvind.com  
 Phone: 079-30138000, Fax: 079-30138668

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

- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- Name: \_\_\_\_\_ Address: \_\_\_\_\_  
 E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
- 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 86th Annual General Meeting of the Company, to be held on the 4th August, 2017 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 *	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of Audited Financial Statements including Consolidated Financial Statements for the financial year 31st March, 2017 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. Jayesh Shah as Director of the Company, liable to retire by rotation.		
4	Ordinary Resolution for appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration Number: 117366W/W-100018), 19th Floor, "Shapath V", S. G. Highway, Ahmedabad - 380 015 as statutory auditors of the Company in place of M/s. Sorab S. Engineers & Co., Chartered Accountants and to fix their remuneration.		

Resolution No.	RESOLUTIONS	Optional *	
<b>Special Business</b>			
5	Ordinary Resolution for Ratification of the remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants for the financial year ending 31 <sup>st</sup> March, 2018.		
6	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.		
7	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.		
8	Special Resolution for approval of offer or invitation to subscribe to Non-convertible Debentures on private placement basis upto ₹ 500 crores.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2017

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 86th 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.

# Fashioning Possibilities



If undelivered, please return to:

**Arvind Limited**

Naroda Road, Ahmedabad - 380 025