

FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Arvind Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Matter of Emphasis
4.	Frequency of observation	Since 2008-2009

For Arvind Limited

Suman Datta
Chairman and Managing Director

Jay
Director & Chief Financial Officer

Deepak
Audit Committee Chairman

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

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



ENRICHING
LIFESTYLES

ARVIND LIMITED

83rd ANNUAL REPORT
2013-2014

Directors

Mr. Sanjay S. Lalbhai	Chairman & Managing Director
Mr. Punit S. Lalbhai	Executive Director
Mr. Kulin S. Lalbhai	Executive Director
Mr. Jayesh K. Shah	Director & Chief Financial Officer
Mr. Sudhir Mehta	Independent Director
Dr. Bakul Dholakia	Independent Director
Ms. Renuka Ramnath	Independent Director
Mr. Dileep C. Choksi	Independent Director
Mr. Vallabh Bhanshali	Independent Director
Mr. Prabhakar Dalal	Nominated by Export-Import Bank of India

Company Secretary

Mr. R.V. Bhimani

Bankers

State Bank of India
Bank of Baroda
UCO Bank
State Bank of Patiala
HDFC Bank Ltd.
Standard Chartered Bank
ICICI Bank Ltd.
Export-Import Bank of India
Axis Bank Ltd.
State Bank of Hyderabad
IDBI Bank Ltd.
Canara Bank

Auditors

Sorab S. Engineer & Co.
Chartered Accountants
Ismail Building
381, Dr. D. Naorji Road
Fort, Mumbai-400 001.

Registered Office

Naroda Road
Ahmedabad - 380025
Gujarat, India.

Corporate Identity Number (CIN)

L17119GJ1931PLC000093

CONTENTS

Notice	1
Directors' Report.....	10
Corporate Governance Report	13
Management Discussion and Analysis	25
Report on Corporate Social Responsibility	30
Auditors' Report	31
Balance Sheet	34
Profit & Loss Account	35
Cash Flow Statement	36
Notes to Financial Statements	38
Consolidated Financial Statements	63
Location & Sites	91

REGISTRARS AND TRANSFER AGENTS

Sharepro Services (India) Private Limited
416-420, 4th Floor, Devnandan Mall
Opp. Sanyas Ashram, Ellisbridge
Ahmedabad -380 006.

Phone Nos.: 079-26582381 to 84

Fax No.: 079-26582385

E-mail: sharepro.ahmedabad@shareproservices.com

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Wednesday, the 30th July, 2014 at 9:30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad- 380 006 to transact the following Business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statements of Accounts for the financial year ended on 31st March, 2014 and the Reports of the Directors and Auditors thereon.
2. To declare a dividend on equity shares.
3. To appoint a Director in place of Mr. Sanjay S. Lalbhai (holding DIN 00008329), who retires by rotation in terms of Article 129 of the Articles of Association of the Company and being eligible, offers himself for reappointment.
4. To appoint M/S Sorab S. Engineers & Co., Chartered Accountants (ICAI Registration No.110417W) as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and authorize the Board to fix their remuneration.

SPECIAL BUSINESS

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Dr. Bakul H. Dholakia (holding DIN 00005754), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019.

6. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Renuka Ramnath (holding DIN 00147182), Director of the Company whose period of office is liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st July, 2019.

7. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with

Schedule IV to the Companies Act, 2013, Mr. Dileep C. Choksi (holding DIN 00016322) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 11th May, 2019 and that his office as Independent Director shall not be subject to retirement by rotation.

8. 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 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vallabh Bhansali (holding DIN 00184775) in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 11th May, 2019 and that his office as Independent Director shall not be subject to retirement by rotation.

9. 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 and 203 and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956), the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Jayesh K. Shah (holding DIN 00008349) as Wholtime Director and Chief Financial Officer of the Company for a period of five years from 1st October, 2014 to 30th September, 2019 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 & Remuneration Committee and as set out in the Explanatory Statement annexed hereto.

RESOLVED FURTHER THAT the Board of Directors and the Nomination & 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 (corresponding to Schedule XIII to the Companies Act, 1956), as may be agreed to by the Board of Directors and Mr. Jayesh K. Shah.

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

RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on 30th September, 2006 with respect to the borrowing powers of the Board of Directors, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the "Act"), or

any statutory modification or re-enactment thereof, to the Board of Directors, borrowing moneys (apart from temporary loans from time to time obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time deem necessary, provided that the sum or sums so borrowed and remaining outstanding at any one time shall not exceed in the aggregate ₹ 5,000 Crores (Rupees five thousand crores only).

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

RESOLVED THAT in supersession of the resolution passed by the Company at the Annual General Meeting held on 30th September, 2006 with respect to mortgaging and/or charging by the Board of Directors, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), or any statutory modification or re-enactment thereof, to the Board of Directors to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties, present and future, pertaining to anyone or more of the Company's Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the Company, with the right to take over the management and concern of the undertaking(s) whose properties are agreed to be mortgaged and/or charged in certain events, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial Assistance lent, granted and advances or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding ₹ 5,000 Crores in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said term loans, debentures or other financial instruments or assistance.

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

12. 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 94, other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any amendment thereto or enactment thereof for the time being in force), consent of the Company be and is hereby accorded to keep the Register and Index of Members,

Register and Index of Debenture Holders and copies of all Annual Returns under Section 92 of the Companies Act, 2013 together with the copies of certificates and documents required to be annexed thereto or any other documents as may be required, at the office of the Registrar and Share Transfer Agent of the Company viz. Sharepro Services (India) Pvt. Ltd., 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006 or any other its office or place within the Ahmedabad city, instead of the Registered Office of the Company.

RESOLVED FURTHER THAT the Board of Directors or any Committee thereof of the Company be and are hereby authorized to do all such things and take all such actions as may be required from time to time for giving effect to the above resolution and matters related thereto.

13. 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 14 and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the manner following:

After Article 149, the following new article 149A be inserted:

Powers to appoint Director of the Company as Chairperson as well as the Managing Director or Chief Executive Officer at the same time.

"149A- Subject to provisions of the Companies Act, 2013, the Directors or the Company in General Meeting, may from time to time, appoint any Director as the chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time and remove him or her from the office and appoint another Director in his or her place."

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

RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors, Kiran J. Mehta & Co., Cost Accountants, Ahmedabad, appointed by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company in respect of textiles and telecommunication products for the financial year ending March 31, 2015, on a remuneration of ₹3.75 lacs plus service tax and out of pocket expenses, be and is hereby ratified.

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

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

Resolved not to fill for the time being the vacancy caused by the retirement of Mr. Sudhir Mehta, Director, who retires by rotation at the Annual General Meeting and does not seek re-appointment.

Registered Office:
Naroda Road
Ahmedabad-380025

Date: May 15, 2014

By Order of the Board

SANJAY S. LALBHAI
CHAIRMAN & MANAGING DIRECTOR

NOTES

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

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 or any other person or 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 copies 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 to be explained 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 addresses or bank details to the Company or its Registrar and Transfer Agent (RTA) viz. Sharepro Services (India) Pvt. Ltd., Unit: Arvind Limited, 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad – 380 006. Those holding shares in dematerialized form may intimate any change in their addresses 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 26th July, 2014 to Wednesday, the 30th July, 2014 (both days inclusive).
8. The dividend on equity shares for the year 31st March, 2014, if declared at the meeting, will be paid / dispatched on due date to those members whose names appear on the Company's Register of Members on 30th July, 2014 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 25th July, 2014.
9. Pursuant to Section 125 of the Companies Act, 2013 corresponding to Section 205A of the Companies Act, 1956, all unclaimed dividends up to the financial year ended 31st March, 1998 and for the financial

years 2004-05 and 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 1998-99 to 2003-04. Unclaimed and unpaid dividend for the financial year 2011-12 will be transferred to this fund in the month of November, 2019. Those members who have so far not encashed their dividend warrants for the financial year 2011-12 are requested to approach the Company or RTA for payment thereof. Kindly note that once unclaimed and unpaid dividend is transferred to the Investor Education and Protection Fund, members will have to approach 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 up to 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, 2014 is uploaded on the Company's website www.arvind.com and may be accessed by the members.
12. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms 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 2013-14 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-14 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(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies 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. **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 2013-14 to enable them to cast their votes through e-voting.

Registered Office:
Naroda Road
Ahmedabad-380 025

By Order of the Board

SANJAY S. LALBHAI
CHAIRMAN & MANAGING DIRECTOR

Date: May 15, 2014

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

Item No. 5

Dr. Bakul H. Dholakia is a Non-Executive-Independent Director of the Company. He joined the Board of Directors of the Company in July, 2010. Dr. Bakul H. Dholakia is a member of the Nomination and Remuneration Committee, Investors' Grievance Committee and Audit Committee of the

Board of Directors of the Company. His appointment as director is subject to retirement by rotation.

Dr. Bakul H. Dholakia is a Gold Medalist from Baroda University and he has a Doctorate in Economics. He has 41 years of professional experience including 33 years at IIM, Ahmedabad. He has been a consultant to various

national and international organizations. He was awarded many awards including Padma Shri by the Government of India in recognition of his distinguished services in the field of education in 2007, Bharat Asmita National Award for his contribution to management education and teaching by the Hon'ble Chief Justice of India in 2008 etc.

In 2005, Dr. Bakul Dholakia was rated as one of the most powerful personalities of Gujarat by two separate mediagroups. Global Associations of Business Schools have also honoured Dr. Bakul Dholakia for his sterling contribution in the field of management education. The Global Foundation for Management Education (GFME), jointly formed by the Associations of American and European Business Schools, has nominated Dr. Bakul Dholakia as a Member of the Board of GFME representing Asia. Dr. Dholakia has been a Board Member of Reserve Bank of India, Western Area Board from 1993 to 2001. He was appointed as the Chairman of the National Board of Accreditation for Technical Education in India. Over the last two decades, Dr. Dholakia has worked on numerous government committees. He has also been a member of the Jury for various Corporate Excellence Awards and Selection Committees for CEOs. Dr. Dholakia is the author of 12 books. Currently, Dr. Dholakia is leading the educational initiatives of Adani Group.

He is holding 16,855 equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Dr. Bakul Dholakia are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Ashima Limited	- Audit Committee - Remuneration Committee	Chairman Chairman
2	Ashima Dyecot Limited	- Audit Committee - Remuneration Committee	Chairman Chairman
3	L&T Power I/C	-	-

Dr. Bakul H. Dholakia is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Bakul H. Dholakia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st July, 2019. A notice has been received from a member proposing Dr. Bakul H. Dholakia as a candidate for the office of Director of the Company.

In the opinion of the Board, Dr. Bakul H. Dholakia fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. Bakul H. Dholakia as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Bakul H. Dholakia as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Bakul H. Dholakia as an Independent Director, for the approval by the shareholders of the Company.

Except Dr. Bakul H. Dholakia, being an appointee, none of the Directors and

Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 6

Ms. Renuka Ramnath is a Non-Executive-Independent Director of the Company. She joined the Board of Directors of the Company in October, 2010. Her appointment as director is subject to retirement by rotation.

Ms. Renuka Ramnath is the Founder and Managing Director of Multiples Alternate Asset Management Pvt. Ltd., Which seeks to manage circa \$450 million of Indian and International capital.

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.

Ms. Renuka Ramnath led ICICI Venture to become India's largest private equity fund whilst transforming the firm from a bank's investment arm to a traditional blue-chip private equity fund managing substantial amounts of third party capital – both domestic and international. All four funds raised by her (aggregating to US\$1.5 billion) have been the then largest domestic funds raised in the Indian market.

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) and in the Top 25 Non Bank Women in Finance (US Banker's global list).

She is not holding any equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Ms. Renuka Ramnath are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Multiple Alternate Asset Management Pvt. Ltd.	-	-
2	Multiples Equity Fund Trustee Private Limited	-	-
3	Shri Nath G Corporate Management Services Private Limited	-	-
4	Indian Energy Exchange Limited	-	-
5	Mogae Media Private Limited	-	-
6	PVR Limited	-	-
7	Cinemax India Limited	-	-
8	B2R Technologies Private Limited	-	-
9	Air India Limited	-	-

Ms. Renuka Ramnath is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Renuka Ramnath being eligible and offering herself for appointment, is proposed

to be appointed as an Independent Director for five consecutive years for a term upto 31st July, 2019. A notice has been received from a member proposing Ms. Renuka Ramnath as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms. Renuka Ramnath fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Ms. Renuka Ramnath as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Ms. Renuka Ramnath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Ms. Renuka Ramnath as an Independent Director, for the approval by the shareholders of the Company.

Except Ms. Renuka Ramnath, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 7

Pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and subject to the approval of shareholders of the Company, Mr. Dileep C. Choksi was appointed as an Independent Director of the Company by the Directors w.e.f 12th May, 2013 to hold the office for five consecutive years up to 11th May, 2019. A notice has been received from a member proposing Mr. Dileep C. Choksi as a candidate for the office of Director of the Company.

Mr. Dileep C. Choksi is a Chartered Accountant by profession and has been in practice for over 35 years. He is also qualified as a Lawyer and a Cost Accountant. Mr. Choksi's areas of specialization include tax advisory and litigation, the structuring of collaborations and joint ventures, executive advisory and decision support and corporate restructuring with a focus on start-up, 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 began his career with C.C. Chokshi & Co., and was the Firm's Managing Partner and Joint Managing Partner of Deloitte in India till 2008, before the setting up of C.C. Chokshi Advisors Pvt. Ltd. of which Mr. Choksi is the Chief Mentor. C. C. Chokshi Advisors aims to provide complete solutions for all business needs, including accounting, legal, tax and trustee and executor services through strategic alliances.

Mr. Choksi is on the Board of various companies like Hexaware Technologies Limited, ICICI Bank Limited, ICICI Home Finance Company Limited, ICICI Lombard General Insurance Company Limited and Lupin Limited. He is also a member of the Investment Committee of Aditya Birla Real Estate Fund and an Independent Advisor of the Investment Committee of Knight Frank India Portfolio Advisory Service. He has also served as director on the Board of State Bank of India.

Mr. Choksi was also on the Advisory Board of foreign banks as well as Ex-

Chairman of Banque Nationale De Paris, Bombay.

Mr. Choksi was a trustee of Child Relief and You (CRY), an organization that is dedicated to the education and welfare of underprivileged children. He is a passionate rider and a sports enthusiast.

Mr. Choksi enjoys teaching when his professional commitments allow and has contributed various papers on mergers and acquisitions, valuation of business enterprises, company law, and taxation. 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) by late Mr. N.A. Palkhivala and Mr. B.A. Palkhivala.

He is not holding any equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Mr. Dileep Choksi are as under:

Sr. No.	Name of Company in which holding Directorship	Name of the Committee	Committee Membership
1	ICICI Lombard General Insurance Co. Ltd.	- Audit Committee - Nomination & Remuneration Committee	Chairman Member
2	ICICI Home Finance Co. Ltd.	- Audit & Risk Management Committee - Nomination & Remuneration Committee - Corporate Social Responsibility Committee	Chairman Chairman Member
3	Lupin Limited	- Audit Committee	Member
4	ICICI Bank Limited	- Audit Committee - Fraud Monitoring Committee - Risk Committee	Member Member Member
5	Haxaware Technologies Limited	- Audit, Governance & Compliance Committee - Banking, Investments, Operations and Forex Committee - Shareholders/ Investor Grievance Committee - Special Committee for Internal Automation	Chairman Member Member Member
6	AIA Engineering Limited	- Audit Committee	Member

In the opinion of the Board, Mr. Dileep Choksi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment

as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Dileep Choksi as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Dileep Choksi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Dileep Choksi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Dileep Choksi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No.8

Pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and subject to the approval of shareholders of the Company, Mr. Vallabh Bhanshali was appointed as an Independent Director of the Company by the Directors w.e.f 12th May, 2013 to hold the office for five consecutive years up to 11th May, 2019. A notice has been received from a member proposing Mr. Vallabh Bhanshali as a candidate for the office of Director of the Company.

Mr. Vallabh Bhanshali is the Chairman and co-founder of Enam Securities Pvt. Ltd. – a very reputed home grown investment Banking and investor groups of India.

Recently, ENAM merged its investment banking business with Axis Bank, India's third largest private sector bank.

Under the leadership of Mr. Bhanshali, ENAM had been involved in some of the most innovative and pioneering Capital Market and advisory transactions in the country. ENAM played a significant role in the development of leading business houses such as Infosys, Reliance, Sterlite, Zee, etc. and public/joint sector companies such as NTPC, PTC, PFC, PGCIL, etc. ENAM had one of the largest retail and institutional networks and is often credited with pioneering equity research in the country. ENAM and its founders are amongst the longest term investors in the country. ENAM had been voted the “best domestic equity house” several times in surveys by leading media.

Mr. Bhanshali has a degree in law and is also a Chartered Accountant. He is a keen student of India's spiritual and cultural traditions and modern subjects such as development economics, behavioral science, communication, etc. He is a keen Vipassana meditator.

A man of many parts he is a much sought after speaker and contributor in diverse fields. Amongst other positions he is the Trustee and former chairman of the Global Vipassana Foundation, a founder director of FLAME – India's newest and innovative liberal arts university and member of SEBI's Primary Market Advisory Committee. He was also a Trustee of the Bombay Stock Exchange.

Some time back he anchored a much acclaimed and popular TV show focused on reviving voluntarism and patriotic feeling amongst the countrymen — Kaun Hai Bharat Bhagya Vidhata.

He is not holding any equity shares of the Company and is not related to any Director of the Company.

The details of Directorships, Memberships/Chairmanships of Committees of Other Companies held by Mr. Vallabh Bhanshali are as under:

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Enam Financial Consultants Private Limited	-	-
2	Bhanshali Stock Brokers Private Limited	-	-
3	Indore Composite Private Limited	-	-
4	Enam Securities Private Limited	-	-
5	Foundation for Liberal and Management Education	-	-
6	Diamond India Limited	-	-
7	Suroop Fresh Private Limited	-	-
8	Survatra Technologies Private Limited	-	-
9	Enam Investment Services Private Limited	-	-

In the opinion of the Board, Mr. Vallabh Bhanshali fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Vallabh Bhanshali as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Vallabh Bhanshali as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vallabh Bhanshali as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Vallabh Bhanshali, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 9

Resolution under Item No. 9 of the Notice relates to the reappointment of Mr. Jayesh K. Shah as Wholetime Director and Chief Financial Officer of the Company for a further period of five years from 1st October, 2014 to 30th September, 2019 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 15th May, 2014, had recommended the reappointment of Mr. Jayesh K. Shah as Wholetime Director and Chief Financial Officer of the Company and terms of remuneration payable to him for a further period of five years from 1st October, 2014 to 30th September, 2019. The Board of Directors, at its meeting held on 15th May, 2014, had approved the same. The Nomination and Remuneration Committee and the Board of Directors of the Company are of the opinion that he is fit and proper person to hold the said office and his reappointment will be in the interest of the Company.

The material terms of remuneration of Mr. Jayesh K. Shah effective from 1st October, 2014 to 30th September, 2019 as approved by both Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 15th May, 2014 are as under:

Remuneration:

(a) Basic Salary:

₹ 4,77,500 (Rupees Four lacs seventy seven thousand five hundred 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 lacs only) per month.

(b) Perquisites and Allowances:

In addition to salary, the following perquisites / allowances shall be allowed to the whole time Director & Chief Financial Officer:

CATEGORY – A

(i) Housing:

The Company shall provide furnished accommodation to the Wholetime Director& Chief Financial Officer. If the Wholetime Director& Chief Financial Officer 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 Wholetime Director& Chief Financial Officer at the entire cost of the Company. The Company shall reimburse the expenses of maintenance, electricity, servants etc.

(ii) Other Allowances:

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

(iii) Personal Accident Insurance:

The Company shall pay / reimburse Personal Accident Insurance Premium upto ₹25,000 for the Wholetime Director& Chief Financial Officer.

(iv) Club Fees:

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

The aggregate value of perquisites for (i) to (iv) 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.

(v) Medical Reimbursement:

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

CATEGORY – B

(i) 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.

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

(iii) 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 Wholetime Director& Chief Financial Officer at the entire cost of the Company.

CATEGORY – D

The Wholetime Director and Chief Financial Officer 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 over all limits of remuneration prescribed under Sections 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 Wholetime Director & Chief Financial Officer, 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 abovementioned 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 resolution at Item No. 9 is put before the members as a Special Resolution.

As required under Schedule V to the Companies Act, 2013, the relevant details for Item No. 9 to be sent alongwith 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 31.03.2014)

Particulars	₹ in Crores
Sales & Other Income	4775.48
EBIDTA	878.94
Net Profit	361.39

- 6 Foreign investments or collaborators, if any: Not Applicable.

II. Information about the appointee

- 1 Background details :

Mr. Jayesh K. Shah, a commerce graduate and Chartered Accountant has been in employment with the Company since 1st July, 1993 and prior to his employment with the Company he was associated with group companies for seven years.

- 2 Past remuneration:

Particulars	FY. 13-14	FY. 12-13
Salary	52,37,100	47,61,000
Perquisites/allowances	1,13,16,555	2,15,48,924
Commission/Bonus	2,10,00,000	40,00,000
Total	3,75,53,655	3,03,09,924

Note: Remuneration includes contribution to Provident Fund and Superannuation.

- 3 Recognition or awards: ----

- 4 Job profile and his suitability:

Mr. Jayesh K. Shah has been appointed as the Wholetime Director and Chief Financial Officer of the Company and he will carry out such duties as may be entrusted to him by the Chairman and Managing Director but subject to supervision and control of Board of Directors, from time to time.

Taking into consideration his qualifications and expertise in the relevant fields, he is suited for the responsibilities assigned to him 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 profile of Mr. Jayesh K. Shah, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid to him 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. Jayesh K. Shah does not have any pecuniary relationship with the Company and its managerial personnel.

3. Expected increase in productivity and profits in measurable terms: N.A.

In view of the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 9 of the accompanying Notice for the approval of the Members.

The Draft of Agreement to be entered into between the Company and Mr. Jayesh K. Shah for remuneration is available for inspection by the shareholders at the Registered Office of the Company during business hours on any working day.

Since the resolution at Item No. 9 relates to payment of remuneration to Mr. Jayesh K. Shah, he is deemed to be concerned or interested in the said resolution. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Item No. 10

The Company, at its Annual General Meeting held on 30th September, 2006 (AGM), authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 to borrow for the purpose of the Company moneys in excess of the paid-up capital of the Company and its free reserves provided the sum or sums so borrowed and remaining outstanding at any point of time shall not exceed ₹ 3,000 Crores.

However, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such borrowing powers only with the approval of Members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit from ₹3000 crores to ₹5000 crores. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

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

Item No. 11

The Company, at its Annual General Meeting held on 30th September, 2006 (AGM), authorized the Board of Directors of the Company by way of Ordinary Resolution under Section 293(1)(a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of the lenders to secure the financial assistance not exceeding ₹3,000 crores as mentioned in the above Resolution.

However, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (the 'Act'), since notified, the Board can exercise such power to create mortgage and/or charge on the immovable and movable properties of the Company, only with the approval of Members of the Company by way of Special Resolution. Keeping in view the company's business requirements and growth plans, it is considered to increase the said borrowing limit from ₹3000 crores to ₹5000 crores. The resolution is accordingly recommended for approval as a Special Resolution under the Act.

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

Item No. 12

As required under the provisions of Section 94 the Companies Act, 2013,

III. Other Information:

- Reasons of loss or inadequate profits: N.A.
- Steps taken or proposed to be taken for improvement: N.A.

certain documents such as the Register of Members, Index of Members and certain other registers, certificates, documents etc., are required to be kept at the registered office of the Company. However, these documents can be kept at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside, if approved by a Special Resolution passed at a general meeting of the Company.

Accordingly, the approval of the members is sought in terms of Section 94(1) of the Companies Act, 2013, for keeping the aforementioned registers and documents at the office of the Registrar and Transfer Agent ("RTA"), Sharepro Services (India) Pvt. Ltd., 416-420, 4th Floor, Devnandan Mall, Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006 or any other its office or place within the Ahmedabad city.

A copy of the proposed resolution is being forwarded in advance to the Registrar of Companies, Gujarat, Ahmedabad, as required under the said Section 94 (1) of the Companies Act, 2013.

The Directors recommend the said resolution proposed vide Item No. 12 to be passed as Special Resolution by the members.

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

Item No. 13

There was no restriction in the Companies Act, 1956 with respect to appointment of Chairperson as well as the Managing Director or Chief Executive Officer at the same time. So the Company has been appointing Mr. Sanjay S. Lalbhai as the Chairman and Managing Director of the Company. The Ministry of Corporate Affairs (MCA) has introduced the new Companies Act, 2013 and as per the provisions of Section 203 of the Companies Act, 2013, an individual cannot be appointed as the chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time, unless articles of the Company provides for such appointment. As the existing Articles of Association does not provide the said provision, it is proposed to amend the Articles of Association of the Company by inserting new Article 149A as stated in the resolution after Article 149 to comply with the provisions of the said Section of the Companies Act, 2013. Hence, the Directors commend this resolution for your acceptance. None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the said resolution.

A copy of the Articles of Association of the Company is open for inspection of the members at the Registered Office of the Company during business hours on any working day.

Item No. 14

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 and telecommunication products for the financial year ending March 31, 2015 at a remuneration of ₹3.75 lacs plus service tax and out of pocket expenses.

In accordance with the provisions of Section 148 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. 14 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2015. None of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 14 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 14 of the Notice for approval by the shareholders.

Item No. 15

Mr. Sudhir Mehta is a Non-Executive (Independent) Director of the Company. He joined the Board of Directors of the Company in October, 2005. Mr. Sudhir Mehta retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956 and does not seek re-appointment owing to his preoccupations and other busy schedules. Accordingly, Mr. Sudhir Mehta retires at this Annual General Meeting and the Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

No director, key managerial personnel or their relatives, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 15 for approval of the members.

Registered Office:
Naroda Road
Ahmedabad-380 025

Date: May 15, 2014

By Order of the Board

SANJAY S. LALBHAI
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Annual Report along with the Audited Financial Statements for the period from 1st April, 2013 to 31st March, 2014.

1. FINANCIAL RESULTS

Highlights of Financial Results for the year are as under:

₹ in Crores

	2013-2014	2012-2013
Turnover & Operating Income	4775.48	3780.29
Profit before Finance Costs, Depreciation and Amortisation Expenses, Extraordinary Items & Tax Expenses	878.94	680.15
Less : Finance costs	296.44	268.44
Profit before Depreciation and Amortisation Expenses, Extraordinary Items & Tax Expenses	582.50	411.71
Less : Depreciation and Amortisation Expenses	157.51	150.49
Profit before Extraordinary Items and Tax Expenses	424.99	261.22
Less : Exceptional Items	16.40	0.00
Profit Before Tax	408.59	261.22
Less : Current Tax	86.30	53.79
Less : Deferred Tax	47.20	0.00
Add: MAT Credit Entitlement	(86.30)	(53.79)
Profit for the year	361.39	261.22
Balance of Profit brought forward	991.07	799.67
Balance available for appropriation	1352.46	1060.89
Less : Appropriation :		
Transfer to General Reserve	36.15	20.00
Proposed Dividend on Equity Shares	60.67	42.58
Tax on Dividend	10.31	7.24
Closing Balance	1245.33	991.07

2. OPERATIONS

The macroeconomic scenario during the year under review was characterized by world economy continuing its downward trend on growth; as world economy further decelerated growth rate to 3.0% in 2013 compared to 3.2% in 2012. India's economy showed some signs of recovery, albeit slow, in FY 2013-14. India's GDP growth rate moderately increased to 4.9%, as compared to 4.5% in FY 2012-13. This was accompanied by some easing in the inflation rate. However, high interest rates, a depreciated currency and uncertainty due to general elections have led to deceleration in the economic recovery. Particularly, performance of industry sector was lacklustre last year, owing to high interest cost and low investment. In the backdrop of above macro-economic scenario, the performance of your Company is highly encouraging. Your Company has closed the financial year 2013-14 with 26% growth in sales and 29% growth in Operating Earnings before Interest, Depreciation and Taxes. (Operating EBITDA). PBT (excluding Exceptional Income) has shown a growth of 63% compared to the previous year.

Your Company has achieved the growth across all business segments. The Revenue from Denim has increased by 22% (17% increase, ignoring the loss of volume on account of strike in the previous year). As a result of expansion in capacity and increase in price, the Woven Business registered a growth of 29% in Revenue, Voiles Business registered a growth of 21%, Knits Business registered a growth of 48% and Garments Business registered a growth of 27%.

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 are pleased to recommend a dividend of ₹ 2.35 per equity share of ₹10 each.

4. FINANCE

The Company has repaid the installments of Term Loans amounting to ₹228 crores during the current year.

The Company has also made fresh borrowings of ₹447 Crores for funding capital expenditure and other requirements. Long Term Debt of the Company stands to ₹1322 crores as on 31st March, 2014.

5. 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. At present 66,680 options granted at an exercise price of ₹73.70 per option pursuant to the Scheme are outstanding. The details as per the requirements of SEBI Guidelines are annexed and form part of this report.

6. SUBSIDIARIES

A detailed discussion on certain subsidiary companies and their performance during the year is contained in the Management Discussion and Analysis Report which forms part of this Report.

Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, the Company has prepared Consolidated Financial Statements of the Company and its subsidiaries are included in the Annual Report.

7. DIRECTORS

Mr. Munesh Khanna resigned from the Board of Directors of the Company with effect from 15th April, 2014. Your Directors take this opportunity to express their deep sense of appreciation for the valuable services rendered by Mr. Munesh Khanna during his tenure as a Director.

Pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, read with Schedule IV to the Companies Act, 2013, your Directors appointed Mr. Vallabh Bhanshali and Mr. Dileep C. Choksi as Independent Directors of the Company to hold office for a period of five years with effect from 12th May, 2014, subject to approval by the members in the ensuing Annual General Meeting and their office as Independent Director shall not be subject to retirement by rotation. Details of the proposal for appointment of Mr. Vallabh Bhanshali and Mr. Dileep C. Choksi are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the ensuing Annual General Meeting.

Pursuant to provisions of Sections 149, 150, 152 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, your Directors are seeking appointment of Dr. Bakul Dholakia and Ms. Renuka Ramnath as Independent Directors of the Company for five consecutive years, for a term upto 31st July, 2019. Details of the proposal for appointment of Dr. Bakul Dholakia and Ms. Renuka Ramnath are mentioned in the Explanatory Statement under Section 102 of the Companies Act, 2013 of the Notice of the ensuing Annual General Meeting.

Mr. Sudhir Mehta, Director of the Company, retires by rotation at the ensuing Annual General Meeting and does not seek re-appointment owing to his preoccupations and other busy schedules. Accordingly, Mr. Sudhir Mehta retires at this Annual General Meeting and the Board has decided not to fill, for the time being, the vacancy caused due to his retirement.

Mr. Sanjay Lalbhai shall retire at the forthcoming Annual General Meeting of the Company and being eligible offers himself for re-appointment.

8. CORPORATE GOVERNANCE

Your Company is committed to the tenets of good Corporate Governance and has taken adequate steps to ensure that the requirements of Corporate Governance as laid down in Clause 49 of the Listing Agreement are complied with.

A separate report on Corporate Governance and a Management Discussion and Analysis Report are being published as a part of the Annual Report of the Company.

The Auditors of the Company have certified that conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement are complied by the Company and their Certificate is annexed to the Report on Corporate Governance.

9. RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed. There are no material departures from the applicable accounting standards;
2. such accounting policies have been selected and applied consistently and such judgments and estimates have been made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on 31st March, 2014 and of the profit of the Company for that period;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the

assets of the Company and for preventing and detecting fraud and other irregularities; and

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

10. FIXED DEPOSITS

The Company has not accepted or renewed any deposits during the year. There are no outstanding and overdue deposits as at 31st March, 2014.

11. INFORMATION REGARDING CONSERVATION OF ENERGY ETC. AND EMPLOYEES

Information required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, forms part of this report. However, as per the provisions of Section 219 (1)(b) (iv), the report and accounts are being sent to all shareholders of the Company excluding the information relating to conservation of energy, technology absorption and foreign exchange earning and outgo and the statement of particulars of employees. Any shareholder interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Secretary for a copy.

12. AUDITORS

The Auditors, Sorab S. Engineer & Co., retire and offer themselves for re-appointment. It is proposed that Sorab S. Engineer & Co., be re-appointed as auditors of the Company. You are requested to appoint the auditors and fix their remuneration.

13. ACKNOWLEDGEMENT

Your Directors would like to appreciate the efforts of the Company's employees for their continued co-operation and unstinted support extended to the company. The support of all lenders including Financial Institutions, Commercial Banks, Overseas Banks and vendors and buyers has also been invaluable to the Company's performance and your Directors take this opportunity to appreciate it deeply.

By Order of the Board

Date: May 15, 2014
Place: Ahmedabad.

Sanjay S. Lalbhai
Chairman and Managing Director

Annexure to the Directors' Report

Disclosures under Clause 12.1 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999:

1	Number of Options granted - ESOS 2008 Tranche-II	2,00,000 options
2	Pricing Formula	Market Price as defined under SEBI guidelines.
3	Number of Options vested	2,00,000
4	Number of Options exercised	1,33,320
5	Total number of shares arising out of exercise of Options	1,33,320
6	Number of Options lapsed	NIL
7	Variation in the terms of the Options	No variations made.
8	Money realized by exercise of Options	₹ 98,25,684/-
9	Total number of Options in force	66,680 options.
10	Employee wise details of options granted to -	
a	Senior Management Personnel	Nil
b	Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	Nil
c	Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
11	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 - Earnings Per Share	₹ 14.00
12	Where the company has calculated the employee compensation cost using the intrinsic value of the stock 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 profits and on EPS of the company shall also be disclosed.	<p>Company accounts for options under the intrinsic value method. Since options are granted at market price, the intrinsic value is Nil.</p> <p>However, if fair value of the options (computed using the Black Scholes Option Pricing Model) was to be used for calculating the accounting value of the option, the compensation cost would have been ₹ 9.44 lacs and the profits would have been lesser by ₹ 9.44 lacs.</p> <p>Basic and diluted EPS would have reduced to ₹ 14.00 and ₹ 14.00 respectively.</p>
13a	Weighted average exercise prices for options whose exercise price - i. equals market price ii. exceeds market price iii. is less than market price	<p>₹ 73.70</p> <p>Nil</p> <p>Nil</p>
13b	Weighted fair values for options whose exercise price - i. equals market price ii. exceeds market price iii. is less than market price	<p>₹ 38.18</p> <p>Nil</p> <p>Nil</p>
14	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted-average information:- i. risk free rate ii. expected life iii. expected volatility iv. expected dividends and v. the price of the underlying share in the market at the time of option grant.	<p>Black Scholes Option Pricing Model. The assumptions are as under -</p> <p>7.65%</p> <p>4.53 years</p> <p>62.19%</p> <p>0.00%</p> <p>₹ 73.70</p>

CORPORATE GOVERNANCE REPORT

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. When in doubt, disclose.
- 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, 5 out of 9, are independent members. Given below is the report on Corporate Governance at Arvind.

BOARD OF DIRECTORS

Composition of the Board

The Board has 9 Directors, comprising of Chairman and Managing Director, Director and Chief Financial Officer, 2 Executive Directors and 5 Non-Executive Directors. The Non-Executive Directors who are also Independent Directors are leading professionals from varied fields who bring in independent judgment to the Board's discussions and deliberations. The following is the Composition of the Board as at 31st March, 2014:

Sr. No.	Name of Director	Executive/Non-executive/Independent	No. of other Directorships in Public Limited Companies	No. of other Board/ Committees of which Member / Chairman
1	Mr. Sanjay S. Lalbhai	Executive-Chairman & Managing Director	4	-
2	Mr. Punit S. Lalbhai	Executive-Director	2	-
3	Mr. Kulin S. Lalbhai	Executive-Director	2	-
4	Mr. Jayesh K. Shah	Executive-Director and Chief Financial Officer	7	-
5	Mr. Sudhir Mehta	Non-executive-Independent Director	4	4 as Chairman
6	Dr. Bakul Dholakia	Non-executive-Independent Director	2	4 as Chairman
7	Mr. Munesh Khanna*	Non-executive-Independent Director	N.A.	N.A.
8	Ms. Renuka Ramnath	Non-executive-Independent Director	4	-
9	Mr. Prabhakar Dalal	Non-executive-Independent & Nominee Director of EXIM Bank of India	2	-

* Mr. Munesh Khanna, a Non-Executive, Independent Director has ceased to be a director with effect from 15th April, 2014

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 4-5 working days in advance. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions. An indicative list of the information placed before the Board during the year is as under:

- Annual Budgets and updates thereon.
- Capital Expenditure Proposals and review of their implementation.
- Quarterly and Annual Results.
- Product-wise Business Performance.
- Business Presentations covering Production, Marketing, Raw Materials, Sales, etc.
- New Projects and Joint Ventures.
- Sales of Material Nature of Investments, Subsidiaries, Assets, etc. which are not in the normal course of business.
- Performance of Subsidiaries.
- Business Restructuring.
- Legal Proceedings involving the Company.

- Minutes of Meetings of Audit Committee, Management Committee, Remuneration Committee and Investors' Grievance Committee.
- Materially Important Show Cause Notices, Non-Compliances, if any, etc.
- Other relevant information pertaining to the Company including information detailed in Clause 49 of the Listing Agreement.

Meetings and Attendance

During the year, the Board of Directors met 4 times on 16th May, 2013, 29th July, 2013, 24th October, 2013 & 30th January, 2014. The gap between two Board Meetings was within the maximum time gap prescribed in Clause 49 of the Listing Agreement. 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	4	4	Yes
2	Mr. Punit S. Lalbhai	4	4	Yes
3	Mr. Kulin S. Lalbhai	4	4	Yes
4	Mr. Jayesh K. Shah	4	4	Yes
5	Mr. Sudhir Mehta	4	4	Yes
6	Dr. Bakul Dholakia	4	4	Yes
7	Mr. Munesh Khanna*	4	3	Yes
8	Ms. Renuka Ramnath	4	4	No
9	Mr. Prabhakar Dalal	4	4	Yes

* Mr. Munesh Khanna, a Non-Executive, Independent Director has ceased to be a director with effect from 15th April, 2014

Committees of the Board

The Board of Directors has constituted 4 Committees of the Board viz.

- Audit Committee
- Remuneration Committee
- Investors' Grievance Committee and
- Management 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.

1. Audit Committee

The Audit Committee of the Company comprises of 3 members, all of whom are Non-Executive-Independent Directors. Mr. Munesh Khanna, 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 Director and Chief Financial Officer and representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

Role

The terms of reference of the Audit Committee are as under:

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. Recommending to the Board the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment of statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
 - (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, performance of statutory and internal auditors, adequacy of the internal control systems.
7. 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.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. 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.
10. 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.
11. 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.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i) : The terms “related party transactions” shall have the same meaning as contained in the Accounting Standard 18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

Explanation (ii) : If the Company has set up an Audit Committee pursuant to provision of the Companies Act, the said Audit Committee shall have such additional functions/ features as is contained in this clause.

14. Management Discussion and Analysis of financial condition and results of operations.
15. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
16. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
17. Internal audit reports relating to internal control weaknesses; and
18. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
19. To look into any other matter which may be referred to it by the Board.
20. In addition to the above, the Committee shall have such functions/ role/ powers as may be specified in the Companies Act, Listing Agreement with Stock Exchanges or any other applicable law.

Meetings and Attendance

During the year, 4 Audit Committee Meetings were held on 16th May, 2013, 29th July, 2013, 24th October, 2013 & 30th January, 2014. The Attendance of Members at meetings 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	Mr. Munesh Khanna+	Chairman	4	3
2	Dr. Bakul Dholakia	Member	4	4
3	Mr. Prabhakar Dalal*	Member	4	4

+ Mr. Munesh Khanna, a Non-Executive, Independent Director ceased to be a Chairman of the committee with effect from 15th April, 2014.

* On 24th October, 2013, the Board of Director of the Company, has appointed Mr. Prabhakar Dalal as a chairman of the Audit Committee because of in absence of Mr. Munesh Khanna.

2. Remuneration Committee

The Board of Directors of the Company has constituted a Remuneration Committee consisting of 3 Directors, all of whom are Non-Executive-Independent Directors. The Remuneration Committee met once during the year.

Role

The terms of reference of the Remuneration Committee are as under:

1. To frame company's policies for compensation and benefits for Executive Directors.
2. To Review and recommend compensation payable to the Executive Directors.
3. To administer and supervise Employee Stock Option Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS.
4. To Review HR Policies and initiatives.

Meetings and Attendance

During the year, 1 Meetings was held on 16th May, 2013. The Attendance of Members at meeting was as under:

Sr. No.	Name	Position	Number of Meeting/s held during the year	Number of Meeting/s attended
1	Mr. Sudhir Mehta	Chairman	1	1
2	Mr. Munesh Khanna*	Member	1	1
3	Dr. Bakul Dholakia	Member	1	1

* Mr. Munesh Khanna, a Non-Executive, Independent Director has ceased to be a Chairman with effect from 15th April, 2014.

Remuneration of Directors

Remuneration of Executive Directors is recommended by the 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 respective meetings held on 9th May, 2012 and shareholders at their Annual General Meeting held on 28th September, 2012 have approved remuneration payable to Mr. Sanjay S. Lalbhai, Chairman and Managing Director of the Company for a period from 1st January, 2013 to 31st 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 respective meetings held on 20th May, 2011 and shareholders at their Annual General Meeting held on 30th September, 2011 have approved remuneration payable to Mr. Jayesh K. Shah, Whole-time Director with designation of Director and Chief Financial Officer of the Company for a period of three years from 1st October, 2011 to 30th September, 2014. 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 respective meetings held on 26th July, 2012 and shareholders at their Annual General Meeting held on 28th 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 1st August, 2012 to 31st July, 2017. The Company has entered into agreements with them laying down their 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 were 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 not exceeding 1% of the net profits of the Company per annum for each year for a period of 5 years commencing from 1st April, 2010.

Within the above limit, Executive Directors and Non-Executive Directors have been paid commission for the year 2013-14 as under:

Sr. No.	Name of Director	Salary ₹	Perquisites & Allowances ₹	Sitting Fees ₹	Commission/ Bonus ₹
1	Mr. Sanjay S. Lalbhai	8250000	18919722	-	42100000
2	Mr. Punit S. Lalbhai	1800000	4144914	-	4000000
3	Mr. Kulin S. Lalbhai	1800000	4088413	-	4000000
4	Mr. Jayesh K. Shah	5237100	11316555	-	21000000
5	Mr. Sudhir Mehta	-	-	80000	650000
6	Dr. Bakul Dholakia	-	-	120000	750000
7	Mr. Munesh Khanna	-	-	70000	750000
8	Ms. Renuka Ramnath	-	-	40000	550000
9	Mr. Prabhakar Dalal	-	-	80000	750000

3. Investors' Grievance Committee

The Investors' Grievance Committee has 4 Members comprising of 2 Non-Executive Directors and 2 Executive Directors.

Role

The terms of reference of the Investors' Grievance Committee are as under:

- To specifically look into the redressal of Investors' Grievances pertaining to:
 - Transfer of Shares and Debentures.
 - Dividends, Interests and Redemption Proceeds of Debentures.
 - Dematerialisation of Shares and Debentures.
 - Replacement of Lost, Stolen, Mutilated Share and Debenture Certificates.
 - Non-receipt of Rights, Bonus, Split Share Certificates.
- To look into other related issues towards strengthening Investors' Relations.
- To consider and approve issuance of Share/Debenture Certificates including Duplicate Share/ Debenture Certificates.
- 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.

Meetings and Attendance

During the year, 3 Investors' Grievance Committee Meetings were held on 29th July, 2013, 24th October, 2013 & 30th January, 2014. The Attendance of Members at meetings was under:

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

4. Management Committee

The Management Committee consists of 2 Directors, all of whom are Executive Directors. The Management Committee met 21 times during the year.

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.

Meetings and Attendance

During the year, 21 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	21	21
2	Mr. Jayesh K. Shah	Member	21	21

MANAGEMENT DISCUSSION AND ANALYSIS

This is given as a separate chapter in the Annual Report.

BRIEF RESUME OF DIRECTORS SEEKING RE-APPOINTMENT/ APPOINTMENT

Information required under Clause 49 IV (G) of the Listing Agreement with respect to the Directors retiring by rotation and seeking reappointment / Directors sought to be appointed is as under:-

At the ensuing Annual General Meeting, Mr. Sanjay S. Lalbhai, Director of the Company, retires by rotation and being eligible seeks re-appointment. Brief profile of the above Director along with particulars of his directorships and committee memberships is as under:

Mr. Sanjay S. Lalbhai (Chairman and Managing Director)

Mr. Sanjay S. Lalbhai, 59 years, is the Chairman and Managing Director of the Company. He is a Science Graduate with a Master's degree in Business Management and has been associated with the Company for more than 35 years. He also holds directorships in Arvind Lifestyle Brands Limited, Arvind Brands & Retail Limited, Amol Decalite Limited, Adani Ports & Special Economic Zones Limited, Arvind Worldwide Inc., USA, Arvind Worldwide (M) Inc., Arvind Overseas (M) Ltd. Arvind Spinning Limited, Mauritius and Arvind Textile Mills Limited, Bangladesh.

He is holding 20,00,152 equity shares of the Company and is not related to any Director of the Company.

Sr. No.	Name of the Company in which holding Directorship	Name of the Committee	Committee Membership
1	Amol Dicalite Limited	-	-
2	Animesh Holdings Private Limited	-	-
3	Arvind Lifestyle Brands Limited	-	-
4	Arvind Brands & Retail Limited	-	-
5	Adani Ports And Special Economic Zone Limited	-	-

Mr. Sudhir U. Mehta (Non-executive and Independent Director)

Mr. Sudhir Mehta, Director of the Company, retires by rotation at the ensuing Annual General Meeting and does not seek re-appointment during to his preoccupations and other busy schedules. Accordingly, Mr. Sudhir Mehta retires at this Annual General Meeting and the Board has decided not to fill, for the time being the vacancy caused due to his retirement.

Prevention of Insider Trading

In accordance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Board has adopted the following codes:

- **Arvind Code for Prevention of Insider Trading** - Under this code, obligations are cast upon Directors and Officers to preserve Price Sensitive Information, which is likely to have a bearing on share price of the Company. Procedures are prescribed to ensure that such information is not misused for any personal advantage. The Head (Legal & Secretarial) has been appointed as the Compliance Officer for monitoring implementation of the Code across the Company.

- **Arvind Code of Corporate Disclosures** - This code lays down principles and procedures with the objective of ensuring that the Price Sensitive Information related to the Company is handled in prescribed manner. Adequate disclosure of such information is sought to be made to the Public through Stock Exchanges, Press, Media and the Arvind web-site in a timely manner to enable the investors to take informed investment decisions with regard to the Company's Securities. The Director and Chief Financial Officer has been appointed as the Company's Public Spokesperson under this Code.
- **Code of Conduct for Directors and Senior Management Personnel**- In terms of para no. I - D of Clause 49 of the Listing Agreement, 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.

Investors may write to the Company's Secretarial Department for a copy of these Codes.

Disclosures

- Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the Company at large :
Transactions with related parties are disclosed in detail in Note No. 39 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.
- Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or other authority on any matter related to capital markets, during last three years: Nil.
- Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49:
The Company has complied with the mandatory requirements relating to strengthening the responsibilities of Audit Committee, improving the quality of financial disclosures, including related party transactions, calling upon Company Board to adopt formal code of conduct, clearly setting out the position of nominee directors and improving disclosure relating to the compensation paid to non-executive directors and securing the approval of shareholders for this compensation, setting the procedure for legal compliance and periodical review by the Board.

SHAREHOLDERS' INFORMATION

1. Name and Designation of Compliance Officer:

Ramnik V. Bhimani Company Secretary Arvind Limited	Bharti Parikh Sharepro Services (India) Pvt. Ltd. Registrars & Transfer Agents
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2. Details of Complaints / Queries received and redressed during 1st April, 2013 to 31st March, 2014:

Sr. No.	Particulars of Complaints / Queries	Received	Redressed	Pending as on 31.3.2014
1	Non receipt of Share Certificates	Nil	Nil	Nil
2	Non receipt of Dividend/Interest Warrants	32	32	Nil
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.	7	7	Nil
	Total	39	39	Nil

3. Share Transfer Details for the period from 1st April, 2013 to 31st March, 2014:

	Transactions	Physical	Demat	Total
1	Number of Transfers	774	1868	2642
2	Average Number of Transfers per month	65	156	221
3	Number of Shares Transferred	39491	148742	188233
4	Average Number of shares Transferred per month	3291	12395	15686
5	No. of Pending Share Transfers	Nil	Nil	Nil

4. Investors' Grievances:

The Registrars and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Ms. Bharti Parikh of Sharepro Services (India) Pvt. Ltd. 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 Investors' Grievance Committee, all matters pertaining to investors including their grievances and redressal are reported.

5. Information on General Body Meetings:

(i) The last 3 Annual General Meetings of the Company were held as under:

Date	Time	Venue
29 th July, 2013	09:30 a.m.	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006
28 th September, 2012	10.00 a.m.	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006
30 th September, 2011	10.30 a.m.	Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad-380006

(ii) Special Resolutions passed at the last 3 Annual General Meetings:

2012-13

No Special Resolutions were passed at the AGM held on 29th July, 2013.

2011-12

1. Appointment of Mr. Punit S. Lalbhai as Executive Director of the Company and approval of overall limit of remuneration payable to him for a period from 1st August, 2012 to 31st July, 2017.
2. Appointment of Mr. Kulin S. Lalbhai as Executive Director of the Company and approval of overall limit of remuneration payable to him for a period from 1st August, 2012 to 31st July, 2017.
3. Approval of terms of reappointment of Mr. Sanjay S. Lalbhai as Chairman and Managing Director of the Company and approval of the overall limit of remuneration payable to him for a period from 1st January, 2013 to 31st March, 2017.
4. Approval of the appointment of Mr. Darshil Shah as Manager - Business Development in Arvind Infrastructure Limited, a subsidiary of the Company, under Section 314 of the Companies Act, 1956.

2010-11

1. Approval of terms of reappointment and remuneration of Mr. Jayesh K. Shah as Whole-time Director with the designation of Director and Chief Financial Officer of the Company for a further period of three years from 1st October, 2011 to 30th September, 2014.
2. Alteration of the Main Object Clause of Memorandum of Association of the Company so as to include the object of Real Estate Business.
3. Commencement of new business of Real Estate.
4. Further Issue of Equity Shares or Securities convertible into Equity Shares for an amount not exceeding ₹ 300 Crores.

(iii) No resolutions were passed through Postal Ballot during the previous year.

(iv) During last 3 years, there were no Extra Ordinary General Meeting held.

6. Means of communication

- i The Quarterly 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.
- ii 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.
- iii Presentations made to institutional investors/analysts are posted on the Company's web site at www.arvind.com

7. Annual General Meeting:

Date	30 th July, 2014
Time	9.30 a.m.
Venue	Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad - 380 006

8. Financial Calendar:

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

First quarter results	:	By end of July, 2014
Second quarter results	:	By end of October, 2014
Third quarter results	:	By end of January, 2015
Fourth quarter results/Year end results	:	By end of May, 2015

9. Book Closure : Saturday, the 26th July, 2014 to Wednesday, the 30th July, 2014 (Both Days inclusive).

10. Dividend payment Date : 4th August, 2014

11. Listing on Stock Exchanges: Shares of the Company are listed on the following Stock Exchanges.

Sr. No.	Name of the Stock Exchange	Code	Address
1	Ahmedabad Stock Exchange Ltd. (Regional Stock Exchange)	05090	Kamdhenu Complex, Opp. Sahajanand College, Panjarapole, Ahmedabad-380 015
2	Bombay Stock Exchange Ltd.	500101	Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
3	National Stock Exchange of India Ltd.	ARVIND	Exchange Plaza, 5 th Floor, Plot No.C/1, G. Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051
4	The Luxembourg Stock Exchange (Listing of GDRs)		35A Boulevard Joseph II, L-1840 - Luxembourg.

The Company has paid Annual Listing Fees for the year 2013-2014 to the above Stock Exchanges.

12. Market Price Data:

The data on price of equity shares of the Company are as under:

High, Low during each month in last financial year and performance in comparison to broad-based indices such as BSE (Sensex) and NSE (Nifty):

Month	Share price BSE		BSE Sensex		Volumes	Share price NSE		NSE (NIFTY)		Volumes
	High (₹)	Low (₹)	High	Low	No of shares	High (₹)	Low (₹)	High	Low	No of shares
Apr-13	86.45	73.95	19,622.68	18,144.22	62,14,672	86.30	74.15	5962.30	5910.95	2,08,49,022
May-13	84.75	74.75	20,443.62	19,451.26	52,08,593	84.80	74.65	6229.45	5910.95	2,52,38,654
Jun-13	88.00	74.70	19,860.19	18,467.16	51,21,897	88.00	74.15	6011.00	5566.25	2,73,84,214
Jul-13	80.90	70.15	20,351.06	19,126.82	55,54,098	81.05	70.10	6093.35	5675.75	2,52,97,663
Aug-13	80.40	65.00	19,569.20	17,448.71	51,48,927	80.40	64.90	5808.50	5118.85	2,18,93,155
Sep-13	85.80	77.55	20,739.69	18,166.17	26,02,803	85.90	77.45	6142.50	5318.90	1,43,67,150
Oct-13	110.00	77.50	21,205.44	19,264.72	90,41,353	110.15	77.50	6309.05	5700.95	4,11,82,387
Nov-13	130.20	104.75	21,321.53	20,137.67	96,06,001	130.40	104.40	6342.95	5972.45	4,36,15,680
Dec-13	139.80	119.00	21,483.74	20,568.70	74,53,922	140.00	119.00	6415.25	6129.95	4,54,77,871
Jan-14	156.50	136.00	21,409.66	20,343.78	1,71,47,633	156.50	136.00	6358.30	6027.25	8,65,80,517
Feb-14	158.45	134.80	21,140.51	19,963.12	59,23,132	158.50	134.80	6282.70	5933.30	4,74,75,353
Mar-14	175.15	139.00	22,467.21	20,920.98	70,96,829	175.50	139.50	6730.05	6212.25	5,72,35,341

13. Registrars and Transfer Agents:

Sharepro Services (India) Pvt. Ltd.
416-420, 4th Floor, Devnandan Mall,
Opp. Sanyas Ashram, Ellisbridge, Ahmedabad - 380 006
Contact Person: Ms. Bharti Parikh
Phone Nos.: 079-26582381 to 84 Fax No. : 079-26582385
E-mail: sharepro.ahmedabad@shareproservices.com

14. 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.

For expediting physical transfers, the Board has delegated share transfer formalities to certain officers of the Company 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.

15. Shareholding Pattern as on 31st March, 2014:

Sr. No.	Category	No. of shares held	Percentage of Shareholding
	Holding of Promoter Group ('Group' as per MRTP Act, 1969)		
1	Individuals:		
	Sanjaybhai Shrenikbhai Lalbhai	2000152	0.77%
	Samvegbhai Arvindbhai Lalbhai	216576	0.08%
	Shrenikbhai Kasturbhai Lalbhai	1580	0.00%
	Relatives of above Individuals*	123498	0.05%
2	Major Bodies Corporate and Trusts:		
	Aura Securities Private Limited	95790590	37.10%
	Sanjay Family Trust	100	0.00%
	AML Employees' Welfare Trust	6327317	2.45%
	Amplus Capital Advisors Pvt. Ltd.	0	0.00%
	Anagram Knowledge Academy Limited	0	0.00%
	Anukul Investments Private Limited	0	0.00%
	Aura Merchandise Pvt. Ltd.	0	0.00%
	Lalbhai Realty Finance Private Limited	0	0.00%
	Shruti Trade Link Pvt. Ltd.	0	0.00%
	Adore Investments Private Limited	132296	0.05%
	Aeon Investments Private Limited	427874	0.17%
	Amardeep Holdings Private Limited	94250	0.04%
	Amazon Investments Private Limited	1792158	0.69%
	Anshuman Holdings Private Limited	0	0.00%
	Aayojan Investment Pvt. Ltd	0	0.00%
	Aayojan Resources Pvt. Ltd	84505	0.03%
	Acropolis Investment Pvt. Ltd	0	0.00%
	Active Investment Pvt. Ltd	0	0.00%
	Adhigam Investments Pvt. Ltd.	0	0.00%
	Adhinami Investment Pvt. Ltd	1000	0.00%
	Agrimore Limited	110000	0.04%
	Akshita Holdings Pvt. Limited	136	0.00%
	Alligator Investment Pvt. Ltd	0	0.00%
	Amal Limited	0	0.00%
	Ameer Trading Corporation Limited	0	0.00%
	Anchor Adhesives Private Limited	0	0.00%
	Anubhav Investments Private Limited	0	0.00%
	Atul Bioscience Limited	0	0.00%
	Atul Limited	4127471	1.60%
	Gujarat Synthwood Limited	0	0.00%
	Osia Enterprises Pvt. Ltd	0	0.00%
	Rudolf Atul Chemicals Limited	0	0.00%
	Suvidha Dairy Pvt. Ltd	0	0.00%
	Suvikash Trading Pvt. Ltd	0	0.00%
	Aagam Holdings Private Limited	1876258	0.73%
	Total Promoter Group holding	113105761	43.81%
3	Mutual Funds and UTI	20027918	7.76%
4	Banks, Financial Institutions, Central/State Government & Insurance Companies	16705306	6.47%
5	Foreign Institutional Investors, NRIs /OCBs, Foreign Banks	60195157	23.32%
6	GDR	435572	0.17%
7	Private Corporate Bodies	8291728	3.21%
8	Indian Public	36964468	14.32%
9	Trusts	2020	0.00%
10	Clearing Members	2448459	0.95%
	Total Non-Promoter holding	145070628	56.19%
	GRAND TOTAL	258176389	100.00%

* The names of 'Relatives of above Individuals' are as per disclosures made as on 31st March, 2014 under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

• **Distribution of shareholding as on 31st March, 2014:**

	PHYSICAL MODE		ELECTRONIC MODE		TOTAL		TOTAL	
No. of Shares	No. of Holders	No. of Shares	No. of Holders	No. of Shares	No. of Holders	%	No. of Shares	%
1-500	75421	3055793	101629	12483952	177050	94.23	15539745	6.02
501-1000	329	229847	5741	4609792	6070	3.23	4839639	1.88
1001-2000	104	138437	2359	3565791	2463	1.31	3704228	1.43
2001-3000	17	41651	769	1974209	786	0.42	2015860	0.78
3001-4000	9	32344	314	1122974	323	0.17	1155318	0.44
4001-5000	11	49877	298	1411249	309	0.16	1461126	0.57
5001-10000	3	21889	400	2980735	403	0.21	3002624	1.16
10001-20000	3	45010	172	2527800	175	0.09	2572810	1.00
Above 20000	2	122016	303	223763023	305	0.16	223885039	86.72
TOTAL	75899	3736864	111985	254439525	187884	100.00	258176389	100.00

16. Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31st March, 2014, 25,44,39,525 shares representing 98.55% 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 : INE034AO1011

17. Outstanding GDRs / ADRs / Warrants or any convertible instruments and conversion date and likely impact on equity:

As on 31st March, 2014, 4,35,572 GDRs (previous year 4,54,272) are outstanding. Each GDR represents one underlying equity share.

18. Plant Locations:

- Lifestyle Fabrics-Denim, Naroda Road, Ahmedabad - 380 025, Gujarat.
- Lifestyle Fabrics - Voiles, Ankur Textiles, Outside Raipur Gate, Ahmedabad - 380 022, Gujarat.
- Lifestyle Fabrics-Shirting, Khakis & Knitwear, Santej, PO Khatrej, Taluka Kalol, Dist. Gandhinagar-382721, Gujarat.
- Lifestyle Apparel-Knits, Santej, PO Khatrej, Taluka Kalol, Dist. Gandhinagar - 382 721, Gujarat.
- Lifestyle Apparel-Jeans, # 26/2, 27/2, Kenchenahalli, Mysore Road, Near Bangalore University, Bangalore-560 059.
- Lifestyle Apparel-Shirts, # 23/1, Sonnenahalli Village, Sitarampalya Cross, ITPL Road, Brookfield, Mahadevpura Post, Bangalore - 560048.
- Lifestyle Apparel-Shirts, # 63/9, Doddathogur Village, Electronic City Post, Bangalore - 560100.
- Arvind Intex, Rajpur Road, Gomtipur, Ahmedabad - 380 021, Gujarat.
- Arvind Polycot, Khatrej, Taluka Kalol, Dist. Gandhinagar- 382 721, Gujarat.
- Arvind Cotspin, D-64, MIDC, Gokul Shirgaon, Tal. Karveer, Kolhapur - 416 234, Maharashtra.

19. Unclaimed Dividend:

- (1) Pursuant to Section 205A of the Companies Act, 1956, unclaimed dividends up to 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 up to 1993-94 are requested to claim the amounts from the Registrar of Companies, Gujarat, ROC Bhavan, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013 in the prescribed form. Investors may write to the Secretarial Department of the Company or the Registrars and Transfer Agents for a copy of the form.
- (2) Pursuant to the provisions of Section 205A (5) of the Companies Act, 1956, 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 th September, 2012	3 rd November, 2019
2012-13	29 th July, 2013	3 rd September, 2020

* 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 Registrars and Transfer Agents, Sharepro Services (India) Pvt. Ltd. for payment of unclaimed dividend amount.

20. 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 109A of the Companies Act, 1956 are requested to submit the prescribed Form 2B for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form.

21. Address for correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents 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	Sharepro Services (India) Pvt. Ltd. Registrars and Transfer Agents 416-420, 4 th Floor, Devnandan Mall, Opp.Sanyas Ashram, Ellisbridge, Ahmedabad-380 006 Contact Person: Ms. Bharti Parikh Phone Nos.: 079-26582381-84 Fax No.: 079-26582381-84 e-mail: sharepro.ahmedabad@shareproservices.com
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THE COMPANY HAS COMPLIED WITH THE FOLLOWING NON-MANDATORY REQUIREMENTS

Whistle Blower Policy:

In October, 2013, the Board adopted the Whistleblower Policy that adopts global best practices. We have established a mechanism which provides a framework and avenue for all directors, employees, business associates and all other stakeholders which are a part of the business ecosystem of the company for reporting instances of unethical/improper conduct in good faith of the company and commitment in adhering to the standards of ethical, moral and fair business practices. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairman of the Whistleblower Committee.

The above Report was placed before the Board at its meeting held on 15th May, 2014 and the same was approved.

For and on behalf of the Board

Place : Ahmedabad

Date : May 15, 2014

SANJAY S. LALBHAI
Chairman & Managing Director

Compliance of conditions of Corporate Governance

To the Members of Arvind Limited

We have examined the compliance of conditions of Corporate Governance by ARVIND LIMITED for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions 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 conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

CA. N. D. Anklesaria
Partner

Ahmedabad
May 15, 2014

Membership No. 10250

CEO / CFO CERTIFICATION

The Board of Directors
Arvind Limited
Ahmedabad.

Re : Financial Statements for the year 2013-14 – Certification by CEO and CFO

We, Sanjay S. Lalbhai, Chairman & Managing Director and Jayesh K. Shah, Director & Chief Financial Officer of Arvind Limited, on the basis of review of the financial statements and the cash flow statement for the financial year ending 31st March, 2014 and to the best of our knowledge and belief, hereby certify that:

1. These statements do not contain any materially untrue statements or omit any material fact or contains 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;
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct;
4. We accept responsibility for establishing and maintaining internal controls, we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to rectify these deficiencies;
5. We further certify that :
 - (a) there have been no significant changes in internal control during this year;
 - (b) there have been no significant changes in accounting policies during this year;
 - (c) there have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems.

Ahmedabad
May 15, 2014

Sanjay S. Lalbhai
Chairman & Managing Director

Jayesh K. Shah
Director & CFO

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE 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.

I confirm that the Company has in respect of the Financial Year ended 31st March, 2014, received from the Members of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct as applicable to them.

Ahmedabad
May 15, 2014

Sanjay S. Lalbhai
Chairman & Managing Director

MANAGEMENT DISCUSSION & 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

In 2013, world economy continued its downward trend on growth; as world economy further decelerated growth rate to 3.0% in 2013 compared to 3.2% in 2012. India’s economy showed some signs of recovery, albeit slow, in FY 2013-14. India’s GDP growth rate moderately increased to 4.9%, as compared to 4.5% in FY 2012-13. This was accompanied by some easing in the inflation rate. However, high interest rates, a depreciated currency and uncertainty due to general elections have led to deceleration in the economic recovery. Particularly, performance of industry sector was lacklustre last year, owing to high interest cost and low investment.

In August last year, currency depreciated to all-time low against US\$ (₹ 68.80 per US\$). Depreciated currency, coupled with improvement in global demand particularly in the EU and the U.S., led to increase in exports growth. Total exports from India, in Rupee terms, grew by 15.8% in FY13-14 compared to last FY. This helped reduce trade deficit by 27% in this year compared to last year.

Looking ahead, the outlook for FY 2014-15 appears optimistic. Though last year started on a dismal note, the improvement in economic performance in the later half is likely to continue the momentum. While a lot will depend on the measures announced after formation of new government; resurgence in exports, reduction in inflation & deficits (trade, current and fiscal), along with global economic revival are likely to add impetus to the economy.

In FY 2014-15, India is likely to accelerate GDP growth rate to 5.5%-6.0%. The increase in growth rate is expected to be contributed majorly by the industrial sector, estimated to grow at 4% next year (up from ~1% in last FY). Unlogging of domestic policy logjam as well as improvement in private consumption demand is likely to drive the growth. Particularly, merchandise exports are expected to grow by 8%-10% in the next fiscal year, driven by global growth prospects. Though addressing supply-side constraints (e.g. in mining, power, and steel sectors) will be the key to continue this momentum and achieve the increase in growth rate.

Despite the modest expectations in the short term, the prospects of long-term growth in India remain immensely strong. India’s growth model is domestic consumption-led. With level of consumption much higher than other Asian tigers (e.g. China) and quite close to developed economies (e.g. Japan), consumption is an important engine of India’s growth. Increasing consumption by burgeoning middle-class of India, along with the rising

share of discretionary spend, will create a huge market opportunity for companies who have strong position in India.

Indian Textile Industry

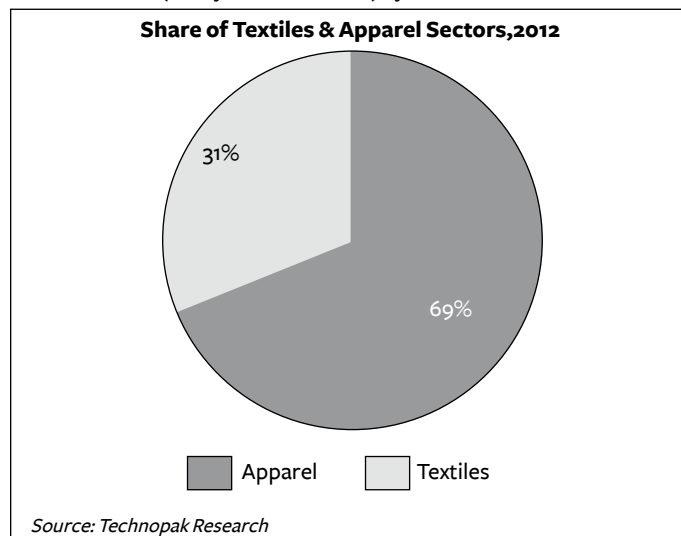
India is the world’s second largest producer of textiles and garments, with a massive and diverse raw material base. Due to this, Indian Textile Industry is not only of paramount importance to the national economy, it also has an influential presence in global market.

In India, textile & clothing industry contributes nearly 4% of India’s GDP, 12% of total industrial production and 11% of total exports of goods. Textile Industry provides direct employment to 35 million and indirect employment to 45 million, which makes it the 2nd largest employment provider in the country after Agriculture.

Globally, India has the 2nd largest textile manufacturing capacity, in terms of spindles and looms. India is the 4th largest exporter of textiles & clothing products to the world, with a share of 4.4% in the global trade. Over last 10 years, exports of textiles & clothing products from India have grown at more than 11% p.a., which increased the share in global trade from 3% to 4.4% between 2003 and 2012.

Indian textiles industry has a strong presence across the value chain. The fundamental strength of this industry flows from its strong production base of wide range of fibres /yarns from natural fibres like cotton, jute, silk and wool to synthetic /man-made fibres like polyester, viscose, nylon and acrylic. Globally, India is the largest producer of Jute fibre, and 2nd largest producer of cotton, silk, cellulosic and synthetic fibres.

The Indian textile industry is set for strong growth, buoyed by both strong domestic consumption as well as export demand. The total Indian textile industry size, including readymade garments, was estimated to be ₹4.7 lakh Crores (nearly USD 87 Bn) in 2012, of which apparel had a share of 69% of the overall market and textiles contributed the remaining 31%. The sector is projected to grow over the next 10 years at a CAGR of 9-10%, to reach ₹10 lakh Crores (nearly USD 200 billion) by 2020.



The exports of textile and clothing products, accounts for about 35% of the total textiles sector in India. Exports will continue to play a pivotal role in driving future growth of this sector. Global trade in textiles and clothing is expected to see a strong growth, from current US\$ 750 Bn in 2012 to reach nearly US\$ 1,150 by 2020. This will create an incremental global demand

of US\$ 400 Bn primarily driven by the increasing global consumption, continued shift of production base from developed to developing economies and also value growth from inflation.

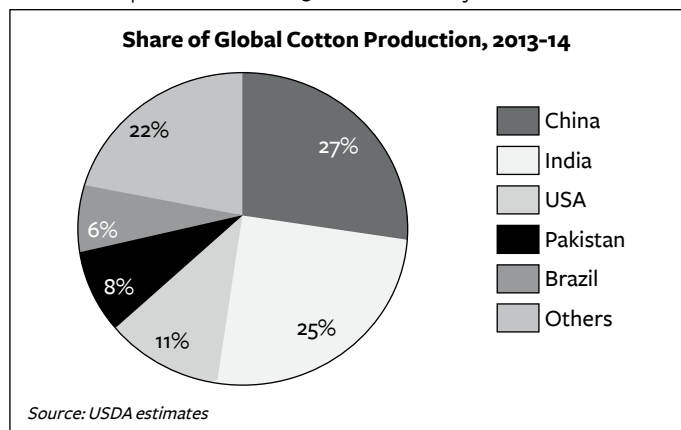


India is poised to be a strong contender to grab a share in the growing pie of global trade. The cost competitiveness of India, as compared to some of the other exporting countries in Asia (e.g. China) has improved over recent years. Availability of key inputs, i.e. abundant supply of fibres, industrial workforce and young demographic are favouring India. These advantages combined with entrepreneurial ability and capability to build infrastructure will be key success factors for India's rise in global trade.

Cotton

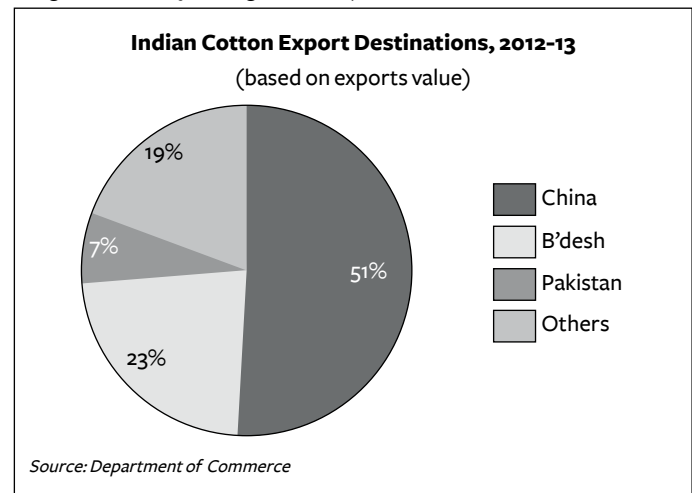
For the current cotton season (Oct '13 to Sep '14), the Cotton Advisory Board has projected cotton production at 375 lakh bales (of 170kgs each) from 116 lakh hectare area. It is estimated that the yields will improve by ~7% this year, compared to the last year when 365 lakh bales production came from 120 lakh hectare area. The exports of cotton are strong this year, and have already crossed 94 lakh bales in first 6 months of Oct-Sep season.

Global production of cotton, as per estimates from International Cotton Advisory Committee, is projected to decline to 25.73 million tons compared to estimated production of 26.83 million tons last year.



India is the second largest producer of cotton, with a small gap from the leader China. India exports about ~90-100 lakh bales (approx. 1/4th of production), mainly to neighbouring countries China, Bangladesh and Pakistan. During 2012-13, the exports to Bangladesh increased significantly by approx. +60% compared to the year 2011-12, driven by growth in

Bangladesh's readymade garment exports.



Outlook on cotton prices this year are expected to be influenced by factors beyond just the production in India. Other factors that are likely to impact prices are – China's policy, global weather and INR exchange rate. The biggest factor is expected to be Chinese policy. If China pushes to get rid of its huge stockpile (~60% of global stock), it could further cut reserve prices and hence limit the demand of imported cotton. This may result in downside on the prices later in the year. On the other hand, US and China reported less than optimal weather conditions in the beginning of the year, which creates some uncertainty towards eventual global production. The weather risk might push the prices on upside. Currency is also expected also play a significant role this year. In the scenario that INR appreciates further against USD, it will put pressure on India's exports of both cotton as well as cotton yarn.

Weak Indian Rupee Making Exports More Competitive

The continued weakness of the Indian rupee against the US dollar has improved India's competitive positioning in the export market. Therefore, should the advantage be maintained, the effect will be positive on the rupee revenue of exporters. However, the benefit would be offset for companies with high important content (including cotton which maintains international price parity), or companies with forex debt. While rupee depreciation is considered good for net foreign exchange earners, if there sharp volatility in currency, it could become very difficult for exporters to, on one hand, hedge the future foreign currency earnings and on the other hand manage foreign currency debt.

Textile Outlook

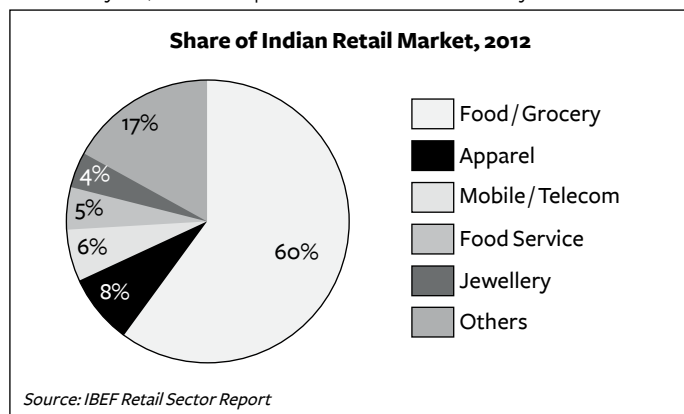
In the mid-long term, the Indian textile industry is expected to grow very strongly with growth being balanced from both domestic consumption as well as exports demand. In the near-term, domestic demand would depend on the revival of the macro-economic factors. On exports front, there are both positive and negative factors. Positive factors include the weak currency and decreasing cost competitiveness of China that are likely to give positive impetus to the Indian exports. At the same time, factors like slowdown and uncertainty in the global markets, volatile foreign exchange rates and increase in cotton and yarn prices are likely to negatively affect growth and profitability for the textile exports.

Your company is looking grow selectively in high value added segments within textiles, for maximum capital efficiency as well as de-risked business model. It is moving steadily towards a verticalized setup of fabrics along with garmenting, which offers much better returns profile along with more robust business model.

Indian Apparel Retail Market

The Indian retail market, estimated at US\$ ~500 billion in 2012, is expected to demonstrate a robust growth rate of 13% p.a. over the coming years to become US\$ ~1.3 trillion by 2020 (Source: IBEF Retail Sector Report). Apparel retail market's share out of this is ~8%, which puts the market size at approx. US\$ 40 billion in 2012.

The overall consumption growth story of India, driven by favourable demographic trends and rising income level fuelling consumerism, is expected to continue to gain momentum. In addition, favourable government policies to boost investor confidence are increasing investments in organised retail. Currently, organised retail's penetration in India is only 8%, which is expected to increase to ~20% by 2020.



Indian Apparel market has demonstrated resilience and growth in an environment characterized by slow economic growth. This trend is further strengthened by demographic dividend of India, i.e. young consuming age group. By 2020, India will have 64% of the population in working age group, making it the world's youngest emerging economy. This young consuming class has new aspirations and is more open to experimenting with fashion brands and modern designs.

Purchase behaviour of consumers is also going through a significant change. Fashion today is heavily influenced by global social media, international fashion icons, increasing disposable income and rising confidence level. This is leading the shift from need-based purchasing to aspiration-based purchasing, and fast adoption of international fashion statements.

Further, favourable policy environment (e.g. the decision to allow Foreign Direct Investment (FDI) in multi-brand retail), has boosted investor confidence and opened doors for many international retailers to enter India. The apparel retail industry is expected to benefit from better product designs, while improving business performance learning from global best-practices. The policy also requires investment in back-end infrastructure and substantial local sourcing of products. Businesses with strong local expertise and vertical-integrated set-up in textiles and apparel, like your company, are expected to benefit from this.

Rise of E-commerce retailing (also known as 'E-tailing') is another dominant force adding momentum to apparel retail market growth. In 2013, estimated at US\$ 1 billion it makes only ~0.2% of overall retail, but it is projected to grow rapidly to account for ~7% of the market over next decade. Rapid percolation of technology enablers, i.e. increased adoption of smart phones, tablets and laptops, and speedily increasing online consumer base are the drivers of this growth.

Your company operates in the branded apparel and retail space through its multitude of own Indian brands and licensed international brands and retail formats. The company is setting itself aggressive growth targets

for its Power Brands like Arrow, US Polo Association, Tommy Hilfiger and Flying Machine. At the same time, it is looking to stabilize its Megamart brand or stores in the value space, which can be a large opportunity in India. It is also consolidating its position on the more recently acquired brands like Nautica, Hanes and Calvin Klein Jeans.

RESULT REVIEW

In the backdrop of above macro-economic scenario, the performance of your Company is highly encouraging. We have closed the financial year 2013-14 with 26% growth in sales and 29% growth in Operating Earnings before Interest Depreciation and Taxes. (Operating EBITDA). PBT (excluding Exceptional Income) has shown a growth of 63% compared to the previous year.

The Standalone Financials of the company is as under:

(₹ In Crores)

Particulars	For Year Ended on			
	March 31, 2014		March 31, 2013	
	Amount	% of Sales	Amount	% of Sales
Revenue from operations (Net)	4,775		3,780	
Other Income	84		93	
Total Revenue	4,860		3,874	
Cost of materials & accessories consumed	2,097	44.00%	1,641	43.00%
Purchases of Stock in Trade	78	2%	84	2%
Project Expenses	15	0%	28	1%
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(66)	-1%	(166)	(4)%
Employee benefits expense	509	11%	442	12%
Other expenses	1,349	28%	1,164	31%
Total Expenses	3,981	83%	3,194	84%
EBITDA	879	18%	680	18%
Depreciation and amortization expense	158	3%	150	4%
Finance costs	296	6%	268	7%
Profit before extraordinary items and tax	425	9%	261	7%
Exceptional items	16		-	
Profit before Tax	409	9%	261	7%
Tax Expense:	47		-	
Profit After Tax	361	8%	261	7%

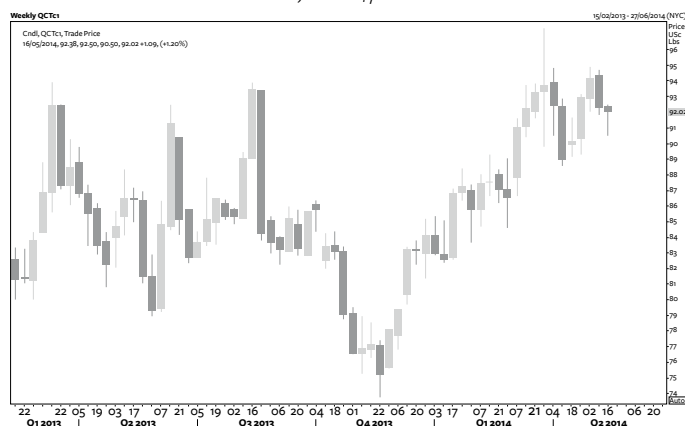
Revenue, Sales and Operating Income

Total Revenue of the Company under review increased by 25% compared to previous year. Sales and operating income also increased by 26%. The Revenue from Denim has increased by 22% (17% increase, ignoring the loss of volume on account of strike in the previous year). As a result of expansion in capacity and increase in price, the Woven Business registered a growth of 29% in Revenue, Voiles Business registered a growth of 21%, Knits Business registered a growth of 48% and Garments Business registered a growth of 27%. Other income aggregating to ₹ 84 Crs. is mainly consisting of Interest Income, Profit on Sale of Land, Sale of Scrap & Rent Income.

Raw Materials

The raw material cost in absolute terms has increased by around 28% compared to the previous year. Raw material cost, as a percentage to sales, increased marginally by 0.5% during the year compared to the previous year. The average price of cotton consumed during the year 2013-14 was higher by 13% compared to the previous year. Following chart shows the movement of cotton prices from April, 2013 to March, 2014 domestically as well as globally:

Cotton Price movement on ICE, USA - \$/Lbs



Cotton Price movement on MCX, India - Rs/bale



Direct Materials

The direct materials largely include Dyes & Chemicals & Spare parts which were higher than previous year at ₹ 373 Crores, showing an increase by 21% in absolute terms and as a percentage of Sales, it stands at 8% similar to that in the previous year.

Power & Fuel

Power & Fuel cost this year has marginally increased in absolute value at ₹ 407 Crores. As a percentage of Sales, it dropped remarkably to 9% as against 11% in the previous year. This savings has happened mainly on account of higher amount of power being purchased through Open Access mechanism.

Manpower Cost

The Manpower cost for the year is higher by 15% in absolute value; however, as a percentage to Sales, it was at 11% compared to 12% in the previous year. Manpower Cost in proportion to Sales is reduced due to larger volume consequent to addition of new capacity and several other initiatives taken by the company.

Other Costs

The other costs have gone up by 16% in absolute terms in tandem with revenue growth. However as a percentage to sales, it has reduced to 28% of Sales as compared to 31% in the previous year.

Operating Margins (Profit)

During the year under review, company's EBITDA margin has remained constant at 18%. However, EBIDTA (excluding Other Income) has increased

to 17% for the year as compared to 16% in the previous year. EBIDTA margin has improved mainly on account of revenue growth and improved product & customer mix.

Finance Costs

The finance cost for the current financial year is ₹ 296 Crores as against ₹ 268 Crores for the previous financial year. The increase in finance cost in absolute term is due to higher amount of borrowing consequent to increase in business. Finance Cost as a percentage to Sales decreased by 89 bps at 6.21%.

Exchange differences arising from foreign currency borrowing to the extent of the difference between interest on local currency borrowings and interest on foreign currency borrowings are booked in Finance Costs.

Depreciation

Depreciation in absolute terms has increased marginally to ₹ 158 crores as compared to ₹ 150 crores in the previous financial year however as a percentage to sales it has reduced to 3% for the year as compared to 4% in the previous year.

Profit before Tax (PBT)

Profit before tax before exceptional items for the year was ₹ 425 Crores compared to ₹ 261 Crores in the previous year, reflecting 63% rise during the year consequent to higher turnover.

Net Profit (PAT)

Profit after tax stood at ₹ 361 Crores in the current financial year compared to ₹ 261 Crores in the previous year marking Growth of 38%.

Debt

The total debt (including due within one year) of the Company as on 31st March, 2014 stood at ₹ 2417 Crores against ₹ 2119 Crores as on 31st March, 2013. The increase in Total Debt is a result of additional borrowing during the year for financing Capital Expenditure as well as higher working capital requirement. Further, the company has raised part of this debt under TUFs which entitles Interest Rate Subsidy to the extent of 5%.

Working Capital & Liquidity

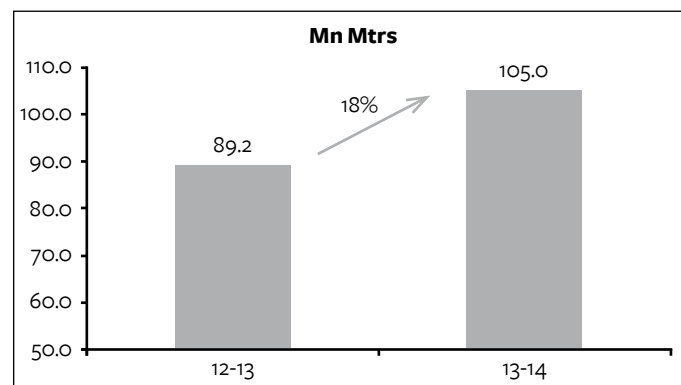
The Current Assets during the year has gone up by 20% in absolute terms & Current Liabilities has gone up by 4% in absolute terms.

BUSINESS REVIEW & DEVELOPMENTS

Denim

Denim business achieved 18% growth in volume at 105 mn. mtrs, highest ever volume in last decade. The average price realization per mtr also grew by 6%. Driven by both increase in volume as well as selling price the Revenue grew by 22%. The growth is driven by both domestic as well as export markets.

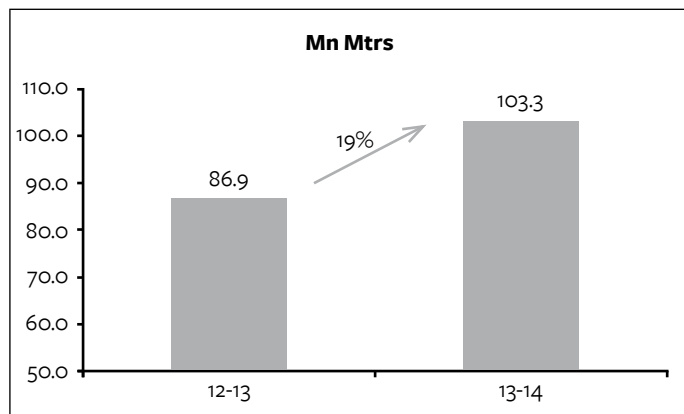
Denim Volume



Woven Fabrics

Woven Fabrics business achieved 19% growth in volume at 103 mn. mtrs, highest ever volume. The average price realization per mtr also grew by 8%. Driven by both increase in volume as well as selling price the Revenue grew by 26%. The growth is driven by domestic market which grew by 23%.

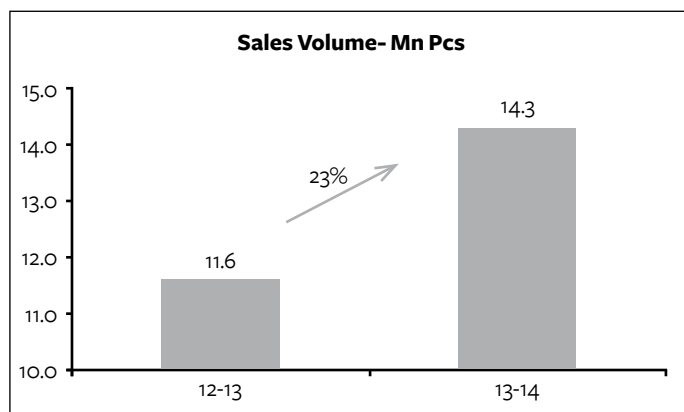
Woven Fabrics Volume:



Garments

Garments, which is part of Arvind's verticalisation strategy, is now on growth momentum. During the year, Garments business has registered growth in Revenue of 33% driven by volume growth of 23%. Your company manufactures Jeans, Shirts & Knitted garments at its Garments plants situated in & around the city of Bangalore. Your Company has set-up plant for manufacturing Suits through joint venture company Arvind Goodhill Suit Manufacturing Private Limited.

Garments Volume



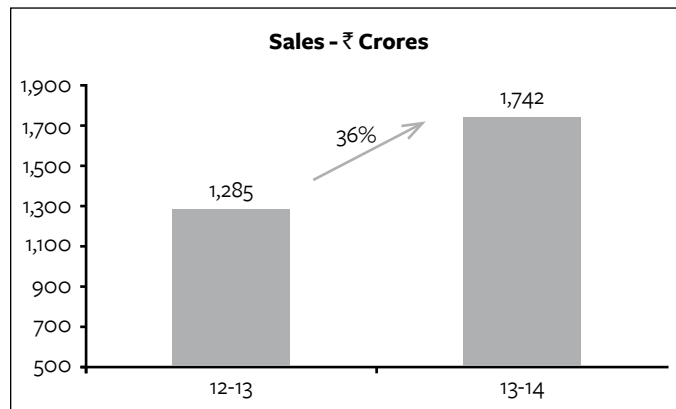
Exchange Rate

The exchange rate of INR against USD, which was 53.8 in April, 2013 has kept on increasing till August, 13 and had reached to 65.7 in August, 2013. INR saw sudden appreciation in September, 2013 and reached to 62.6. It remained volatile at 61.5, 62.4, 61.8, 62.7 and 61.7 during October, 2013, November, 2013, December, 2013, January, 2014 & February, 2014 respectively. At the year end, it was 59.9. The Company had taken forward cover on net dollar exposure and the average exchange rate for the entire year was in range of INR 57.3 to a US dollar.

SUBSIDIARIES

Overview of performance of Arvind Lifestyle Brands Limited

Arvind Lifestyle Brands Limited (ALBL) has registered revenues growth of 36% during the year compared to the previous year.



This 36% growth comprises of 54% growth of Brands and 8% growth of Megamart. There is 32% growth without considering newly acquired Brands. While Brands registered Like-to-Like growth of 10.7%, Megamart registered Like-to-Like Growth of 0.8%.

During the year, 1.1 lakh sq. ft. of retail space was added for the Brands business and 0.3 lakh sq. ft. of retail space was added for the Magamart business. With this addition, the distribution strength of the Brands & Retail businesses stands at 611 Stores with 6.1 lakh sq. ft. of retail space for Brands, and 166 Stores with 7.5 lakh sq. ft. of retail space for MegaMart.

Anup Engineering Limited

Anup Engineering Limited is engaged in engineering and fabrication business listed on Ahmedabad Stock Exchange. The Company registered after tax profit of ₹ 11.26 Crores during the year.

OUTLOOK

Your Company is now at an inflection point with potential break-out growth in Brands & Retail business and strong growth in Textile business led by Woven fabrics and vertical model of Garmenting. While the margins in Textile business are expected to be maintained at present level, they are sensitive to currency fluctuations. Brands & Retail business is expected to witness margin expansion.

With strong portfolio of foreign and domestic brands, your Company is now poised to lead the branded apparels space in India. While with brands like ARROW, USPA, Tommy Hilfiger, CK, Nautika, Flying Machine etc, Arvind will dominate menswear category, it is building meaningful presence in Kids, Innerwear & Women category. With successful re-positioning of Megamart as Value Retail format, it will not only drive the growth but will lead to margin expansion too.

Under the above scenario, the Company is expecting revenue growth of about 22-24% for the year 2014-15. The Textiles business may achieve growth of around 15%, where as Brands & Retail business may clock growth in excess of 30%.

Report on Corporate Social Responsibility

The Strategic Help Alliance for Relief to Distressed Area (**SHARDA**) Trust and Narottam Lalbhai Rural Development Fund (**NLRDF**) are the company's arms for carrying out the CSR Programmes. SHARDA & NLRDF have been active in improving the quality of life of the urban poor & rural poor.

SHARDA Trust's Programmes

Established in 1995, SHARDA (Strategic Help Alliance for Relief to Distressed Areas) Trust works for improving the quality of life of urban poor. Since 2006, SHARDA Trust's focus is on providing quality education to students studying in Municipal Schools. These educational facilities are being provided by means of an association with Local Government, the Ahmedabad Municipal School Board. In addition, SHARDA is also active in offering programmes for adolescents and youth in upgrading their skills.

SHARDA Trust is working with about 1100 students from class V-XII and Graduation courses, through 'Gyanda Education Programme'. Education programme includes organised academic support as well as grooming students on social, cultural and personal aspects. These students are now going for higher and professional education and subsequently start earning which will ensure that it is the last generation in poverty for them, a cherished dream that the Trust and the students have shared together.

Along with education, we took a formal move towards identifying, nurturing and guiding students for shaping their aspirations. The programme was started with small groups which will be conducted with all students now. A special programme for secondary section students was initiated for environmental awareness and exposing students to different vocations. Gyanda's total enrolment is poised to reach about 1500 students by 2015-16 as our conversion from primary to secondary has improved. The Trust does plans to initiate new Gyanda Centres.

Beside school education, Trust conducted Basic Computer Familiarization Programme for about 100 children, housewives, working women and working and non-working men. In addition, about 300 youth were trained for English Programme. The Trust organised two 'Yoga Shibirs' for the wellbeing of people in community around our Naroda premises during 2013-14. Both the camps were attended by about 200 people in each camp. Trust also conducted Music classes for about 50 people of all age groups.

These activities and programmes have opened up avenues for expansion of the Trust's initiatives and for undertaking newer initiatives for people of all age groups.

NLRDF's Programmes

Since 1980, Narottam Lalbhai Rural Development Fund directly intervenes in the developmental process at the village level through specifically designed programmes meant for the development of rural poor.

The year 2013-14, NLRDF conducted programs related to livelihood promotion, saving and credit, health and hygiene awareness and HIV/AIDS control.

Training programmes were conducted for women and men in Khedbrahma taluka. 25 women participated in tailoring training and 13 men each participated in motor cycle repairing training, electric wiring training. These trainings were aimed at helping them to get better livelihood.

SHGs were formed in Khedbrahma taluka to help and promote savings and credit among women. 552 women members saved ₹ 4,91,982 and loan of ₹ 6,90,000 has been given for income generation activities.

A Training centre was started in Nizar taluka to make women self reliant. Needy widows were trained in dress cutting and tailoring and they were provided with tailoring machines. In addition, NLRDF provided financial help up to ₹ 7,500 each to 14 widows based on their needs for expansion of their entrepreneurial initiative. This timely help made a difference as they now have a constant source of income.

A Workshop was conducted with 78 youths in tribal villages for the purpose of income generation activities. In the workshop they received information on the benefits of subsidy and loans. 36 youths filled up the forms for loans and subsidy.

Village Health Sanitation Nutrition Committee has been formed in the villages of Bhiloda taluka and trainings were conducted in 61 villages to strengthen the committee. 672 members participated in the training. The committee meets regularly to discuss common health issues.

NLRDF prepared community sanitation block for 100 families of Raigadh village with the help of Gram Panchayat. Awareness programmes on health and hygiene were conducted in Nizar taluka. It had a great impact as people including women and elderly earlier used open places that lead to health issues.

The NLRDF is also active in HIV/AIDS control. It works with the migrant workers in Dahej Industrial area of Bharuch district. NLRDF conducted awareness programmes on HIV/AIDS and STD. It organized 6 Health Camps and 730 people were examined. Awareness meetings, dramas and personal visits were conducted on HIV/AIDS for around 3000 migrants. NLRDF has brought remarkable change in the practices and behavior of the Female Sex workers and MSM for HIV/AIDS control in Sabarkantha district also.

AUDITORS' REPORT TO THE MEMBERS OF ARVIND LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

As mentioned in Note No. 43 in respect of early adoption of Accounting Standard (AS) – 30 on 'Financial Instruments: Recognition and Measurement' issued by the Institute of Chartered Accountants of India and the clarification issued on Application of AS 30, the Company has measured all its Financial Assets and Liabilities at their respective Fair Values or at Amortised Cost except for those items whose accounting treatment is covered by the existing accounting standards notified by Companies (Accounting Standard) Rules, 2006. Accordingly, the carrying amount of Long Term Borrowings would have been higher by ₹ 8.04 Crores and carrying value of Hedge Reserve would have been lower by ₹ 21.71 Crores. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - 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 and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
 - the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 and Accounting Standard (AS) – 30 on 'Financial Instruments: Recognition and Measurement' issued by the Institute of Chartered Accountants of India (ICAI);
 - on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. N. D. Anklesaria

Partner

Membership No. 10250

Ahmedabad

May 15, 2014

ANNEXURE TO THE AUDITORS' REPORT

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

- (i) (a) The Company has 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) In our opinion and as per the information and explanations given to us, the Company has not made any substantial disposal of fixed assets during the year and going concern status of the Company is not affected.
- (ii) (a) As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As explained to us, 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.
- (iii) The Company has not granted/taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii,b), (iii,c), (iii,d), (iii,e), (iii,f) and (iii,g) of paragraph 4 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that there were no contracts or arrangements that need to be entered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, requirement of clauses (v,a) and (v,b) of paragraph 4 of the order are not applicable.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA 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.
- (vii) The Company has an internal audit system, which in our opinion, is commensurate with the size of the Company and the nature of its business.
- (viii) We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of these records with a view to determine whether they are accurate and complete.
- (ix) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
- (b) There are no undisputed amounts outstanding as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) Following amounts have not been deposited as on March 31, 2014 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	11.51	1998-1999, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2007-2008	High Court
		0.05	2002-2003, 2003-2004	Appellate Tribunal
		2.23	2006-2007	Joint Commissioner Commercial Tax (Appeal)
		0.90	2006-2007	Joint Commissioner Commercial Tax (Appeal)
Central Excise Act	Excise Duty	9.91	2000-2001, 2001-2002	High Court
		3.53	2000-2001, 2001-2002, 2002-2003, 2003-2004, 2004-2005, 2005-2006, 2006-2007, 2008-2009, 2009-2010	CESTAT
		13.56	1999-2000, 2000-2001, 2008-2009	Supreme Court
		5.47	2000-2001, 2001-2002, 2002-2003	Tribunal

Nature of Statute	Nature of the dues	₹ in Crores	Period to which the amount relates	Forum where matter is pending
Customs Act	Custom Duty	0.05	2005-2006, 2006-2007, 2007-08	Joint Commissioner
		0.72	1998-1999 to 2006-2007	CESTAT
Finance Act	Service Tax	0.61	2004-2005, 2005-2006, 2006-2007, 2007-2008	Additional Commissioner
		0.05	2005-2006, 2006-2007	Assistant Commissioner
		0.04	2004-2005, 2005-2006, 2006-2007, 2007-2008	Commissioner
Income Tax Act	Fringe Benefit Tax	0.21	2005-2006	ITAT
	Income Tax	(₹ 36,592/-)	2004-2005	CIT Appeal

- (x) The Company has neither any accumulated losses nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) 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, banks or debenture holders.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause (xiv) of paragraph 4 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, in our opinion, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial Institutions are not prejudicial to the interest of the Company.
- (xvi) To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans obtained during the year were, prima facie, applied by the Company for the purpose for which they were obtained, other than temporary deployment pending application.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not prima facie, been used during the year for long-term investments.
- (xviii) During the year, the Company has not made any preferential allotment of shares to persons covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us and the records examined by us, the Company has not issued any Secured Debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedure performed by us and as per the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Ahmedabad
May 15, 2014

For **Sorab S. Engineer & Co.**
Firm Registration No. 110417W
Chartered Accountants
CA. N. D. Anklesaria
Partner
Membership No. 10250

Balance Sheet as at 31st March, 2014

	Note	As at March 31, 2014	₹ in Crores As at March 31, 2013
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	258.17	258.04
Reserves and Surplus	4	2,377.98	2,041.47
Non-current liabilities			
Long Term Borrowings	5	1,154.46	947.10
Deferred Tax Liabilities (Net)	6	60.02	12.82
Long Term Provisions	7	18.59	11.98
Current liabilities			
Short Term Borrowings	8	1,094.72	1,015.54
Trade Payables	9	715.19	664.48
Other Current Liabilities	10	278.37	245.33
Short Term Provisions	7	76.01	86.96
Total		6,033.51	5,283.72
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	11	2,490.62	2,334.01
Intangible Assets	12	5.58	5.65
Capital Work-in-progress	-	72.32	200.32
Non-current Investments	13	700.33	492.86
Long Term Loans and Advances	14	350.63	235.93
Other Non-current Assets	15	0.01	0.54
Current assets			
Inventories	16	942.61	877.96
Trade Receivables	17	518.93	442.42
Cash and Bank Balances	18	123.82	150.60
Short Term Loans and Advances	14	503.04	250.24
Other Current Assets	15	325.62	293.19
Total		6,033.51	5,283.72
Significant Accounting Policies	2		

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

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. N. D. Anklesaria

Partner

Membership No.10250

Ahmedabad

May 15, 2014

SANJAY S. LALBHAI

Chairman & Managing Director

JAYESH K. SHAH

Director & Chief Financial Officer

R. V. BHIMANI

Company Secretary

Statement of Profit and Loss for the year ended on 31st March, 2014

	Note	Year ended March 31, 2014	₹ in Crores Year ended March 31, 2013
Revenue from Operations (Gross)	21	4,778.76	3,795.14
Less: Excise Duty		3.28	14.85
Revenue from Operations (Net)		4,775.48	3,780.29
Other Income	22	84.44	93.46
Total Revenue		4,859.92	3,873.75
Expenses:			
Cost of Materials and Accessories Consumed	23	2,096.50	1,641.22
Purchases of Stock-in-trade	24	77.92	84.44
Project Expenses	-	14.57	28.07
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-trade	25	(66.30)	(166.01)
Employee Benefits Expense	26	508.84	442.22
Finance Costs	27	296.44	268.44
Depreciation and Amortization Expense	28	157.51	150.49
Other Expenses	29	1,349.45	1,163.66
Total Expenses		4,434.93	3,612.53
Profit Before Exceptional and Extraordinary Items and Tax		424.99	261.22
Exceptional Items	30	16.40	-
Profit Before Extraordinary Items and Tax		408.59	261.22
Extraordinary Items	-	-	-
Profit Before Tax		408.59	261.22
Tax Expense:			
Current Tax (MAT)		86.30	53.79
Deferred Tax		47.20	-
MAT Credit Entitlement		(86.30)	(53.79)
Profit for the Year		361.39	261.22
Earnings Per Equity Share	35		
(Nominal Value Per Share ₹ 10/-, Previous Year ₹ 10/-):			
Basic & Diluted		14.00	10.12
Significant Accounting Policies	2		

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

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

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

Ahmedabad
May 15, 2014

SANJAY S. LALBHAI

Chairman & Managing Director

JAYESH K. SHAH

Director & Chief Financial Officer

R. V. BHIMANI

Company Secretary

Cash Flow Statement for the year ended on 31st March, 2014

₹ in Crores

A CASH FLOW FROM OPERATING ACTIVITIES**Profit Before taxation****408.59**

261.22

Adjustments for:

Depreciation/Amortization

157.51

150.49

Interest Income

(37.15)

(24.26)

Interest and Other Borrowing Cost

296.44

268.44

Dividend Income

(0.87)

(0.35)

Share of Profit in LLP

-

(0.58)

Bad Debts Written Off

0.19

0.03

Provision for Bad Debts

0.20

0.23

Provision for Doubtful Advances

0.62

-

Provision for Retirement Benefits

4.07

5.36

Provision for Wealth Tax

0.05

0.20

Sundry Debit Written off

1.09

0.49

Sundry Credit Balances Appropriated

(0.41)

(1.20)

Foreign Exchange Difference

(1.36)

0.41

Fixed Assets written off

0.34

0.51

Profit on Sale of Land held for sale

(8.33)

(16.12)

(Profit)/Loss on Sale of Tangible/Intangible assets

1.04

(26.13)

Loss on sale of Investments

-

0.02

413.43

357.54

Operating Profit before Working Capital Changes**822.02**

618.76

Working Capital Changes:

Changes in Inventories

(64.65)

(149.54)

Changes in trade payables

51.12

67.36

Changes in other current liabilities

21.01

10.16

Changes in provisions

(11.35)

1.56

Changes in loans and advances

(110.65)

5.47

Changes in trade receivables

(76.90)

(37.13)

Changes in other current assets

(26.23)

(39.95)

Changes in Other Bank Balances

(13.09)

4.28

Net Changes in Working Capital**(230.74)**

(137.79)

Cash Generated from Operations**591.28**

480.97

Direct Taxes paid (Net of Income Tax refund)

(96.55)

(49.80)

Net Cash from Operating Activities**494.73**

431.17

B Cash Flow from Investing Activities

Purchase of tangible/intangible assets

(226.47)

(263.66)

Sale of tangible assets

19.62

71.42

Sale of Land held for sale

32.19

16.18

Changes in Capital Advances

(20.73)

8.79

Share Application Money

(62.53)

(65.98)

Change in Long Term Investments

(119.57)

(90.01)

Changes in Loans given

(148.45)

(43.17)

Dividend Income

0.87

0.35

Share of Profit in LLP

-

0.58

Interest Income

37.09

24.41

Net cash flow from Investing Activities**(487.98)**

(341.09)

Cash Flow Statement for the year ended on 31st March, 2014 (Contd.)

₹ in Crores

	Year ended March 31, 2014	Year ended March 31, 2013
C Cash Flow from Financing Activities		
Issue of Share Capital	0.13	-
Dividend Paid	(42.37)	(25.64)
Dividend Distribution Tax Paid	(7.24)	(4.19)
Securities Premium received	0.85	-
Changes in long term Borrowings	218.33	224.57
Changes in short term borrowings	85.35	117.69
Interest and Other Borrowing Cost Paid	(301.64)	(288.52)
Net Cash flow from Financing Activities	(46.59)	23.91
Net Increase/(Decrease) in cash & cash equivalents	(39.84)	113.99
Cash & Cash equivalent at the beginning of the period	140.80	26.81
Cash & Cash equivalent at the end of the period	100.96	140.80

a. Particulars	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents comprise of: (Note 18)		
Cash on Hand	0.76	0.77
Cheques on Hand	(₹ 2,735/-)	(₹ 10,000/-)
Balances with Banks*	99.65	140.04
Cash and cash equivalents	100.41	140.81
Effect of Exchange Rate Changes	(0.55)	0.01
Cash and cash equivalents as restated	100.96	140.80
* Includes the following balance which is not available for use by the Company		
Unpaid dividend account	0.70	0.49

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

SANJAY S. LALBHAI

Chairman & Managing Director

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

JAYESH K. SHAH

Director & Chief Financial Officer

Ahmedabad
May 15, 2014

R. V. BHIMANI

Company Secretary

Notes to financial statements

1. COMPANY BACKGROUND

Arvind Limited is one of the 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 Lifestyle Brands Limited, is marketing in India the branded apparel under various brands and is also licensee in India for various international brands. The brands portfolio of the company includes International brands like Arrow, US Polo, Izod, Elle, Cherokee etc. It also operates apparel Value Retail stores MEGAMART. It also operates the specialty retail stores under the licensing arrangement with international brands of Debenhams & Next. 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.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) CONVENTION

These financial statements have been prepared on accrual basis and under historical cost compliance, in all material aspects (except so far as they relate to (a) revaluation of fixed assets and providing for depreciation on revalued amounts and (b) items covered under 'Accounting Standard (AS) – 30' on 'Financial Instruments: Recognition and Measurement' which have been measured at their fair value) and with the generally accepted accounting principles accepted in India. Consequent to the clarification issued by the Ministry of Corporate Affairs vide General Circular 08/2014 dated April 04, 2014, these financial statements have been prepared in accordance with the relevant provisions of the Companies Act, 1956, which inter alia include the applicable Accounting Standards notified under Section 211 (3C).

A summary of applicable accounting policies which have been applied consistently are set out below.

(B) BASIS OF PREPARATION

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

(C) USE OF ESTIMATES

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

(D) INFLATION

Assets and liabilities are recorded at historical cost to the Company (except so far as they relate to (a) revaluation of fixed assets and providing for depreciation on revalued amounts and (b) items covered under 'Accounting Standard (AS) – 30' on 'Financial Instruments: Recognition and Measurement' which have been measured at their fair value). These costs are not adjusted to reflect

the changing value in the purchasing power of money.

(E) REVENUE RECOGNITION

Sales and operating income includes sale of products, by-products and waste, income from job work services and gain or loss on forward contracts. Sales are recognized based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer. Revenue from export sales are recognized on shipment basis. Sales are stated net of returns, excise duty & Sales Tax/VAT. Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

Revenue from job work services is recognized based on the services rendered in accordance with the terms of contracts.

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 in accordance with Accounting Standard 7 – Accounting for Construction Contracts. Percentage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract cost. Difference between costs incurred plus recognised profit/less recognised losses and the amount invoiced is treated as contract 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.

Dividend is accounted for as and when right to receive payment is established.

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

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

(F) VALUATION OF INVENTORY

The stock of Work-in-progress and finished goods of the Yarn, Fabric and Branded Garment has been valued at the lower of cost and net realizable value. Cost is measured on actual average for the year and includes cost of materials and cost of conversion.

All other inventories of stores, consumables, raw materials (Electronics Division), project material at site are valued at cost. The stock of waste is valued at market price. The other raw materials, finished goods and stock at branches are valued at lower of cost and net realizable value. Cost is measured on actual average for the year. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

(G) FIXED ASSETS & DEPRECIATION

Tangible Assets

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

Subsequent expenditure related to an item of fixed assets are added to its book value only if they increase future benefits from the existing assets beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value

Notes to financial statements

and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss except to the extent such a loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilized, it is charged directly to that account. The amount standing in revaluation reserve following the retirement or disposal of an asset which relates to that asset is transferred to general reserve.

Exchange rate gain or loss on foreign currency loans related to acquisition of depreciable assets are being capitalized as per the notification dated 31st March, 2009 as amended from time to time issued by Ministry of Corporate Affairs, New Delhi.

Depreciation on Revalued Fixed Assets is calculated on the residual life of the assets or as per rates specified in the Schedule XIV to the Companies Act, 1956 whichever is higher.

Additions to fixed assets after 1st October 2006 have been stated at cost net of CENVAT wherever applicable.

Directly identifiable preoperative expenses of new projects of capital nature under implementation are carried forward under capital work-in-progress, pending capitalization.

Depreciation on Fixed Assets is provided, pro rata for the period of use, on Straight Line Method (SLM), as per rates specified in the Schedule XIV to the Companies Act, 1956 except for the following which are based on management's estimate of useful lives of the fixed assets:

Car Vehicles: 20%; Leasehold Improvements: 10%

Depreciation on impaired asset is provided on the asset's revised carrying amount, over its remaining useful life.

Depreciation on exchange rate difference capitalized is provided over the balance life of the assets as per the notification dated 31st March, 2009 as amended from time to time issued by the Ministry of Corporate Affairs.

Individual assets costing less than ₹ 5,000/- have been fully depreciated in the year of purchase on pro rata basis.

Intangible Assets

Intangible assets are stated at their cost of acquisition, less accumulated amortization and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

Software is depreciated over management estimate of its useful life of 5 years and Patent/Knowhow is depreciated over its useful validity period.

Gains or losses arising from disposal or retirement of intangible assets are recognised in the Statement of Profit and Loss.

(H) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is

reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(I) INVESTMENTS

Investments are classified as Long Term Investments and Current Investments. Long term investments are stated at cost less permanent diminution in value, if any. Current Investments are stated at lower of cost and net realizable value.

Investments in subsidiaries are valued at cost less any provision for impairment.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investment property: Investment in Land and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

(J) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Foreign currency monetary items are restated using exchange rate prevailing at the reporting date.

Non-monetary foreign currency items are carried at cost.

The Company has opted to avail the choice provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011. Consequently, all long term foreign currency monetary items consisting of loans which relate to acquisition of depreciable capital assets at the end of the year have been restated at the rate prevailing at the balance sheet date. The difference arising as a result has been added to or deducted from the cost of the assets. Exchange rate difference on other long term foreign currency loans is carried to 'Foreign Currency Monetary Item Translation Difference Account' to be amortized up to the period of loan or up to March 31, 2020 whichever is earlier.

Any income or expense on account of exchange difference either on settlement or on translation other than as mentioned above is recognised in the Statement of Profit and Loss.

Expenses of overseas offices are translated and accounted at the monthly average rate.

(K) DERIVATIVES & COMMODITY HEDGING TRANSACTIONS

In order to hedge its exposure to foreign exchange, interest rate and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company neither holds nor issues any derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded in hedging reserve account. To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents

Notes to financial statements

at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to hedged risk. Any cumulative gain or loss on the hedging instrument recognised in hedging reserve is kept in hedging reserve until the forecast transaction occurs or the hedged accounting is discontinued. Amounts deferred to hedging reserve are recycled in the Statement of Profit and Loss in the periods when the hedged item is recognised in the Statement of Profit and Loss or when the portion of the gain or loss is determined to be an ineffective hedge.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to profit or loss for the year.

(L) EMPLOYEE BENEFITS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognized by the Income Tax Authorities. These funds are administered through trustees and the Company's contributions thereto are charged to revenue every year. The Company also pays insurance premiums to fund a post-employment medical assistance scheme, a Defined Contribution Plan administered by ICICI Lombard General Insurance Company Limited which is charged to revenue every year. The Company's Contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

The Company has Defined Benefit Plans namely leave encashment / compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. The actuarial valuation is done based on Projected Unit Credit Method. Gratuity scheme is administered through trust recognised by the Income Tax Authorities and / or by Life Insurance Corporation of India.

Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense.

(M) BORROWING COST

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds. It is calculated on the basis of effective interest rate in accordance with Accounting Standard (AS) -30 and considered as revenue expenditure and charged to Statement of Profit and Loss over the period of borrowing except for borrowing costs either generally or specifically attributed directly to the acquisition/improvement of qualifying assets up to the date when such assets are ready for intended use which are capitalised as a part of the cost of such asset.

(N) LEASE ACCOUNTING

Assets acquired under Finance Lease are segregated from the assets owned and recognized as asset at an amount equal to the fair value of the leased assets at the inception of the lease or the present value of the minimum lease payments whichever is lower with corresponding outstanding liability.

Lease rental payable on such finance lease has been apportioned between finance charge and the reduction in the outstanding liability. The finance charge has been allocated to periods during the lease term so as to produce constant periodic rate of interest on the remaining balance of liability for each period.

Lease Rentals for assets acquired under operating lease are recognised as an expense in Statement of Profit and Loss on a straight line basis over the lease term.

(O) TAXES ON INCOME

Tax expense consists of both current as well as deferred tax. Current tax represents amount of income tax payable including the tax payable u/s 115JB, if any, in respect of taxable income for the year.

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax asset is recognised and carried forward to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

(P) GOVERNMENT GRANTS AND SUBSIDIES

Grants/Subsidies from the government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant/subsidy will be received.

When the grant/subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant/subsidy relates to an asset, it is shown as a deduction from the gross value of the asset concerned in arriving at its book value.

(Q) EARNING PER SHARE

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

(R) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving a substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the accounts by way of a note. Contingent assets are neither recognized nor disclosed in the financial statements.

(S) CAPITAL ISSUE EXPENSES

Expenses on issue of Shares, Debentures and GDRs are being adjusted against Securities Premium Account as permitted by section 78 of the Companies Act.

Notes to financial statements

3 Share Capital

Authorised Equity Shares

565,000,000 Shares (Previous Year 565,000,000)
Par Value of ₹10/- per share

Preference Shares

10,000,000 Shares (Previous Year 10,000,000)
Par Value of ₹100/- per share

Issued

Equity Shares

258,177,289 Shares (Previous Year 258,043,969)
Par Value of ₹10/- per share

Subscribed and fully paid up

Equity Shares

258,176,389 Shares (Previous Year 258,043,069)
Par Value of ₹10/- per share fully paid up

Forfeited Shares

900 Shares (Previous Year 900)
(₹ 4,500/- originally paid up (Previous Year ₹ 4,500/-)

	As at March 31, 2014	₹ in Crores As at March 31, 2013
Authorised Equity Shares	565.00	565.00
Preference Shares	100.00	100.00
	665.00	665.00
Issued Equity Shares	258.17	258.04
	258.17	258.04
Subscribed and fully paid up Equity Shares	258.17	258.04
	258.17	258.04
Forfeited Shares		
Total	258.17	258.04

a Reconciliation of Number of Equity Shares

Particulars	As At March 31, 2014		As At March 31, 2013	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Balance at the beginning of the year	258,043,069	258.04	254,632,541	254.63
Add:				
Shares allotted pursuant to exercise of Employee Stock Option Plan	133,320	0.13	-	-
Shares allotted to the shareholders of Amalgamated Company	-	-	3,410,528	3.41
Balance at the end of the year	258,176,389	258.17	258,043,069	258.04

b Rights, Preferences and Restrictions attached to Shares

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.

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

Particulars	As at March 31, 2014	As at March 31, 2013
Aura Securities Private Limited	9,57,90,590	9,57,90,590
	37.10%	37.12%
Life Insurance Corporation of India	1,65,85,134	1,65,85,134
	6.42%	6.43%

d Shares reserved for issue under options

Refer note 36 for details of shares to be issued under options

e Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2014)

34,10,528 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.

f Proposed Dividend

The final dividend proposed for the year is as follows:

Particulars	As at March 31, 2014	As at March 31, 2013
On Equity Shares of ₹ 10/- each		
Dividend per Equity Share (₹)	2.35	1.65
Percentage of Dividend Proposed	23.50%	16.50%

Notes to financial statements

4 Reserves and Surplus

Capital Reserve

Balance as per last financial statements

General Reserve

Balance as per last financial statements

Add: Transfer from Revaluation Reserve

Add: Transfer from Surplus in Statement of Profit and Loss

Balance at the end of the year

Securities Premium Account

Balance as per last financial statements

Add: Addition during the year

Balance at the end of the year

Capital Redemption Reserve

Balance as per last financial statements

Revaluation Reserve (Note 11c)

Balance as per last financial statements

Add: Addition during the year

Less: Transfer to General Reserve

Less: Loss on Compulsory Acquisition adjusted

Balance at the end of the year

Hedge Reserve (Note 43)

Balance as per last financial statements

Add: Adjustment during the year (Net)

Balance at the end of the year

Foreign Currency Monetary Item Translation Difference Account

(Note 44)

Balance as per last financial statements

Add: Adjustment during the year (Net)

Balance at the end of the year

Surplus in Statement of Profit and Loss

Balance as per last financial statements

Add: Profit for the year

Less: Appropriation

Transfer to General Reserve

Proposed dividend on Equity Shares for the year

Dividend distribution tax on Proposed dividend on Equity Shares

Balance at the end of the year

₹ in Crores

As at
March 31, 2013

As at March 31, 2014	As at March 31, 2013
26.71	26.71
51.40	26.16
3.23	5.24
36.15	20.00
90.78	51.40
653.54	653.54
0.85	-
654.39	653.54
69.50	69.50
277.79	284.82
-	8.34
277.79	293.16
3.23	5.24
-	10.13
274.56	277.79
(23.64)	(98.25)
45.35	74.61
21.71	(23.64)
(4.90)	(4.19)
(0.10)	(0.71)
(5.00)	(4.90)
991.07	799.67
361.39	261.22
1,352.46	1,060.89
36.15	20.00
60.67	42.58
10.31	7.24
1,245.33	991.07
Total 2,377.98	2,041.47

Notes to financial statements

₹ in Crores

5 Long Term Borrowings

	Non- Current portion		Current Maturities	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Secured:				
Term Loans:				
From Banks	1,038.65	785.02	133.83	130.46
From Financial Institutions and Others	113.23	159.50	30.60	22.90
Unsecured:				
From Financial Institutions	2.58	2.58	-	-
Deferred Electricity Duty	-	-	3.12	3.12
	1,154.46	947.10	167.55	156.48
Amount disclosed under the head "Other Current Liabilities" (Note 10)	-	-	167.55	156.48
Total	1,154.46	947.10	-	-

a Borrowings

At Amortized Cost

At Original Cost

	As at March 31, 2014	As at March 31, 2013
At Amortized Cost	1,322.01	1,103.58
At Original Cost	1,330.05	1,110.90

b Nature of Security:

Term Loans of ₹ 1316.31 Crores

- Loans amounting to ₹ 1237.76 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 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 and (d) Secured by second charge on all the Company's Current Assets both present and future relating to the Textile Plants. Out of these ₹ 1162.95 Crores are additionally secured by first charge on Movable Fixed Assets of Jeans and Shirts Garment divisions at Bangalore.
- Loans amounting to ₹ 54.02 Crores are secured by (a) first charge on all the Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants at Naroda and Santej and Garment Division at Bangalore and all Movable Properties, Intangible Properties and General Assets acquired by the Company at any time after execution of and during the continuance of the Indenture of Mortgage; (b) charge on the Company's Trademarks and (c) Secured by second charge on all the Company's Current Assets both present and future relating to the Textile Plants and Garment Division at Bangalore.
- Loans amounting to ₹ 20.53 Crores are secured by first charge on all the Fixed Assets of Intex, Cotspin, Bottom Weight and Ankur divisions of the Company and second charge on the entire Current Assets both present and future relating these divisions.
- Loans of ₹ 4.00 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
From Banks			
Rupee Loans	1,103.92	10.50% to 13%	Repayable in quarterly instalments ranging between 4 to 32 with moratorium period in some of the loans
Hire Purchase Loan	3.48	10.25%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
Foreign Currency Loans	65.08	LIBOR+3.40%	Repayable in 8 equal half yearly instalments starting from September 2015
From Financial Institutions and Others			
Rupee Loans	121.70	11% to 12.50%	Repayable in equal quarterly instalments ranging between 12 to 22
Foreign Currency Loans	21.61	LIBOR+ 3.75%	Repayable in 12 equal quarterly instalments
Hire Purchase Loan	0.52	8.37%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans

Notes to financial statements

6 Deferred Tax Liabilities (Net)

Deferred Tax Liability

Fixed Assets
Others

Deferred Tax Asset

Expenditure allowable on payment basis
Unabsorbed loss/Depreciation
Others

Deferred Tax Liabilities (Net)

₹ in Crores
As at
March 31, 2013

As at March 31, 2014	As at March 31, 2013
90.84	95.71
1.00	1.00
91.84	96.71
4.01	8.13
26.97	75.22
0.84	0.54
31.82	83.89
60.02	12.82

7 Provisions

Provision for Employee Benefits
Provision for Losses on Derivative Contracts
Proposed Dividend
Dividend Distribution Tax
Provision for Income Tax
(Net of Advance Tax of ₹ Nil, Previous
Year ₹ 198.88 Crores)
Provision for Wealth tax
Provision for Loyalty Program Reward Points (Note a)

Total

Long Term

As at March 31, 2014	As at March 31, 2013
11.14	10.83
7.45	1.15
-	-
-	-
-	-
-	-
-	-
-	-
-	-
18.59	11.98

Short Term

As at March 31, 2014	As at March 31, 2013
3.68	11.32
-	17.40
60.67	42.58
10.31	7.24
-	7.17
1.28	1.23
0.07	0.02
76.01	86.96

a Provision for Loyalty Program Reward Points

The Company has made provision for customer loyalty program reward points. The movement in provision for those reward points are given below:

Particulars

Balance as per last financial statements
Add : Provision made during the year

Balance at the end of the year

₹ in Crores

As at March 31, 2014	As at March 31, 2013
0.02	-
0.05	0.02
0.07	0.02

8 Short Term Borrowings

Secured:

Working Capital Loans repayable on demand from Banks

Unsecured:

Under Buyer's Credit Arrangement
Intercompany Deposits
From Related Parties
From Others

₹ in Crores
As at
March 31, 2013

As at March 31, 2014	As at March 31, 2013
1,005.81	963.55
1,005.81	963.55
88.47	49.87
0.01	0.26
0.43	1.86
88.91	51.99
Total 1,094.72	1,015.54

Notes to financial statements

a 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.

b Rate of Interest

- Working Capital Loans from banks carry interest rates ranging from 10.40% to 12.25% per annum.
- Inter Corporate Deposits carry interest rates 10.75% per annum.

9 Trade Payables

Creditors in respect of Goods and Services (Note a)
Acceptances

	As at March 31, 2014	As at March 31, 2013
	496.11	472.69
	219.08	191.79
Total	715.19	664.48

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:

- Amount due and outstanding to suppliers as at the end of accounting year;
- Interest paid during the year;
- Interest payable at the end of the accounting year; and
- Interest accrued and unpaid at the end of the accounting year have not been given.

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

10 Other Current Liabilities

Current maturities of long-term borrowings (Note 5)
Interest accrued but not due on borrowings
Income received in advance
Advances from Customers
Payable to employees
Statutory dues including Provident Fund and TDS
Security Deposits
Investor Education and Protection Fund shall be credited by the following amount namely:
Unpaid dividend (Note a)
Book Overdraft
Others

	As at March 31, 2014	As at March 31, 2013
	167.55	156.48
	5.32	4.57
	1.08	1.00
	11.40	14.48
	64.40	44.59
	8.31	7.23
	9.34	6.85
	0.70	0.49
	0.19	0.44
	10.08	9.20
Total	278.37	245.33

a There are no amounts due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

Notes to financial statements

11 Tangible Assets

₹ in Crores

Particulars	Gross Block			Depreciation / Amortization			Net Block	
	As on 01.04.2013	Adjustment due to Revaluation	Additions	Deduction	Other Adjustments	As on 31.03.2014	As on 01.04.2013	As on 31.03.2014
Leasehold Land	263.26	-	-	-	-	263.26	-	263.26
Own Assets								
Freehold Land	981.04	-	3.03	21.87	-	962.20	-	962.20
Building	570.31	-	40.63	6.05	1.34	606.23	204.12	384.95
Plant and Machinery	1,900.19	-	276.68	52.51	16.66	2,141.02	1,219.11	825.63
Furniture and Fixtures	28.53	-	7.03	0.24	-	35.32	10.52	23.04
Office Equipments	11.78	-	3.71	0.07	-	15.42	4.25	10.54
Leasehold Improvements	5.89	-	3.24	0.19	-	8.94	0.52	7.59
Vehicles	19.32	-	6.09	1.83	-	23.58	7.79	13.41
Total	3,780.32	-	340.41	82.76	18.00	4,955.97	1,446.31	2,334.01
Previous Year	3,532.46	63.55	247.12	80.41	17.60	3,780.32	1,269.91	2,334.01

- a Freehold Land includes some lands which are pending for registration in favour of the Company.
- b 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.
- c Gross block was revalued by external valuers which resulted in a net increase of (a) ₹ 8.34 Crores as on 31st March, 2013 and ₹ 56.15 Crores as on 1st April, 2009. Land Block was revalued on 31st March 2011 which resulted in an increase of ₹ 230.98 Crores.
- d Deduction of Freehold Land includes transfer of Land ₹ Nil (Previous year ₹ 2.72 Crores) to Land held for Sale.
- e Deduction of Freehold Land includes transfer to Investment Properties of ₹ 21.44 Crores (Previous Year ₹ Nil)
- f Deduction of Building and Depreciation Fund includes transfer to Investment Properties of ₹ 6.02 Crores and ₹ 1.76 Crores respectively (Previous Year ₹ Nil).
- g Deduction of Gross Block includes Capital Subsidy of ₹ 8.87 Crores (Previous year ₹ 2.76 Crores).
- h Capital Work in Progress is net of Capital Subsidy of ₹ Nil (Previous year ₹ 2.66 Crores).
- i Details of Borrowing Cost and Exchange Differences Capitalised:

₹ in Crores

Particulars	Other Adjustments		Addition in Capital Work in Progress	
	For the year		For the year	
	2013-2014	2012-2013	2013-2014	2012-2013
Borrowing Cost	4.37	14.36	4.95	4.95
Exchange Differences	7.94	3.24	0.74	0.74
Total	12.31	17.60	5.69	5.69

Notes to financial statements

12 Intangible Assets

₹ in Crores

Particular	Gross Block					Amortization				Net Block	
	As on 01.04.2013	Additions	Disposals	Other Adjustments	As on 31.03.2014	As on 01.04.2013	For the year	Deductions	As on 31.03.2014	As on 31.03.2014	As on 31.03.2013
Own Assets											
Patent and Technical Knowhow	0.47	0.02	-	-	0.49	0.27	0.07	-	0.34	0.15	0.20
Computer Software	25.64	1.99	-	-	27.63	20.19	2.01	-	22.20	5.43	5.45
Total	26.11	2.01	-	-	28.12	20.46	2.08	-	22.54	5.58	5.65
Previous Year	25.09	1.01	-	0.01	26.11	18.58	1.88	-	20.46	5.65	6.51

a Details of Borrowing Cost and Exchange Differences:

₹ in Crores

Particulars	Other Adjustments	
	For the year	
	2013-2014	2012-2013
Borrowing Cost	-	0.01
Total	-	0.01

13 Non Current Investments

Particulars

Investment Property (at cost less accumulated depreciation)

Land given on Operating Lease	
Building given on Operating Lease	
Less: Accumulated Depreciation	

Trade Investments (Valued at Cost unless stated otherwise)

Investments in Government Trust Securities

National Saving Certificates	
(Lodged with Sales Tax and Government Authorities)	

Investments in Fully Paid Equity Shares

In Subsidiaries

Quoted

Anup Engineering Limited**

Unquoted

Arvind Brands and Retail Limited

(1,300,000 Shares purchased during the year)

Asman Investments Limited

(At cost less provision for other than temporary diminution of ₹ 6.48 Crores, Previous Year ₹ 6.48 Crores)

Syntel Telecom Limited

Arvind Accel Limited

Arvind Infrastructure Limited

(9,000,000 Shares purchased during the year)

Arvind Worldwide Inc., Delaware*

(Share without par value)

Arvind Textile Mills Limited

Dholka Textile Park Private Limited

(Formerly known as Arvind Spinning Park Private Limited)

Face Value Per
Share (₹)

No of
Shares

As at
March 31, 2014

₹ in Crores

As at
March 31, 2013

21.44

-

19.72

13.70

5.44

3.35

35.72

10.35

(₹ 23,000/-)

(₹ 23,000/-)

100 300,000

3.50

3.50

2 53,300,000

314.10

249.10

10 65,500

0.07

0.07

10 50,000

0.05

0.05

10 50,000

0.05

0.05

10 10,050,000

100.05

10.05

500

0.07

0.07

10 Taka 320,000

1.53

1.53

10 10,000

0.01

0.01

Notes to financial statements

13 Non Current Investments (Contd.)

Particulars	Face Value Per Share (₹)	No of Shares	As at March 31, 2014	₹ in Crores As at March 31, 2013
Arvind Garments Park Private Limited (Formerly known as Arvind Processing Park Private Limited)	10	10,000	0.01	0.01
Arvind Internet Limited (Shares acquired during the year)	10	50,000	0.05	-
In Joint ventures (Unquoted)				
Arudrama Developments Private Limited	100	50,000	22.00	22.00
Tommy Hilfiger Arvind Fashions Private Limited	10	11,461,839	31.55	31.55
Arya Omnitalk Wireless Solutions Private Limited	10	1,000,000	1.00	1.00
Arya Omnitalk Radio Trunking Services Private Limited	10	1,005,000	6.01	6.01
In Joint ventures Subsidiaries (Unquoted)				
Arvind Goodhill Suit Manufacturing Private Limited (132,600 Shares acquired during the year)	10	142,800	6.64	0.01
Arvind OG Nonwoven Private Limited (1,510,633 Shares acquired during the year)	10	1,520,633	15.11	0.01
Arvind PD Composites Private Limited (31,110 Shares acquired during the year)	10	89,760	7.97	4.85
Arvind Niloy Exports Private Limited (35,000 Shares acquired during the year)	100 Taka	63,000	0.46	0.19
In Limited Liability Partnership (Unquoted)				
Arvind and Smart Value Homes LLP (Capital withdrawn during the year)			1.35	61.95
Others				
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited	10	10	(₹ 2,500/-)	(₹ 2,500/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited	10	10	(₹ 1,000/-)	(₹ 1,000/-)
Amazon Textile Private Limited	10	50,000	0.87	0.87
Other Investments (Valued at Cost)				
In Quoted Equity Shares				
Atul Limited	10	773,641	10.41	10.41
Amol Decalite Limited**	10	16,500	0.06	0.06
			522.92	403.35
Share Application Money			141.69	79.16
Total			700.33	492.86
* Revalued and adjusted in 2001-2002 as per the scheme of arrangement and the direction of High Court.				
a Aggregate amount of quoted investments			13.97	13.97
Market value of quoted investments			37.11	26.72
Aggregate amount of unquoted investments			508.95	389.38
Value of investment property			35.72	10.35
Aggregate provision for diminution in value of investments			6.48	6.48
** Listed but not quoted and book value is taken as market value.				
b Disclosure as per AS 13 - Accounting for Investments				
Long Term Investments			522.92	403.35
Current Investments			-	-
Investment Property			35.72	10.35
Total			558.64	413.70

Notes to financial statements

₹ in Crores

14 Loans and Advances

(Unsecured, Considered good unless otherwise stated)

Capital Advances	87.04	66.31
Security Deposits	28.59	24.07
Loans:		
To Related Parties	-	-
To Employees	4.50	4.61
To Others	-	-
Advance Tax	3.08	-
(Net of Provision for Income Tax of ₹ 292.35 Crores, Previous Year ₹ Nil)		
MAT Credit Entitlement	227.01	140.71
Advances recoverable in cash or in kind or for value to be received		
Considered Good	-	-
Considered Doubtful	-	-
Less: Provision for Doubtful Advances	-	-
Prepaid Expenses	0.41	0.23
Balances with Government Authorities	-	-
CENVAT/Custom Duty Receivable	-	-

Total **350.63** 235.93

Long Term

Short Term

15 Other Assets

Non Current Bank Balances (Note 18)	0.01	0.54
Land held for Sale	-	-
Interest Accrued	-	-
Income Receivable	-	-
Receivable other than trade	-	-
Export Incentive Receivable	-	-

Total **0.01** 0.54

Non Current

Current

16 Inventories

Raw Materials and Accessories	203.16	218.85
In Transit	1.67	0.85
Fuel	4.48	2.63
Stores and Spares	60.21	49.86
Work-in-Progress	407.07	347.00
Finished Goods	199.81	225.05
Finished Goods in Transit	1.35	0.62
By Product	0.74	0.50
Stock in Trade	56.57	25.83
Project Work in Progress	5.33	5.21
Waste	2.22	1.56
Total	942.61	877.96

16 Inventories (Contd.)

a Details of Inventory

Raw Material and Accesories

Cotton	129.13	150.20
Yarn	50.54	48.19
Fibre	8.75	7.03
Fabric	5.38	6.49
Accessories	7.83	5.98
Electronics	1.53	0.96

Total **203.16** 218.85

Work-in-Progress

Fabric including Grey	204.68	197.32
Sizing/Yarn/Fibre	173.84	115.87
Electronics	-	1.00
Garments	28.55	32.81

Total **407.07** 347.00

			₹ in Crores				₹ in Crores
16 Inventories (Contd.)	As at March 31, 2014	As at March 31, 2013		17 Trade Receivables	As at March 31, 2014	As at March 31, 2013	
Finished Goods				(Unsecured, considered good unless otherwise stated)			
Fabric	175.38	205.30		Outstanding for a period exceeding six months from the date they are due for payment			
Garments	17.91	14.51		Considered Good	32.29	58.50	
Yarn/Fibre	6.19	5.16		Considered doubtful	0.47	0.27	
Electronics	0.33	0.08		Less: Provision for Doubtful Debts	(0.47)	(0.27)	
Total	199.81	225.05			32.29	58.50	
Stock in Trade				Others	486.64	383.92	
Fabric	26.12	14.99					
Garments	13.92	5.71		Total	518.93	442.42	
Electronics	5.03	4.08					
Agri Products	11.50	1.05					
Total	56.57	25.83					

50

Notes to financial statements

₹ in Crores			₹ in Crores		
	As at March 31, 2014	As at March 31, 2013		Year ended March 31, 2014	Year ended March 31, 2013
19 Contingent Liabilities			a Details of Sales and Services		
(to the extent not provided for)			Sale of Products (Net of Excise Duty)		
(a) Bills Discounted	151.72	117.59	Fabric	3,828.16	3,084.32
(b) Claims against the Company not acknowledged as debts	8.38	7.82	Garments	693.47	489.08
(c) Guarantees given by the Banks on behalf of the Company	65.41	69.48	Grey Fabric	16.92	7.46
(d) Guarantees given by the Company to Banks on behalf of Subsidiaries/ Joint Ventures	533.31	398.99	Yarn	40.45	42.78
(e) Disputed Demands in respect of Excise/Custom Duty	33.71	29.33	Glass Fabric	-	0.82
Sales Tax	20.37	20.37	Electronics Items	43.94	38.57
Income Tax	4.79	19.04	Agri Products	2.26	12.03
Service Tax	0.70	0.84	Accessories	0.47	0.18
				4,625.67	3,675.24
			Sale of Services		
			Processing Income	7.05	4.04
				7.05	4.04
			Total	4,632.72	3,679.28
Note: Future cash outflows in respect of (e) above are determinable only on receipt of judgements/ decisions pending with various forums/ authorities.					
20 Capital and Other Commitments			22 Other Income		
Capital Commitments			Interest Income	37.15	24.26
Estimated amount of contracts remaining to be executed on capital account and not provided for	106.01	80.77	Dividend Income on:		
Other Commitments	-	-	Long Term Investments	0.87	0.35
			Share of Profit from Arvind and Smart Value Homes LLP	-	0.58
			Rent	5.21	1.42
			Sundry Credit Balances Appropriated	0.41	1.20
			Profit on Sale of Fixed Assets (Net)	-	26.13
			Profit on Sale of Land held for Sale	8.33	16.12
			Bad Debt Written off Recovered	0.63	-
			Scrap Income	14.62	12.02
			Miscellaneous Income	16.33	11.38
			Prior Period Item	0.89	-
			Total	84.44	93.46
21 Revenue from Operations			23 Cost of Materials and Accessories Consumed		
Sale of Products			Stock at the beginning of the year	218.85	246.68
Finished Goods and Stock-in-Trade	4,628.95	3,690.09	Purchases	2,080.81	1,613.39
Less : Excise Duty	3.28	14.85		2,299.66	1,860.07
	4,625.67	3,675.24	Less: Stock at the end of the year	203.16	218.85
Sale of Services	7.05	4.04	Total	2,096.50	1,641.22
Other Operating Revenues					
Gain/(Loss) on Forward Contracts	(86.07)	(95.47)			
Export Incentives	136.53	102.58			
Waste Sale	69.49	69.07			
Others	22.81	24.83			
Total	4,775.48	3,780.29			

Notes to financial statements

	₹ in Crores			₹ in Crores	
	Year ended March 31, 2014	Year ended March 31, 2013		Year ended March 31, 2014	Year ended March 31, 2013
a Materials and Accessories Consumed			26 Employee Benefits Expense		
Cotton	805.79	666.77	Salaries and Wages	458.21	387.67
Yarn	842.13	660.55	Contribution to Provident Fund and Other Funds	41.12	46.84
Fibre	47.57	24.19	Staff Welfare Expenses	9.51	7.71
Grey Cloth/Fabric	316.54	224.92	Total	508.84	442.22
EPABX	11.39	11.04			
Accessories	73.08	53.75	27 Finance Costs		
Total	2,096.50	1,641.22	Interest		
b Value of imported and indigenous materials consumed			On Term Loans	105.70	87.27
Raw Materials and Accessories			On working capital loans	138.54	109.21
Imported	246.81	280.01	Others	22.31	22.87
	11.77%	17.06%	Exchange Difference to the extent considered as an adjustment to Borrowing Costs	13.70	25.04
Indigenous	1,849.69	1,361.21	Other Borrowing Costs	0.32	0.10
	88.23%	82.94%	Bank Charges	15.87	23.95
Total	2,096.50	1,641.22	Total	296.44	268.44
24 Purchase of Stock In Trade			28 Depreciation / Amortization Expense		
Cloth	28.59	47.13	Depreciation of Tangible Assets	155.10	148.39
Garments	20.60	15.00	Amortization of Intangible Assets	2.08	1.88
Electronic Items	16.70	12.23	Depreciation of Investment Property	0.33	0.22
Accessories	0.60	0.19	Total	157.51	150.49
Agri Products	11.43	9.89			
Total	77.92	84.44	29 Other Expenses		
25 Changes in Inventories of Finished Goods, Work-in-progress and Stock in Trade			Power and fuel	407.30	406.13
(Increase)/Decrease in stocks			Stores Consumed	372.96	307.32
Stock at the end of the year			Insurance	4.42	2.91
Finished Goods	199.81	225.05	Processing Charges	118.46	73.75
Stock-in-trade	56.57	25.83	Printing, Stationery & Communication	9.07	7.47
Work-in-Progress	407.07	347.00	Rent	62.70	56.70
Project Work-in-Progress	5.33	5.21	Commission, Brokerage and Discounts	42.79	35.91
Waste	2.22	1.56	Rates and taxes	12.23	11.18
	671.00	604.65	Repairs:		
Stock at the beginning of the year			To Buildings	1.90	1.40
Finished Goods	225.05	101.09	To Machineries (Including Spares Consumption)	107.67	89.04
Stock-in-trade	25.83	9.73	To others	4.05	4.29
Work-in-Progress	347.00	322.43	Freight, Insurance and Clearing Charges	34.51	30.26
Project Work-in-Progress	5.21	3.45	Excise Duty borne by Company	0.14	0.21
Waste	1.56	1.96	Legal and Professional Fees	18.33	17.62
	604.65	438.66			
Excise Duty in Value of Stock - Increase / (Decrease)	0.05	(0.02)			
(Increase)/Decrease in stocks	(66.30)	(166.01)			

Notes to financial statements

	₹ in Crores			₹ in Crores	
	Year ended March 31, 2014	Year ended March 31, 2013		Year ended March 31, 2014	Year ended March 31, 2013
29 Other Expenses (Contd.)			32 Expenditure in Foreign Currency		
Conveyance and Travelling Expenses	20.82	15.48	Interest	7.14	17.59
Advertisement and Publicity	23.00	12.99	Commission	7.81	5.70
Directors' sitting fees	0.04	0.02	Professional and Consultation Fees	4.30	4.11
Miscellaneous Labour Charges	31.62	21.83	Other Matters	24.63	25.58
Provision for Doubtful Debts	0.20	0.23	Total	43.88	52.98
Provision for Doubtful Advances	0.62	-			
Bad Debts written off	0.19	0.03	33 Earning in Foreign Currency		
Sundry Debts written off	1.09	0.49	Export of goods calculated on F.O.B. basis	1,862.29	1,444.94
Fixed Assets Written off	0.34	0.51	Non Compete Fees	5.42	-
Loss on Sale of Fixed Assets (Net)	1.04	-	Better Cotton Grant	2.28	2.52
Payments to the auditor as					
(a) Auditor	0.70	0.70	34 Amount remitted during the year in foreign currency on account of dividend :		
(b) For tax audit matters	0.14	0.14	i) Amount remitted	(₹ 3,877)	(₹ 2,350)
(c) For taxation matters	0.04	0.03	ii) Number of shares held of ₹ 10 each	2,350	2,350
(d) For Company law matters	0.22	0.22	iii) Number of Non-resident Shareholders	7	7
(e) For Other Certification work	0.68	0.42	iv) Year to which dividend relates	2012-2013	2011-2012
(f) For reimbursement of expenses	0.05	0.05			
Exchange Difference (Net)	14.22	14.52	35 Earning Per Share (EPS) :		
Loss on Sale of Investments	-	0.02			
Miscellaneous Expenses	57.91	51.79			
Total	1,349.45	1,163.66			
a Value of imported and indigenous Spare Parts consumed					
Imported	23.99	21.31			
	22.28%	23.93%			
Indigenous	83.68	67.73			
	77.72%	76.07%			
Total	107.67	89.04			
30 Exceptional Item					
Retrenchment Compensation	16.40	-			
Total	16.40	-			
31 CIF Value of Imports					
Capital Goods	49.06	92.91			
Raw Materials & Accessories	245.10	287.05			
Dyes & Chemicals, Stores and Spares Parts	81.68	73.87			

₹ in Crores, unless otherwise stated

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit after Tax available to Equity Shareholders	361.39	261.22
Weighted average no. of Equity Shares		
For Basic EPS	Nos. 258,075,124	258,043,069
For Diluted EPS	Nos. 258,104,100	258,048,828
Nominal value of Equity Shares	₹ 10.00	10.00
Basic Earning Per Share	₹ 14.00	10.12
Diluted Earning Per Share	₹ 14.00	10.12
Weighted average number of Equity Shares		
No. of Shares for Basic EPS	258,075,124	258,043,069
Dilutive Effect of ESOS	28,976	5,759
Weighted average number of shares considered for calculating Diluted EPS	258,104,100	258,048,828

Notes to financial statements

36 Employee Share Based Payment:

- i The Company has formulated Employee Stock Option Scheme (ESOS 2008), the features of which are as follows:

Scheme	ESOS 2008 Tranche - II
Date of Grant	April 21, 2011
Number of options granted	200,000
Exercise Price per option	₹ 73.70
Date of vesting	The vesting will be as under:
	33.33% on April 30, 2012
	33.33% on April 30, 2013
	33.33% on April 30, 2014
Exercise Period	Within 3 years from the date of respective vesting.
Method of settlement	Through allotment of one Equity Share for each option granted.

- ii Intrinsic Value Method has been used to account for the employee share based payment plans. The intrinsic value of each stock option granted under the ESOS 2008 plan is ₹ Nil since the market price of the underlying share at the grant date was same as the exercise price and consequently the accounting value of the option (compensation cost) is ₹ Nil.
- iii Further details of the stock option plans ESOS 2008 is as follows:

Particulars	ESOS 2008	
	Tranche-II	
	2013-2014	2012-2013
Options		
Outstanding at the beginning of year	133,340	200,000
Vested but not exercised at the beginning of year	66,660	-
Granted During the year	-	-
Lapsed during the year	-	-
Exercised during the year	133,320	-
Vested but not exercised at the end of year	66,680	66,660
Not vested at the end of year	-	133,340
Weighted Average Exercise Price per Option	₹ 73.70	₹ 73.70

- iv The Black-Scholes-Mertons Option Pricing Model have been used to derive the estimated value of stock option granted if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of Stock Option granted under Black-Scholes-Mertons Option Pricing Model is as follows:

Particulars	ESOS 2008		
	Tranche-II		
	Vesting on April 30,		
	2012	2013	2014
Estimated Value of Stock Options (₹)	32.45	39.47	42.63
Share Price at Grant Date (₹)	73.70	73.70	73.70
Exercise Price (₹)	73.70	73.70	73.70
Expected Volatility (%)	62.46%	65.93%	62.19%
Dividend Yield Rate (%)	0.00%	0.00%	0.00%
Expected Life of Options (in years)	2.53	3.53	4.53
Risk Free Rate of Interest (%)	7.57%	7.61%	7.65%

- v Had the compensation cost for the stock options granted under ESOS 2008 been determined on fair value approach, the Company's net profit and earning per share would have been as per pro forma amounts indicated below:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit after Tax available to equity shareholders	361.39	261.22
Less : Amortization of Compensation Cost (pro forma)	0.09	0.23
Profit after Tax and amortization of Compensation Cost (pro forma)	361.30	260.99
Earning Per Share		
Basic		
- as reported	14.00	10.12
- pro forma	14.00	10.11
Diluted		
- as reported	14.00	10.12
- pro forma	14.00	10.11

37 Employee Benefits

As per Accounting Standard on Employee Benefits (AS 15 Revised 2005), the following disclosures have been made as required by the Standard:

(i) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss for Defined Contribution Plans:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Provident Fund	19.81	16.68
Contributory Pension Scheme	0.15	0.34
Superannuation Fund	1.94	2.21

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.

(ii) State Plans

The Company has recognised the following amounts in the Statement of Profit and Loss for Contribution to State Plans:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Employee's State Insurance	8.15	7.22
Employee's Pension Scheme	10.66	10.27

Notes to financial statements

(iii) Defined Benefit Plans

(a) Leave Encashment/Compensated Absences

Salaries, Wages and Bonus include ₹ 4.07 Crores (Previous Year ₹ 5.36 Crores) towards provision made as per actuarial valuation in respect of accumulated leave encashment/compensated absences.

(b) Contribution to Gratuity Funds

The details of the Company's Gratuity Fund for its employees including Managing Director are given below which is certified by the actuary and relied upon by the auditors:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Change in the Benefit Obligations :		
Liability at the beginning of the year	77.86	64.51
Interest Cost	6.42	4.05
Current Service Cost	6.85	4.73
Benefits Paid	(11.97)	(5.64)
Actuarial Loss/(Gain)	(3.51)	10.21
Liability at the end of the year	75.65	77.86
Fair Value of Plan Assets :		
Fair Value of Plan Assets at the beginning of the year	70.51	61.24
Expected Return on Plan Assets	5.64	3.69
Contributions	19.32	8.91
Benefits Paid	(11.97)	(5.64)
Actuarial gain/(loss) on Plan Assets	0.30	2.31
Fair Value on Plan Assets at the end of the year	83.80	70.51
Total Actuarial(Loss)/Gain to be recognized	3.81	(7.90)
Actual Return on Plan Assets :		
Expected Return on Plan Assets	5.64	3.69
Actuarial gain/(loss) on Plan Assets	0.30	2.31
Actual Return on Plan Assets	5.94	6.00
Amount Recognized in the Balance Sheet :		
Liability at the end of the year	75.65	77.86
Fair Value of Plan Assets at the end of the year	83.80	70.51
Amount recognized in the Balance Sheet under "Provision for Employee Benefits"	(8.15)	7.35
Expense Recognized in the Statement of Profit and Loss:		
Interest Cost	6.42	4.05
Current Service Cost	6.85	4.73
Expected Return on Plan Assets	(5.64)	(3.69)
Net Actuarial loss/(gain) to be recognized	(3.81)	7.90
Expense recognized in the Statement of Profit and Loss under "Employee Benefits Expense"	3.82	12.99

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Reconciliation of the Liability Recognized in the Balance Sheet :		
Opening Net Liability	7.35	3.27
Expense Recognized	3.82	12.99
Contribution by the Company	(19.32)	(8.91)
Amount recognized in the Balance Sheet under "Provision for Employee Benefits"	(8.15)	7.35

Based on the above allocation and the prevailing yields on these assets, the long-term estimate of the expected rate of return on fund assets has been arrived at.

Principal Assumptions:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Discount Rate (%)	9.31	8.25
Return on Plan Assets (%)	8.00	8.00

Investment Pattern:

Particulars	% Invested in Current Year	% Invested in Previous Year
Central Government Securities	0.30	0.36
State Government Securities/ Securities guaranteed by State/ Central Government	-	0.43
Public Sector/Financial Institutional Bonds	4.18	8.01
Portfolio with Mutual Fund	95.24	90.53
Others (including bank balances)	0.28	0.67
Total	100.00	100.00

Amount of Current and Previous four years are as follows:

₹ in Crores

Particulars	Gratuity				
	2013-14	2012-13	2011-12	2010-11	2009-10
a. Present Value of Defined Benefit Obligation	75.65	77.86	64.51	43.31	38.63
b. Fair Value of Plan Asset	83.80	70.51	61.24	41.47	36.32
c. Surplus/(Deficit) in the plan	8.15	(7.35)	(3.27)	(1.84)	(2.31)
d. Experience Adjustments on plan liabilities losses/(gains)	2.83	8.82	1.64	2.61	4.10
e. Experience Adjustments on plan asset (losses)/gain	0.31	2.31	(0.07)	(0.21)	(1.68)

Notes to financial statements

38 Segment Reporting

(A) Primary Segment (Business Segment)

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Segment Revenue		
a) Textiles	4,649.17	3,701.20
b) Brands and Retail	63.17	25.38
c) Real Estate	-	-
d) Others	102.72	77.79
e) Unallocable	-	-
Total Sales	4,815.06	3,804.37
Less: Inter Segment Revenue	39.58	24.08
Net Sales	4,775.48	3,780.29
Segment Results		
Segment Results before Interest & Finance Cost		
a) Textiles	713.54	506.32
b) Brands and Retail	(7.80)	(10.52)
c) Real Estate	(0.80)	(0.58)
d) Others	(13.10)	(12.22)
e) Unallocable	13.19	46.66
Total Segment Results	705.03	529.66
Less: Interest & Finance Cost	296.44	268.44
Profit from Ordinary Activities	408.59	261.22
Extra Ordinary Items (Net)	-	-
Profit before Tax	408.59	261.22
Other Information		
Segment Assets		
a) Textiles	3,697.32	3,444.75
b) Brands and Retail	82.60	47.75
c) Real Estate	6.73	12.74
d) Others	150.69	103.54
e) Unallocable	2,096.17	1,674.94
Total Assets	6,033.51	5,283.72
Segment Liabilities		
a) Textiles	750.23	674.43
b) Brands and Retail	19.64	13.06
c) Real Estate	0.58	0.60
d) Others	24.02	26.45
e) Unallocable	186.16	150.55
Total Liabilities	980.63	865.09
Segment Depreciation/Impairment		
a) Textiles	144.76	140.30
b) Brands and Retail	1.29	0.77
c) Real Estate	0.06	0.11
d) Others	4.06	3.08
e) Unallocable	7.34	6.23
Total Depreciation/Impairment	157.51	150.49

(A) Primary Segment (Business Segment) (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Capital Expenditure		
a) Textiles	181.04	266.26
b) Brands and Retail	9.17	4.26
c) Real Estate	0.10	-
d) Others	12.18	15.83
e) Unallocable	29.93	0.61
Total Capital Expenditure	232.42	286.96
Non cash expenses other than Depreciation		
a) Textiles	1.96	0.77
b) Brands and Retail	0.28	0.10
c) Real Estate	-	-
d) Others	-	0.27
e) Unallocable	0.21	0.12
Total Non cash expenses other than Depreciation	2.45	1.26

(B) Secondary Segment (Geographical by Customers)

Segment Revenue		
a) In India	2,913.19	2,335.35
b) Outside India	1,862.29	1,444.94
Total Sales	4,775.48	3,780.29
Carrying Cost of Assets by location of Assets		
a) In India	5,888.37	5,166.37
b) Outside India	145.14	117.35
Total	6,033.51	5,283.72
Addition to Assets		
a) In India	232.01	286.96
b) Outside India	0.41	-
Total	232.42	286.96

Notes:

- The Company has considered business segment as the primary reporting segment. Segments have been identified taking into account the nature of the products and services, differential risks and returns, the Organizational structure and internal reporting system. Consequently, the geographical segment has been considered as a secondary segment.
- The business segment comprise of the following:
Textiles : Fabric, Yarn and Garments
Brands and Retail : Retailing of Branded Garments, Apparels and Fabrics
Others: Electronics, Technical Textile, Construction and Project Activity
- Geographical segment is considered based on sales within India and outside India.
- Intersegment Revenues are recognised at sales price.

Notes to financial statements

39 Related Party Disclosures :

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

a Name of Related Parties and Nature of Relationship :

1	Asman Investment Limited	Subsidiary Company
2	The Anup Engineering Limited	Subsidiary Company
3	Arvind Lifestyle Brands Limited	Subsidiary Company
4	Arvind Accel Limited	Subsidiary Company
5	Syntel Telecom Limited	Subsidiary Company
6	Arvind Infrastructure Limited	Subsidiary Company
7	Arvind Brands and Retail Limited	Subsidiary Company
8	Arvind Internet Limited	Subsidiary Company
9	Arvind Envisol Private Limited	Subsidiary Company
10	Arvind Worldwide Inc., USA	Subsidiary Company
11	Arvind Worldwide (M) Inc., Mauritius	Subsidiary Company
12	Arvind Overseas (M) Limited, Mauritius	Subsidiary Company
13	Arvind Garments Park Private Limited (Formerly known as Arvind Processing Park Private Limited)	Subsidiary Company
14	Arvind Spinning Limited, Mauritius	Subsidiary Company
15	Arvind Textile Mills Limited, Bangladesh	Subsidiary Company
16	Dholka Textile Park Private Limited (Formerly known as Arvind Spinning Park Private Limited)	Subsidiary Company
17	Arvind Hebbal Homes Private Limited	Subsidiary Company
18	Arya Omnitalk Wireless Solutions Private Limited	Joint Venture
19	Tommy Hilfiger Arvind Fashions Private Limited	Joint Venture
20	Arya Omnitalk Radio Trunking Services Private Limited	Joint Venture

21	Arudrama Developers Private Limited	Joint Venture
22	Arvind PD Composites Private Limited	Joint Venture Subsidiary Company
23	Arvind Goodhill Suit Manufacturing Private Limited	Joint Venture Subsidiary Company
24	Arvind Niloy Exports Private Limited, Bangladesh	Joint Venture Subsidiary Company
25	Arvind OG Nonwovens Private Limited	Joint Venture Subsidiary Company
26	Arvind Bsafal Homes LLP	Limited Liability Partnership
27	Ahmedabad East Infrastructure LLP	Limited Liability Partnership
28	Arvind Infracon LLP	Limited Liability Partnership
29	Arvind Five Homes LLP	Limited Liability Partnership
30	Arvind Altura LLP	Limited Liability Partnership
31	Arvind Industrial Infrastructure (One) LLP	Limited Liability Partnership
32	Arvind Alcove LLP	Limited Liability Partnership
33	Arvind & Smart Value Homes LLP	Limited Liability Partnership
34	Changodar Industrial Infrastructure (One) LLP	Limited Liability Partnership
35	Aura Securities Private Limited	Company under the control of Key Managerial Personnel
36	Amplus Capital Advisors Private Limited	Company under the control of Key Managerial Personnel
37	Shri Sanjay S. Lalbhai, Chairman and Managing Director	Key Management Personnel
38	Shri Jayesh K. Shah, Director & Chief Financial Officer	Key Management Personnel
39	Shri Punit S. Lalbhai, Executive Director	Key Management Personnel
40	Shri Kulin S. Lalbhai, Executive Director	Key Management Personnel

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

b 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	
	Year ended		Year ended		Year ended		Year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Transactions								
Purchase of Goods and Materials	23.75	8.50						
Purchase of Fixed Assets	2.33	11.80						
Sales of Goods and Materials	14.21	30.33			7.90	11.88		
Sale of Fixed Assets	-	7.39			27.45	-		
Rendering of Services	0.27	0.32			2.36	3.24		
Remuneration			12.68	8.98				
Receiving of Services	8.02	8.91						
Interest Expense							0.42	0.45
Other Expenses	0.46	0.07			-	0.04		
Interest Income	24.62	19.92			0.05	0.42		
Other Income	0.90	0.63					0.02	0.02
Loan Given/(Repaid) (Net)	12.16	40.33					(0.25)	(0.16)
Share Application Money Given	132.64	38.87						
Investments (Net)	180.16	71.97			(60.60)	18.85		
Balances as at year end								
Trade and Other Receivable	54.84	92.64			30.66	4.95	(₹ 44,742)	(₹ 22,795)
Receivable/(Payable) in respect of Loans	95.43	82.48					(0.01)	(0.26)
Trade and Other Payable	12.42	15.43			0.54	0.54		

Notes to financial statements

C Disclosure in respect of Related Party Transactions :

₹ in Crores

Nature of Transactions	Year ended March 31, 2014	Year ended March 31, 2013
Purchase of Goods and Materials		
Arvind Lifestyle Brands Limited	19.85	8.34
Asman Investment Limited	-	0.02
Syntel Telecom Limited	3.57	-
Arvind Envisol Private Limited	0.28	-
Arvind Goodhill Suit Manufacturing Private Limited	0.05	-
Arvind PD Composites Private Limited	(₹18,708)	-
Arvind Accel Limited	-	0.14
Purchase of Fixed Assets		
The Anup Engineering Limited	-	0.16
Arvind Accel Limited	1.80	1.26
Arvind Infrastructure Limited	0.01	-
Arvind Envisol Private Limited	0.52	10.38
Sales of Goods and Materials		
Asman Investment Limited	0.38	0.52
Arvind Lifestyle Brands Limited	13.62	29.65
Arvind PD Composites Private Limited	0.02	0.12
Arvind Infrastructure Limited	(₹8,327)	-
Arvind Internet Limited	0.06	-
Arvind Goodhill Suit Manufacturing Private Limited	0.09	-
The Anup Engineering Limited	0.04	0.04
Arya Omnitalk Wireless Solutions Private Limited	7.14	8.24
Tommy Hilfiger Arvind Fashions Private Limited	0.76	3.64
Sale of Fixed Assets		
Arvind Industrial Infrastructure (One) LLP	27.45	-
Arvind Infrastructure Limited	-	6.04
Arvind PD Composites Private Limited	-	1.35
Rendering of Services		
Arya Omnitalk Wireless Solutions Private Limited	1.35	1.26
Arya Omnitalk Radio Trunking Services Private Limited	1.01	1.98
Arvind Lifestyle Brands Limited	0.27	0.32
Remuneration		
Shri Sanjay S. Lalbhai, Chairman and Managing Director	6.93	4.70
Shri Jayesh K. Shah, Director & Chief Financial Officer	3.76	3.03
Shri Punit S. Lalbhai	0.99	0.57
Shri Kulin S. Lalbhai	1.00	0.58
Shri Darshil J. Shah, Son of Director & Chief Financial Officer	-	0.10
Receiving of Services		
Arvind Worldwide Inc., USA	7.59	8.91
Arvind Niloy Exports Private Limited, Bangladesh	0.43	-
Interest Expense		
Aura Securities Private Limited	0.42	0.45

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

₹ in Crores

Nature of Transactions	Year ended March 31, 2014	Year ended March 31, 2013
Other Expenses		
Asman Investment Limited	0.35	0.07
Arvind Envisol Private Limited	0.11	-
Arya Omnitalk Wireless Solutions Private Limited	-	0.04
Interest Income		
The Anup Engineering Limited	-	0.20
Arvind Lifestyle Brands Limited	16.87	11.17
Arvind Accel Limited	3.46	2.40
Arvind Envisol Private Limited	0.14	0.01
Arvind Infrastructure Limited	4.15	6.14
Arvind & Smart Value Homes LLP	0.05	0.42
Other Income		
Arvind Lifestyle Brands Limited	0.46	0.10
Arvind PD Composites Private Limited	0.44	0.53
Amplus Capital Advisors Private Limited	0.02	0.02
Loan Given/(Repaid) (Net)		
Arvind Lifestyle Brands Limited	12.06	40.95
Arvind Accel Limited	(1.49)	2.03
Arvind Envisol Private Limited	1.47	0.41
Arvind Infrastructure Limited	0.12	(1.92)
Arvind PD Composites Private Limited	-	(0.03)
Arvind Brands and Retail Limited	-	(1.11)
Aura Securities Private Limited	(0.25)	(0.16)
Share Application Money		
Arvind Textile Mills Limited, Bangladesh	0.28	2.27
Arvind PD Composites Private Limited	2.95	1.40
Arvind Brands and Retail Limited	80.35	35.00
Arvind OG Nonwovens Private Limited	1.26	0.20
Arvind Goodhill Suit Manufacturing Private Limited	6.28	-
Arvind Internet Limited	5.98	-
Arvind Niloy Exports Private Limited, Bangladesh	0.42	-
Arvind Garments Park Private Limited	16.48	-
Dholka Textile Park Pvt Limited	18.64	-
Investments (Net)		
Arvind Infrastructure Limited	90.00	10.00
Arvind PD Composites Private Limited	3.11	1.73
Arvind Brands and Retail Limited	65.00	60.00
Arvind Goodhill Suit Manufacturing Private Limited	6.63	0.01
Arvind OG Nonwovens Private Limited	15.10	0.01
Arvind Niloy Exports Private Limited, Bangladesh	0.27	0.20
Arvind Internet Limited	0.05	-
Dholka Textile Park Private Limited	-	0.01
Arvind Garments Park Private Limited	-	0.01
Tommy Hilfiger Arvind Fashions Private Limited	-	18.05
Arvind & Smart Value Homes LLP	(60.60)	0.80

Notes to financial statements

d Disclosures pursuant to the clause 32 of the Equity Listing Agreement Loans and Advances in the nature of loans to subsidiaries

₹ in Crores

Name of Subsidiary	Closing Balance		Maximum Outstanding	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Asman Investments Limited	2.14	2.14	2.14	2.14
Arvind Worldwide (M) Inc.	5.78	5.25	6.33	5.42
Arvind Worldwide Inc. USA	2.70	2.44	4.64	2.52
Arvind Accel Limited	3.03	4.53	32.16	22.98
Arvind Infrastructure Limited	0.58	0.45	175.63	106.67
The Anup Engineering Limited	0.10	0.10	0.10	10.10
Arvind Lifestyle Brands Limited	80.40	68.34	240.33	134.50
Arvind Envisol Private Limited	1.88	0.41	1.96	0.41
Syntel Telecom Limited	0.12	0.12	0.12	0.12
Arvind Textile Mills Limited, Bangladesh	-	-	0.05	0.01
Arvind Brands and Retail Limited	-	-	-	1.25
Arvind PD Composite Private Limited	-	-	-	0.03
Total	96.73	83.78	463.46	286.15

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

40 Lease Rent

Operating Lease

- (A) Land is taken on lease period of 30 years with no option of renewal, no sub lease of the land and having an escalation clause for increase in lease rental by 5% after block of every 2 years.

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	7.81	4.12
Not later than one year	0.61	0.11
Later than one year and not later than five years	2.48	0.44
Later than five years	4.72	3.57
Lease Payment recognised in Statement of Profit and Loss	0.40	0.11

- (B) Factory Building is taken on lease period of 18 to 20 years with no option of renewal, no sub lease of the building and having an escalation clause for increase in lease rental by 15% after every 3 years

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	89.59	79.59
Not later than one year	8.25	7.43
Later than one year and not later than five years	41.64	31.50
Later than five years	39.70	40.66
Lease Payment recognised in Statement of Profit and Loss	8.13	7.24

- (C) Plant & Machineries are taken on operating lease for a period of 5 to 8 years with the option of renewal

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	204.31	135.68
Not later than one year	36.35	30.53
Later than one year and not later than five years	132.65	93.64
Later than five years	35.31	11.51
Lease Payment recognised in Statement of Profit and Loss	37.44	37.00

- (D) Rent expense includes lease rental payments towards office premises, showrooms and other facilities. Such leases are generally for a period of 11 to 108 months with the option of renewal against increased rent.

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	108.40	71.08
Not later than one year	14.72	9.27
Later than one year and not later than five years	57.55	36.24
Later than five years	36.13	25.57
Lease Payment recognised in Statement of Profit and Loss	12.93	6.48

Notes to financial statements

(E) Rent Income also includes Lease Rental received towards Land and Buildings. Such operating lease is generally for a period from 3 years 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:

Particulars	₹ in Crores	
	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments under non-cancellable operating leases:	82.60	16.52
Not later than one year	5.95	1.87
Later than one year and not later than five years	23.72	5.72
Later than five years	52.93	8.93
Lease income recognised in Statement of Profit and Loss	5.04	1.28

41 Disclosures in respect of Joint Venture

(a) List of Joint Ventures:

Sr. No	Name of Joint Venture	Description of Interest	Proportion of ownership interest	Country of	
				Incorporation	Residence
1	Arya Omnitalk Wireless Solutions Private Limited	Jointly Controlled Entity	50%	India	India
2	Tommy Hilfiger Arvind Fashion Private Limited	Jointly Controlled Entity	50%	India	India
3	Arya Omnitalk Radio Trunking Services Private Limited	Jointly Controlled Entity	50%	India	India
4	Arudrama Developers Private Limited	Jointly Controlled Entity	50%	India	India

(b) Financial interest in Jointly Controlled Entities:

Sr. No	Name of Joint Venture	Company's share in			
		Assets As at		Liabilities As at	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
1	Arya Omnitalk Wireless Solutions Private Limited	23.53	21.77	13.53	13.83
2	Tommy Hilfiger Arvind Fashion Private Limited	74.36	61.37	36.44	28.64
3	Arya Omnitalk Radio Trunking Services Private Limited	10.67	10.97	3.35	3.69
4	Arudrama Developers Private Limited	2.56	2.37	0.51	0.32

Sr. No	Name of Joint Venture	Company's share in			
		Income Year ended		Expenses Year ended	
		March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
1	Arya Omnitalk Wireless Solutions Private Limited	27.79	26.72	24.43	24.10
2	Tommy Hilfiger Arvind Fashion Private Limited	117.23	94.61	109.37	90.60
3	Arya Omnitalk Radio Trunking Services Private Limited	10.01	7.68	9.04	6.93

Sr. No	Company's share in:	Year ended	
		March 31, 2014	March 31, 2013
1	Contingent Liability in respect of guarantee given by Bank	3.51	2.21
2	Disputed Demand in respect of :		
	Income Tax	0.08	0.05
	Sales Tax	0.02	0.08
	Service Tax	0.44	0.44
3	Capital commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	0.47	0.03
4	Claims against the Company not acknowledged as debts	0.61	0.61

Note : The above figures are considered based on unaudited financial statements of the respective Jointly Controlled Entities.

Notes to financial statements

42 Impairment of Fixed Assets

In accordance with the Accounting Standard (AS -28) on 'Impairment of Assets', the Company has reassessed its fixed assets and is of the view that no further impairment/reversal is considered to be necessary in view of its expected realisable value.

43 Early adoption of AS 30, Financial Instruments :Recognition and Measurement

- Consequent to the Announcement of the Institute of Chartered Accountants of India (ICAI), the Company had chosen to early adopt 'Accounting Standard – 30, Financial Instruments: Recognition and Measurement' in its entirety, read with the clarification issued on application of AS -30. Accordingly, the Company has changed the designation and measurement of all its significant financial assets and liabilities. All the financial assets and financial liabilities and derivatives have been remeasured at their respective fair values or at amortized cost as against cost except for those items whose accounting treatment is covered by the existing accounting standards.
- As a result, as on Balance Sheet date, Long Term Borrowings are lower by ₹ 8.04 Crores, (Previous year ₹7.32 Crores) and Hedge Reserve account is credited by ₹ 21.71 Crores (Previous year debited by ₹ 23.64 Crores) on account of fair valuation of outstanding derivatives.

44 Foreign Exchange Differences

As per the notification issued by the Ministry of Corporate Affairs dated 31st March, 2009 as amended from time to time, the Company had already exercised the option for accounting of exchange rate differences with effect from April 1, 2007.

Consequent to the adoption of that option:

- 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 or up to 31st March, 2020 whichever is earlier.

As a result:

- An amount of ₹ 6.19 Crores being the exchange rate loss for the year (Previous year ₹ 3.75 Crores) has been adjusted against the fixed assets.
- An amount of ₹ 5.00 Crores being the exchange rate loss for the year (Previous year ₹ 4.90 Crores) remains to be amortized as at the balance sheet date.

45 Category-wise Quantitative data about derivative instruments outstanding:

Particulars	Currency	As at 31st March, 2014			As at 31st March, 2013		
		In Mn	Avg. Ex. Rate	₹ in Crores	In Mn	Avg. Ex. Rate	₹ in Crores
Forward Sales	USD	25.49	60.5071	154.23	60.71	52.3898	318.06
	EUR	1.08	83.4897	8.98	0.81	72.7398	5.88
Forward Purchase	USD	19.47	61.0601	118.87	10.08	55.4186	55.86
	JPY	434.64	0.5882	25.57	193.98	0.6141	11.91
	EUR	2.11	83.1462	17.54	-	-	-
	CHF	1.37	69.6233	9.54	-	-	-
Interest Swap	USD	10.00	56.7325	56.73	10.00	56.7325	56.73
Option Deals	USD	140.00	62.0000	868.00	-	-	-

The Company has borrowed long term as well as short term Loans in Foreign currency but as the Company is a net foreign currency surplus Company, there is no unhedged exposure in foreign currency.

46 Disclosure in respect of Construction/Job work Contracts

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Amount of Contract Revenue recognized	12.96	24.59
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	12.96	24.59
Advance received from customers	-	6.03
Due from customers	1.31	3.19

Notes to financial statements

47 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	Year ended March 31, 2014	Year ended March 31, 2013
Naroda Centre		
Capital Expenditure	2.15	9.21
Revenue Expenditure	4.01	2.67
Total Expenditure at Naroda Centre	6.16	11.88
Santej Centre		
Capital Expenditure	21.82	0.61
Revenue Expenditure	10.95	7.25
Total Expenditure at Santej Centre	32.77	7.86

48 Figures less than ₹ 50,000/- which are required to be shown separately, have been shown as actual in brackets.

49 In the opinion of the Board, all assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated except for reconciliation adjustments in respect of some of the payables and receivables.

50 Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of the current year.

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

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

Ahmedabad
May 15, 2014

SANJAY S. LALBHAI Chairman & Managing Director

JAYESH K. SHAH Director & Chief Financial Officer

R. V. BHIMANI Company Secretary

INDEPENDENT AUDITOR'S REPORT To the Board of Directors of Arvind Limited

We have audited the accompanying consolidated financial statements of **Arvind Limited** ("the Company") and its subsidiaries, jointly controlled entities and associates; hereinafter referred to as the "Group" which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 – Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

Based on our audit and on consideration of the reports of the other auditors on the financial statements and on the other financial information of the components of the Group as noted below, and to the best of our information and according to the explanations given to us, in our opinion, the accompanying consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

As mentioned in Note No. 36 in respect of early adoption of Accounting Standard (AS) – 30 on 'Financial Instruments: Recognition and Measurement' issued by the Institute of Chartered Accountants of India and the clarification issued on Application of AS 30, the Company has measured all its Financial Assets and Liabilities at their respective Fair Values or at Amortised Cost except for those items whose accounting treatment is covered by the existing accounting standards notified by Companies (Accounting Standard) Rules, 2006. Accordingly, the carrying amount of Long Term Borrowings would have been higher by ₹ 8.04 Crores and carrying value of Hedge Reserve would have been lower by ₹ 21.71 Crores. Our opinion is not qualified in respect of this matter.

Other Matter

We did not audit the financial statements of 12 subsidiaries and 9 limited liability partnership entities whose financial statements reflect (before giving effect to the consolidation adjustments) total assets (net) of ₹ 147.30 Crores as at 31st March 2014, total revenue of ₹ 129.40 Crores and net cash outflows amounting to ₹ 1.24 Crores for the year then ended. These Financial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion is based solely on the report of the other auditors.

We did not audit the financial statements of 4 joint venture entities and 1 subsidiary whose financial statements reflect (before giving effect to the consolidation adjustments) total assets of ₹ 71.18 Crores as at 31st March 2014, total revenue of ₹ 164.48 Crores and net cash inflows amounting to ₹ 0.18 Crores for the year then ended. The unaudited financial information has been certified and provided to us by the management and our opinion on the consolidated financial statements to the extent they relate to these entities is based solely on such unaudited financial information furnished to us. Any adjustment to their balances on completion of audit could have consequential effect on the attached Consolidated Financial Statements.

Our opinion is not qualified in respect of these matters.

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. N D Anklesaria

Partner

Membership No. 10250

Ahmedabad

May 15, 2014

Consolidated Balance Sheet as at 31st March, 2014

	Note	As at March 31, 2014	₹ in Crores As at March 31, 2013
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	258.17	258.04
Reserves and Surplus	4	2,324.81	1,995.94
Minority Interest	-	24.24	10.80
Non-current liabilities			
Long Term Borrowings	5	1,345.46	1,005.12
Deferred Tax Liabilities (Net)	6	43.49	5.77
Other Long Term Liabilities	7	25.24	10.30
Long Term Provisions	8	23.07	13.22
Current liabilities			
Short Term Borrowings	9	1,448.77	1,280.62
Trade Payables	10	1,249.47	1,097.80
Other Current Liabilities	7	535.75	466.72
Short Term Provisions	8	84.76	89.06
Total		7,363.23	6,233.39
Assets			
Non-current assets			
Fixed Assets			
Tangible Assets	11	2,771.15	2,560.27
Intangible Assets	12	121.53	134.20
Capital Work-in-progress	-	131.63	207.64
Intangible Assets under development	-	3.04	-
Non-current Investments	13	128.05	56.82
Long Term Loans and Advances	14	559.96	388.48
Other Non-current Assets	15	5.38	1.48
Current assets			
Current Investments	13	1.28	10.98
Inventories	16	1,628.14	1,412.89
Trade Receivables	17	1,009.31	754.65
Cash and Bank Balances	18	166.33	185.58
Short Term Loans and Advances	14	502.50	216.92
Other Current Assets	15	334.93	303.48
Total		7,363.23	6,233.39
Significant Accounting Policies	2		

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

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

SANJAY S. LALBHAI

Chairman & Managing Director

CA. N. D. Anklesaria

Partner

Membership No.10250

JAYESH K. SHAH

Director & Chief Financial Officer

Ahmedabad

May 15, 2014

R. V. BHIMANI

Company Secretary

Consolidated Statement of Profit and Loss for the year ended on 31st March, 2014

	Note	Year ended March 31, 2014	Year ended March 31, 2013
Revenue from operations (Gross)	21	6,944.49	5,365.33
Less: Excise Duty/VAT		82.37	72.81
Revenue from operations (Net)		6,862.12	5,292.52
Other Income	22	69.40	80.56
Total Revenue		6,931.52	5,373.08
Expenses:			
Cost of materials and accessories consumed	23	2,178.57	1,699.60
Purchases of Stock in Trade	-	1,154.25	812.25
Project Expense	-	101.97	109.77
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(208.70)	(284.68)
Employee benefits expense	25	679.32	565.63
Finance costs	26	354.47	315.34
Depreciation and amortization expense	27	225.21	204.30
Other expenses	28	2,022.71	1,702.54
Total Expenses		6,507.80	5,124.75
Profit before exceptional and extraordinary items and tax		423.72	248.33
Exceptional items	29	16.40	-
Profit before extraordinary items and tax		407.32	248.33
Extraordinary Items		-	-
Profit before Tax		407.32	248.33
Tax expense:			
Current Tax		102.61	59.58
Deferred tax		37.81	(5.57)
MAT Credit Entitlement		(86.30)	(53.75)
Short Provision of Tax of Earlier Years		0.65	-
Profit for the year before adjustment for Minority Interest		352.55	248.07
Share of Profit/(Loss) transferred to Minority Interest		(1.34)	(0.34)
Net Profit for the year after adjustment for Minority Interest		353.89	248.41
Earnings per equity share	30		
(Nominal Value per Share ₹ 10/- (Previous year ₹ 10/-):			
Basic and Diluted		13.71	9.63
Significant Accounting Policies	2		

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

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. N. D. Anklesaria

Partner

Membership No.10250

Ahmedabad

May 15, 2014

SANJAY S. LALBHAI

Chairman & Managing Director

JAYESH K. SHAH

Director & Chief Financial Officer

R. V. BHIMANI

Company Secretary

Consolidated Cash Flow Statement for the year ended on 31st March, 2014

₹ in Crores

A Cash Flow from Operating Activities**Profit Before taxation****407.32**

248.33

Adjustments for:

Depreciation/Amortization/Impairment

225.21

204.30

Impairment Reversal

-

(0.05)

Interest Income

(17.41)

(9.57)

Interest Expenses

354.47

315.34

Dividend Income

(0.47)

(0.35)

Bad Debts Written Off (Including Provision)

3.80

0.75

Provision for Wealth Tax

0.06

0.20

Sundry Debit Written off

1.55

1.57

Sundry Credit Balances Appropriated

(0.47)

(1.40)

Foreign Exchange Difference

(1.43)

0.41

Fixed Assets written off

2.96

0.58

Profit on Sale of Land held for sale

(7.77)

(14.80)

(Profit)/Loss on Sale of Tangible/Intangible assets

1.31

(23.26)

Profit on sale of Investment

(0.72)

(0.11)

561.09

473.61

968.41

721.94

Operating Profit before Working Capital Changess

Working Capital Changes:

Changes in Inventories

(215.25)

(312.10)

Changes in trade payables

152.14

205.81

Changes in other liabilities

72.86

124.53

Changes in provisions

(5.33)

9.47

Changes in loans and advances

(147.12)

(46.36)

Changes in trade receivables

(255.99)

(113.08)

Changes in other assets

(26.64)

(44.88)

Changes in Other Bank Balances

(23.22)

6.66

Net Changes in Working Capital**(448.55)**

(169.95)

Cash Generated from Operations**519.86**

551.99

Direct Taxes paid (Net of Income Tax refund)

(107.79)

(61.96)

Net Cash from Operating Activities**412.07**

490.03

B Cash Flow from Investing Activities

Purchase of tangible/intangible assets

(387.62)

(368.32)

Sale of tangible assets

21.09

66.53

Sale of Land held for sale

31.63

20.30

Changes in Investments

(70.55)

(28.06)

Share Application Money Refund

35.11

-

Capital Advances

(56.91)

12.47

Changes in Loan Given

(165.93)

(42.23)

Dividend Income

0.47

0.35

Interest Income

18.73

8.12

Net cash flow from Investing Activities**(573.98)**

(330.84)

Consolidated Cash Flow Statement for the year ended on 31st March, 2014 (Contd.)

₹ in Crores

	Year ended March 31, 2014	Year ended March 31, 2013
C Cash Flow from Financing Activities		
Issue of Share Capital	0.13	-
Securities Premium received	0.85	-
Dividend Paid	(42.37)	(25.64)
Dividend Distribution Tax	(7.24)	(4.19)
Changes in long term Borrowings	356.78	221.54
Changes in short term borrowings	174.32	103.78
Interest Paid	(358.58)	(334.16)
Net Cash flow from Financing Activities	123.89	(38.67)
Net Increase/(Decrease) in cash & cash equivalents	(38.02)	120.52
Cash & Cash equivalent at the beginning of the period	161.38	40.86
Cash & Cash equivalent at the end of the period	123.36	161.38

a Particulars	As at March 31, 2014	As at March 31, 2013
Cash and cash equivalents comprise of: (Note 18)		
Cash on Hand	0.96	1.47
Cheques on Hand	0.02	0.04
Balances with Banks*	121.83	159.88
Cash and cash equivalents	122.81	161.39
Effect of Exchange Rate Changes	(0.55)	0.01
Cash and cash equivalents as restated	123.36	161.38
* Includes the following balance which is not available for use by the Company		
Unpaid dividend account	0.70	0.49

As per our report of even date attached

For **Sorab S. Engineer & Co.**

Firm Registration No. 110417W

Chartered Accountants

CA. N. D. Anklesaria

Partner

Membership No.10250

Ahmedabad

May 15, 2014

SANJAY S. LALBHAI

Chairman & Managing Director

JAYESH K. SHAH

Director & Chief Financial Officer

R. V. BHIMANI

Company Secretary

Notes to consolidated financial statement:

1. BASIS OF CONSOLIDATION

Basis

- (i) The Consolidated Financial Statements have been prepared in accordance with Accounting Standard - 21 on "Consolidated Financial Statements" and relevant clarifications issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements comprise the financial statements of Arvind Limited, its subsidiaries, Joint Venture entities and Associates (collectively referred to as "the Group").
- (ii) The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies, which represent the needed disclosure.

Principles

- (i) Subsidiaries are consolidated from the date on which control is transferred to the group and are not consolidated from the date that control ceases. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.
 - (ii) The difference between cost to the Company of its investments in the subsidiary companies and its share of the equity of the subsidiary companies, at the dates on which the investments in the subsidiary companies are made, is recognised as Goodwill or Capital Reserve as the case may be.
 - (iii) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.
 - (iv) In case of Foreign Subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and Liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on translation is accumulated in a "Reserve on Exchange Rate Fluctuation" in the Balance Sheet.
 - (v) The Company's interest in the Joint Ventures has been consolidated on line to line basis by adding together the value of assets, liabilities, income and expenses, after eliminating the unrealised profits/losses of intra group transactions. Joint Venture accounts have been included in segment to which they relate.
 - (vi) Investments in Associates have been accounted for by using the equity method of accounting whereby the investment is initially recorded at cost, identifying any goodwill/capital reserve arising at the time of acquisition. The carrying amount of investment is adjusted thereafter for the post acquisition change in the investor's share of net asset of the investee.
- a. The List of Subsidiaries included in the Consolidated Financial Statements are as under :

Sr. No.	Name of Subsidiary	Country of incorporation	Proportion of ownership as on 31 st March 2014
1	Asman Investments Limited	India	81.88%
2	The Anup Engineering Limited	India	88.24%
3	Arvind Worldwide Inc.	USA	100%
4	Arvind Worldwide (M) Inc.	Mauritius	100%
5	Arvind Accel Limited	India	100%
6	Syntel Telecom Limited	India	100%
7	Arvind Infrastructure Limited	India	100%
8	Arvind Brands & Retail Limited	India	99.53%
9	Arvind Lifestyle Brands Limited	India	99.77%
10	Arvind Envisol Private Limited	India	100%
11	Arvind PD Composites Private Limited	India	51%
12	Arvind Overseas (Mauritius) Limited	Mauritius	100%
13	Arvind Spinning Limited	Mauritius	100%
14	Arvind Textile Mills Limited	Bangladesh	100%
15	Arvind Goodhill Suit Manufacturing Private Limited	India	51%
16	Arvind Niloy Exports Private Limited	Bangladesh	70%
17	Dholka Textile Park Private Limited (Formerly Known as Arvind Spinning Park Private Limited)	India	100%
18	Arvind Garments Park Private Limited (Formerly Known as Arvind Processing Park Private Limited)	India	100%

Notes to consolidated financial statement:

Sr. No.	Name of Subsidiary	Country of incorporation	Proportion of ownership as on 31 st March 2014
19	Arvind Hebbal Homes Private Limited	India	100%
20	Arvind OG Nonwovens Private Limited	India	74%
21	Arvind Internet Limited	India	100%

- b. The following Joint Venture entities and Limited Liability Partnerships have been included in the Consolidated Financial Statements :

Sr. No.	Name of the Entity	Country of incorporation	Proportion of ownership as on 31 st March 2014
1	Arya Omnitalk Wireless Solutions Private Limited	India	50%
2	Arya Omnitalk Radio Trunking Services Private Limited	India	50%
3	Tommy Hilfiger Arvind Fashions Private Limited	India	50%
4	Arvind B SAFAL Homes LLP	India	50%
5	Arvind Smart Value Homes LLP	India	50%
6	Arudrama Developers Private Limited	India	50%
7	Ahmedabad East Infrastructure LLP	India	100%
8	Arvind Infracon LLP	India	100%
9	Ahmedabad Industrial Infrastructure (One) LLP	India	100%
10	Arvind Five Homes LLP	India	100%
11	Arvind Altura LLP	India	100%
12	Arvind Alcove LLP	India	100%
13	Changodar Industrial Infrastructure (One) LLP	India	100%

- c. The following Associate has been included in the Consolidated Financial Statements :

Sr. No.	Name of the Entity	Country of incorporation	Proportion of ownership as on 31 st March 2014
1	637 Developers	India	35%

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared on accrual basis and under historical cost compliance, in all material aspects (except so far as they relate to (a) revaluation of fixed assets and providing for depreciation on revalued amounts and (b) items covered under 'Accounting Standard (AS) - 30' on 'Financial Instruments: Recognition and Measurement' which have been measured at their fair value) and with the generally accepted accounting principles accepted in India. Consequent to the clarification issued by the Ministry of Corporate Affairs vide General Circular 08/2014 dated April 04, 2014, these financial statements have been prepared in accordance with the relevant provisions of the Companies Act, 1956, which inter alia include the applicable Accounting Standards notified under Section 211 (3C).

The Accounts of the foreign subsidiaries have been prepared in accordance with local laws and applicable accounting standard/generally accepted accounting principles.

A summary of applicable accounting policies which have been applied consistently are set out below.

(A) BASIS OF PREPARATION

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

(B) USE OF ESTIMATES

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

(C) INFLATION

Assets and liabilities are recorded at historical cost to the Company (except so far as they relate to (a) revaluation of fixed assets and providing for depreciation on revalued amounts and (b) items covered under 'Accounting Standard (AS) - 30' on 'Financial Instruments: Recognition and Measurement' which have been measured at their fair value). These costs are not adjusted to reflect the changing value in the purchasing power of money.

Notes to consolidated financial statement:

(D) REVENUE RECOGNITION

Sales and operating income includes sale of products, by-products and waste, income from job work services and gain or loss on forward contracts. Sales are recognised based on passage of title to goods which generally coincides with dispatch and on transfer of all significant risk and rewards of ownership to the buyer. Revenue from export sales are recognised on shipment basis. Sales are stated net of returns, excise duty & Sales Tax/VAT. Export incentives are accounted on accrual basis at the time of export of goods, if the entitlement can be estimated with reasonable accuracy and conditions precedent to claim are fulfilled.

Retail sales and revenues are recognised on delivery of the merchandise to the customer, when the property in the goods is transferred for a price, when significant risks and rewards have been transferred and no effective ownership control is retained. Sales are net of discount. Sales tax and VAT are reduced from Retail Turnover.

The property in the merchandise of third party consignment stock does not pass to the Company. Since, however, the sale of such stock forms a part of the activities of the Company's departmental stores, the gross sales values and cost of the merchandise are displayed separately in the Statement of Profit and Loss.

In respect of gift vouchers and point award schemes operated by the Company, sales are recognised when the gift vouchers or points are redeemed and the merchandise is sold to the customer.

Revenue from store displays and sponsorships are recognised based on the period for which the products or the sponsors' advertisements are promoted/displayed. Facility management fees are recognised pro-rata over the period of the contract.

Revenue from job work services and Rental Income are recognised based on the services rendered in accordance with the terms of contracts.

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 in accordance with Accounting Standard 7 – Accounting for Construction Contracts. Percentage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract cost. Difference between costs incurred plus recognised profit/less recognised losses and the amount invoiced is treated as contract 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, and the expected revenue from the contract and the foreseeable losses to completion.

Rental income from radio sets and Annual Maintenance Contracts are recognised proportionately over the period of the contract.

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

Dividend is accounted for as and when right to receive payment is established.

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

(E) VALUATION OF INVENTORY

The stock of Work-in-progress and Finished goods has been valued at the lower of cost and net realisable value. The cost has been measured on the actual average/moving average/FIFO basis as applicable and includes cost of materials and cost of conversion.

Merchandise received under consignment and concessionaire arrangements belong to the consignors/concessionaires and are therefore excluded from the Company's inventories.

All other inventories of stores, consumables, raw materials (Electronics Division) are valued at cost. The stock of waste is valued at market price. The other raw materials, finished goods and stock at branches are valued at lower of cost and market value. Cost is measured on actual average for the whole year. Excise duty wherever applicable is provided on finished goods lying within the factory and bonded warehouse at the end of the year.

Direct expenditure relating to development of project is inventorised. Indirect expenditure during the period of project is inventorised to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to revenue.

Unsold Developed Plots and Units have been valued at lower of cost or realizable value.

(F) FIXED ASSETS & DEPRECIATION

Tangible Assets

Fixed assets are stated at their original cost of acquisition or construction / revalued cost wherever applicable less accumulated depreciation and impairment losses. Cost comprises of all costs incurred to bring the assets to their location and working condition and includes all expenses incurred up to the date of launching new stores to the extent they are attributable to the new store.

Subsequent expenditure related to an item of fixed assets are added to its book value only if they increase future benefits from the existing assets beyond its previously assessed standard of performance.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realisable value and are shown separately in the financial statements. Any expected loss is recognised immediately in the Statement of Profit and Loss.

Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets are recognised in the Statement of Profit and Loss except to the extent such a loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilized, it is charged directly to that account. The amount standing in revaluation reserve following the retirement or disposal of an asset which relates to that asset is transferred to general reserve.

Notes to consolidated financial statement:

Exchange rate gain or loss on foreign currency loans related to acquisition of depreciable assets are being capitalized as per the notification dated 31st March, 2009 as amended from time to time issued by Ministry of Corporate Affairs, New Delhi.

Depreciation on Revalued Fixed Assets is calculated on the residual life of the assets or as per rates specified in the Schedule XIV to the Companies Act, 1956 whichever is higher.

Additions to fixed assets have been stated at cost net of CENVAT wherever applicable.

Directly identifiable preoperative expenses of new projects of capital nature under implementation are carried forward under capital work-in-progress, pending capitalization.

Depreciation on additions to Fixed Assets has been provided on straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956, as existing at the time of capitalization except for motor vehicles where depreciation has been provided at 20/25% and on leasehold improvements at 10%.

In Arvind Lifestyle Brands Limited, depreciation on addition to Fixed Assets is provided, pro rata for the period of use, by the straight line method (SLM), as per the rates prescribed in Schedule XIV to the Act except for the following which are based on management's estimate of useful lives of the fixed assets:

Leasehold Improvements, Plant & Equipments, Office Equipments and Furniture & Fixtures - 15%

Depreciation on impaired asset is provided on the asset's revised carrying amount, over its remaining useful life.

Depreciation on exchange rate difference capitalized is provided over the balance life of the assets as per the notification dated 31st March, 2009 as amended from time to time issued by the Ministry of Corporate Affairs.

Individual assets costing less than ₹ 5,000/- have been fully depreciated in the year of purchase on prorata basis.

In the case of foreign subsidiaries, depreciation has been provided as per the rates permitted under the local laws/ at such rate so as to write off the assets over its useful life.

Premium on Leasehold Land is amortized over the period of Lease.

Intangible Assets

Intangible assets are stated at their cost of acquisition and / or fair value, less accumulated amortisation and impairment losses. An intangible asset is recognised, where it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its value/cost can be reliably measured.

The Company capitalizes software and related implementation costs where it is reasonably estimated that the software has an enduring useful life.

Directly identifiable preoperative expenses of new projects of capital nature under implementation are carried forward under capital work-in-progress, pending capitalization.

Job Workers' Network Value, Vendors' Network Value and Distribution Network Value have been amortized on Straight Line basis over the period of five years. Value of License Brands and Brand Value have been amortized in the ratio of revenue expected to be generated from these brands over the period of ten years.

Software is depreciated over management estimate of its useful life of 5 years.

Patent/Knowhow is depreciated over its useful validity period.

Trademark license fee is amortised over a term of 15 years.

Gains or losses arising from disposal or retirement of intangible assets are recognised in the Statement of Profit and Loss.

(G) INVESTMENTS

Investments are classified as Long Term Investments and Current Investments. Long term investments are stated at cost less permanent diminution in value, if any. Current Investments are stated at lower of cost and net realizable value.

Investments are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable.

Investment property: Investment in Land and buildings that are not intended to be occupied substantially for use by, or in the operations of the Company, have been classified as investment property. Investment properties are carried at cost less accumulated depreciation.

(H) IMPAIRMENT OF ASSETS

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which the asset belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use). The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the Statement of Profit and Loss.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased.

(I) FOREIGN CURRENCY TRANSACTIONS

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Foreign currency monetary items are restated using exchange rate prevailing at the reporting date.

Non-monetary foreign currency items are carried at cost.

The Company has opted to avail the choice provided under paragraph 46A of AS 11: The Effects of Changes in Foreign Exchange Rates inserted vide Notification dated December 29, 2011. Consequently, All long term foreign currency monetary items consisting of loans

Notes to consolidated financial statement:

which relate to acquisition of depreciable capital assets at the end of the year have been restated at the rate prevailing at the balance sheet date. The difference arising as a result has been added to or deducted from the cost of the assets. Exchange rate difference on other long term foreign currency loans is carried to 'Foreign Currency Monetary Item Translation Difference Account' to be amortized up to the period of loan or up to March 31, 2020 whichever is earlier.

Any income or expense on account of exchange difference either on settlement or on translation other than as mentioned above is recognised in the Statement of Profit and Loss.

Expenses of overseas offices are translated and accounted at the monthly average rate.

(J) DERIVATIVES & COMMODITY HEDGING TRANSACTIONS

For Arvind Limited

In order to hedge its exposure to foreign exchange, interest rate and commodity price risks, the Company enters into forward, option, swap contracts and other derivative financial instruments. The Company neither holds nor issues any derivative financial instruments for speculative purposes.

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recorded in hedging reserve account. To designate a forward contract or option as an effective hedge, management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to hedged risk. Any cumulative gain or loss on the hedging instrument recognised in hedging reserve is kept in hedging reserve until the forecast transaction occurs or the hedged accounting is discontinued. Amounts deferred to hedging reserve are recycled in the Statement of Profit and Loss in the periods when the hedged item is recognised in the Statement of Profit and Loss or when the portion of the gain or loss is determined to be an ineffective hedge.

Derivative financial instruments that do not qualify for hedge accounting are marked to market at the balance sheet date and gains or losses are recognised in the Statement of Profit and Loss immediately.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in hedging reserve is transferred to profit or loss for the year.

For Others

The premium or discount arising at the inception of forward exchange contracts entered into to hedge an existing asset/liability, is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

Any profit or loss arising on cancellation or renewal of such a forward exchange contract are recognised as income or as expense for the period.

Forward exchange contracts outstanding as at the year end on account of firm commitment / highly probable forecast transactions are marked to market and the losses, if any, are recognised in the Statement of Profit and Loss and gains are ignored in accordance with the Announcement of Institute of Chartered Accountants of India on 'Accounting for Derivatives'.

(K) EMPLOYEE BENEFITS

The Company has Defined Contribution Plans for post employment benefits namely Provident Fund and Superannuation Fund which are recognised by the Income Tax Authorities. These funds are administered through trustees and the Company's contributions thereto are charged to revenue every year. The Company also pays insurance premiums to fund a post-employment medical assistance scheme, a Defined Contribution Plan administered by ICICI Lombard General Insurance Company Limited which is charged to revenue every year. The Company's Contribution to State Plans namely Employee's State Insurance Fund and Employee's Pension Scheme are charged to revenue every year.

The Company has Defined Benefit Plans namely leave encashment/ compensated absences and Gratuity for all the employees, the liability for which is determined on the basis of an actuarial valuation at the year end and incremental liability, if any, is provided for in the books. The actuarial valuation is done based on Projected Unit Credit Method. Gratuity scheme is administered through trust recognised by the Income Tax Authorities and/or by LIC.

Actuarial Gains and Losses comprise of experience adjustments and the effects of changes in actuarial assumptions are recognised immediately in the Statement of Profit and Loss as income or expense.

(L) BORROWING COST

For Arvind Limited

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds. It is calculated on the basis of effective interest rate in accordance with Accounting Standard (AS) -30 and considered as revenue expenditure and charged to Statement of Profit and Loss over the period of borrowing except for borrowing costs either generally or specifically attributed directly to the acquisition/improvement of qualifying assets up to the date when such assets are ready for intended use which are capitalised as a part of the cost of such asset.

Notes to consolidated financial statement:

For Others

Borrowing costs includes interest, fees and other charges incurred in connection with the borrowing of funds and is considered as revenue expenditure for the year in which it is incurred except for borrowing costs attributed to the acquisitions/improvement of qualifying capital asset and incurred till the commencement of commercial use of the asset and which is capitalised as cost of that asset.

(M) LEASE ACCOUNTING

Assets acquired under Finance Lease are segregated from the assets owned and recognised as asset at an amount equal to the fair value of the leased assets at the inception of the lease or the present value of the minimum lease payments whichever is lower with corresponding outstanding liability.

Lease rental payable on such finance lease has been apportioned between finance charge and the reduction in the outstanding liability. The finance charge has been allocated to periods during the lease term so as to produce constant periodic rate of interest on the remaining balance of liability for each period.

Lease Rentals for assets acquired under operating lease are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term.

(N) TAXES ON INCOME

Tax expense consists of both current as well as deferred tax. Current tax represents amount of income tax payable including the tax payable u/s 115JB, if any, in respect of taxable income for the year.

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

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts.

Deferred tax is recognised on timing difference between the accounting income and the taxable income for the year that originates in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(O) GOVERNMENT GRANTS AND SUBSIDIES

Grants/Subsidies from the government are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grant/subsidy will be received.

When the grant/subsidy relates to revenue, it is recognised as income on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant/subsidy relates to an asset, it is shown as a deduction from the gross value of the asset concerned in arriving at its book value.

(P) EARNING PER SHARE

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

(Q) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

(R) CAPITAL ISSUE EXPENSES

Expenses on issue of Shares, Debentures and GDRs are being adjusted against Share Premium Account as permitted by section 78 of the Companies Act.

(S) ACCOUNTING FOR JOINT VENTURE

Accounting for Joint Venture has been done as follows:

Type of Joint Venture	Accounting Treatment
Jointly Controlled Entity	Company's share of profit or loss is accounted on determination of profit or loss by the Joint Ventures.

Joint Venture interests accounted as above have been included in segments to which it relates.

Notes to consolidated financial statement:

		₹ in Crores
	As at March 31, 2014	As at March 31, 2013
3 Share Capital		
Authorised Equity Shares 565,000,000 Shares (Previous Year 565,000,000) Par Value of ₹10/- per share	565.00	565.00
Preference Shares 10,000,000 Shares (Previous Year 10,000,000) Par Value of ₹100/- per share	100.00	100.00
	665.00	665.00
Issued Equity Shares 258,177,289 Shares (Previous Year 258,043,969) Par Value of ₹10/- per share	258.17	258.04
	258.17	258.04
Subscribed and fully paid up Equity Shares 258,176,389 Shares (Previous Year 258,043,069) Par Value of ₹10/- per share fully paid up	258.17	258.04
Forfeited Shares 900 Shares (Previous Year 900) (₹ 4,500/- originally paid up (Previous Year ₹ 4,500/-))		
Total	258.17	258.04

a Reconciliation of Number of Equity Shares

Particulars	As at March 31, 2014		As at March 31, 2014	
	No. of Shares	₹ in Crores	No. of Shares	₹ in Crores
Balance at the beginning of the year	258,043,069	258.04	254,632,541	254.63
Add:				
Shares allotted pursuant to exercise of Employee Stock Option Plan	133,320	0.13	-	-
Shares allotted to the shareholders of Amalgamated Company	-	-	3,410,528	3.41
Balance at the end of the year	258,176,389	258.17	258,043,069	258.04

b Rights, Preferences and Restrictions attached to Shares

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.

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

Particulars	As at March 31, 2014	As at March 31, 2014
Aura Securities Private Limited	9,57,90,590	9,57,90,590
	37.10%	37.12%
Life Insurance Corporation of India	1,65,85,134	1,65,85,134
	6.42%	6.43%

d Shares reserved for issue under options

Refer note 31 for details of shares to be issued under options

e Shares allotted as fully paid up pursuant to contract without payment being received in cash (during 5 years immediately preceding March 31, 2014)

34,10,528 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.

f Proposed Dividend

The final dividend proposed for the year is as follows:

Particulars	As at March 31, 2014	As at March 31, 2014
On Equity Shares of ₹ 10/- each		
Dividend per Equity Share (₹)	2.35	1.65
Percentage of Dividend Proposed	23.50%	16.5%

Notes to consolidated financial statement:

4 Reserves and Surplus

Capital Reserve

Balance as per last financial statements

Add: Addition during the year

Balance at the end of the year

Capital Reserve on Consolidation (Note 40)

Balance as per last financial statements

Add: Addition during the year

Balance at the end of the year

Special Reserve

Balance as per last financial statements

Add: Addition during the year

Balance at the end of the year

Reserve on Exchange Rate Fluctuation

Balance as per last financial statements

Add: Addition during the year

Balance at the end of the year

General Reserve

Balance as per last financial statements

Add: Adjustment on Consolidation

Add: Transfer from Revaluation Reserve

Add: Transfer from Surplus in Statement of Profit and Loss

Balance at the end of the year

Securities Premium Account

Balance as per last financial statements

Add: Addition during the year

Balance at the end of the year

Capital Redemption Reserve

Balance as per last financial statements

Revaluation Reserve (Note 11c)

Balance as per last financial statements

Add: Addition during the year

Less: Transfer to General Reserve

Less: Loss on Compulsory Acquisition adjusted

Balance at the end of the year

Hedge Reserve (Note 36)

Balance as per last financial statements

Add: Adjustment during the year (Net)

Balance at the end of the year

Foreign Currency Monetary Item Translation Difference Account (Note 37)

Balance as per last financial statements

Add: Adjustment during the year (Net)

Balance at the end of the year

Surplus in Statement of Profit and Loss

Balance as per last financial statements

Add/(Less): Adjustment on Consolidation

Add : Profit for the year

Less: Appropriations

Transfer to General Reserve

Proposed dividend on Equity Shares for the year

Dividend distribution tax on Proposed dividend on Equity Shares

Transfer to Special Reserve

Balance at the end of the year

	As at March 31, 2014	₹ in Crores As at March 31, 2013
Capital Reserve	28.91	28.53
Balance as per last financial statements	-	0.38
Add: Addition during the year	28.91	28.91
Capital Reserve on Consolidation (Note 40)	85.01	28.35
Balance as per last financial statements	-	56.66
Add: Addition during the year	85.01	85.01
Special Reserve	0.51	0.40
Balance as per last financial statements	-	0.11
Add: Addition during the year	0.51	0.51
Reserve on Exchange Rate Fluctuation	(0.96)	(0.73)
Balance as per last financial statements	(0.07)	(0.23)
Add: Addition during the year	(1.03)	(0.96)
General Reserve	51.40	26.16
Balance as per last financial statements	0.05	-
Add: Adjustment on Consolidation	3.23	5.24
Add: Transfer from Revaluation Reserve	36.15	20.00
Add: Transfer from Surplus in Statement of Profit and Loss	90.83	51.40
Securities Premium Account	653.54	653.54
Balance as per last financial statements	0.85	-
Add: Addition during the year	654.39	653.54
Capital Redemption Reserve	69.50	69.50
Balance as per last financial statements	277.79	284.82
Revaluation Reserve (Note 11c)	-	8.34
Balance as per last financial statements	277.79	293.16
Add: Addition during the year	3.23	5.24
Less: Transfer to General Reserve	-	10.13
Less: Loss on Compulsory Acquisition adjusted	274.56	277.79
Hedge Reserve (Note 36)	(23.64)	(98.25)
Balance as per last financial statements	45.35	74.61
Add: Adjustment during the year (Net)	21.71	(23.64)
Foreign Currency Monetary Item Translation Difference Account (Note 37)	(4.90)	(4.19)
Balance as per last financial statements	(0.10)	(0.71)
Add: Adjustment during the year (Net)	(5.00)	(4.90)
Surplus in Statement of Profit and Loss	858.78	781.43
Balance as per last financial statements	(0.12)	(101.13)
Add/(Less): Adjustment on Consolidation	858.66	680.30
Add : Profit for the year	353.89	248.41
Less: Appropriations	1,212.55	928.71
Transfer to General Reserve	36.15	20.00
Proposed dividend on Equity Shares for the year	60.67	42.58
Dividend distribution tax on Proposed dividend on Equity Shares	10.31	7.24
Transfer to Special Reserve	-	0.11
Balance at the end of the year	1,105.42	858.78
Total	2,324.81	1,995.94

Notes to consolidated financial statement:

₹ in Crores

5 Long Term Borrowings

	Non- Current portion		Current Maturities	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Secured:				
Term Loans :				
From Banks	1,228.13	842.09	163.29	148.33
From Financial Institutions and Others	114.24	160.45	31.36	23.59
Unsecured:				
From Financial Institutions and Others	3.09	2.58	-	-
Deferred Electricity Duty	-	-	3.12	3.12
	1,345.46	1,005.12	197.77	175.04
Amount disclosed under the head "Other Current Liabilities" (Note 7)	-	-	197.77	175.04
Total	1,345.46	1,005.12	-	-

a Borrowings

	As at	As at
	March 31, 2014	March 31, 2013
At Amortized Cost	1,543.23	1,180.16
At Original Cost	1,551.27	1,187.48

6 Deferred Tax Liabilities (Net)

	As at	As at
	March 31, 2014	March 31, 2013
Deferred Tax Liability		
Fixed Assets	96.10	107.29
Others	1.01	1.95
	97.11	109.24
Deferred Tax Asset		
Expenditure allowable on payment basis	10.80	12.84
Unabsorbed loss/ Depreciation	41.18	89.68
Others	1.64	0.95
	53.62	103.47
Deferred Tax Liabilities (Net)	43.49	5.77

7 Other Liabilities

	Non- Current		Current	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Current maturities of long-term borrowings (Note 5)	-	-	197.77	175.04
Interest accrued but not due on borrowings	-	-	9.52	6.64
Income received in advance	0.01	0.02	3.44	3.59
Advances from Customers	-	-	73.19	54.17
Statutory dues including Provident Fund and TDS	-	-	32.22	23.02
Security Deposits	24.87	10.05	11.82	7.30
Investor Education and Protection Fund shall be credited by the following amount namely:				
Unpaid dividend (Note a)	-	-	0.71	0.50
Book Overdraft	-	-	116.35	123.31
Payable to employees	-	-	69.50	46.20
Others	0.36	0.23	21.23	26.95
Total	25.24	10.30	535.75	466.72

a There are no amounts due for payment to Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 as at the year end.

Notes to consolidated financial statement:

₹ in Crores

8 Provisions	Long Term		Short Term	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Provision for Employee Benefits	15.62	12.07	7.86	17.66
Provision for Losses on Derivative Contracts	7.45	1.15	-	17.40
Provision for Premium of Forward Contract	-	-	0.76	-
Proposed Dividend	-	-	60.67	42.58
Dividend Distribution Tax	-	-	10.31	7.24
Provision for Wealth tax	-	-	1.29	1.23
Provision for Loyalty Points	-	-	1.06	0.14
Provision for Litigation/Disputed Matters	-	-	2.81	2.81
Total	23.07	13.22	84.76	89.06

a Provision for Customer Loyalty Program Reward Points

The Company has made provision for customer loyalty program reward points. The movement in provision for those reward points are given below:

Particulars	₹ in Crores	
	As at March 31, 2014	As at March 31, 2013
Balance as per last financial statements	0.14	0.11
Add : Provision made during the year	1.25	0.14
Less : Redeemed/Reversal made during the year	0.33	0.11
Balance at the end of the year	1.06	0.14

b Provision for Litigation/Disputed Matters

The Company has made provisions for pending disputed matters in respect of Indirect Taxes like Sales Tax, Excise Duty and Custom Duty, the liability which may arise in the future, the quantum whereof will be determined as and when the matters are disposed off. The movement in the provision account is as under:

Particulars	₹ in Crores	
	As at March 31, 2014	As at March 31, 2013
Balance as per last financial statements	2.81	2.81
Balance at the end of the year	2.81	2.81

9 Short Term Borrowings

Secured:

Working Capital Loans repayable on demand
From Banks

Unsecured:

Under Buyer's Credit Arrangement from Banks
Intercompany Deposits
From Related Parties
From Others

	₹ in Crores	
	As at March 31, 2014	As at March 31, 2013
	1,309.22	1,193.51
	1,309.22	1,193.51
	114.48	66.31
	0.01	0.31
	25.06	20.49
	139.55	87.11
Total	1,448.77	1,280.62
	927.28	830.38
	322.19	267.42
Total	1,249.47	1,097.80

10 Trade Payables

Creditors in respect of Goods and Services (Note a)
Acceptances

- 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:
- Amount due and outstanding to suppliers as at the end of accounting year;
 - Interest paid during the year;
 - Interest payable at the end of the accounting year; and
 - Interest accrued and unpaid at the end of the accounting year have not been given. The Company is making efforts to get the confirmations from the suppliers as regard to their status under the said Act.

Notes to consolidated financial statement:

11 Tangible Assets

₹ in Crores

Particulars	Gross Block					Depreciation /Amortization					Net Block				
	As on 01.04.2013	Adjustment on Consolidation/ Amalgamation	Adjustment due to Revaluation	Additions	Deduction	Other Adjustments	As on 31.03.2014	As on 01.04.2013	Adjustment on Consolidation/ Amalgamation	Adjustment due to Revaluation	For the year	Impairment Loss/ (Reversal)	Deductions	As on 31.03.2014	As on 31.03.2013
Leasehold Land	263.27	-	-	-	-	-	263.27	-	-	-	-	-	-	-	263.27
Own Assets															
Freehold Land	981.34	-	-	20.18	21.87	-	979.65	-	-	-	-	-	-	-	981.34
Building	580.98	-	-	41.48	6.05	1.34	617.75	206.10	-	-	19.42	-	1.76	223.76	393.99
Plant and Machinery	1,998.24	-	-	302.50	54.79	16.66	2,262.61	1,252.56	-	-	142.26	-	33.83	1,360.99	901.62
Furniture and Fixtures	86.30	-	-	29.92	2.07	-	114.15	25.55	-	-	12.97	-	1.18	37.34	76.81
Office Equipments	21.20	-	-	7.65	0.24	-	28.61	7.16	-	-	2.51	-	0.13	9.54	19.07
Leasehold Improvements	143.27	-	-	41.43	3.63	-	181.07	38.50	-	-	24.71	-	1.37	61.84	119.23
Vehicles	25.05	-	-	7.45	2.14	-	30.36	9.51	-	-	4.80	-	1.46	12.85	17.51
Total	4,099.65	-	-	450.61	90.79	18.00	4,477.47	1,539.38	-	-	206.67		39.73	1,706.32	2,771.15
Previous Year	3,795.92	(29.60)	63.55	337.35	85.25	17.68	4,099.65	1,332.42	(7.52)	55.21	18.87	(0.05)	28.55	1,539.38	2,560.27

a Freehold Land includes some lands which are pending for registration in favour of the Company.

b Buildings includes ₹ 0.79 Crores (Previous year ₹ 0.79 Crores) in respect of ownership flats in Co-Operative Housing Society and (₹ 500/-) (Previous year Rs 500/-) in respect of shares held in Co-Operative Housing Society.

c Gross block was revalued by external valuers which resulted in a net increase of (a) ₹ 834 Crores as on 31st March, 2013 and ₹ 56.15 Crores as on 1st April, 2009. Land Block was revalued on 31st March 2011

which resulted in an increase of ₹ 230.98 Crores.

d Deduction of Freehold Land includes transfer of Land ₹ Nil (Previous year ₹ 2.72 Crores) to Land held for Sale.

e Deduction of Freehold Land includes transfer to Investment Properties of ₹ 21.44 Crores (Previous Year ₹ Nil)

f Deduction of Building and Depreciation Fund includes transfer to Investment Properties of ₹ 6.02 Crores and ₹ 1.76 Crores respectively (Previous Year ₹ Nil).

g Deduction of Gross Block includes Capital Subsidy of ₹ 8.87 Crores (Previous year ₹ 2.76 Crores).

h Capital Work in Progress is net of Capital Subsidy of ₹ Nil (Previous year ₹ 3.51 Crores).

i Intangible Asset under Development includes depreciation capitalised ₹ 0.02 Crores (Previous Year ₹ Nil)

j Details of Borrowing Cost and Exchange Differences Capitalised:

₹ in Crores

Particulars	Other Adjustments				Addition in Capital Work in Progress	
	For the year		Transfer from Capital Work in Progress		For the year	
	2013-2014	2012-2013	2013-2014	2012-2013	2013-2014	2012-2013
Borrowing Cost	4.37	14.44	4.95	-	3.00	4.95
Exchange Differences	7.94	3.24	0.74	-	(1.75)	0.74
Total	12.31	17.68	5.69	-	1.25	5.69

Notes to consolidated financial statement:

12 Intangible Assets

₹ in Crores

Particular	Gross Block					Amortization					Net Block		
	As on 01.04.2013	Adjustment on Consolidation/ Amalgamation	Additions	Disposals	Other Adjustments	As on 31.03.2014	As on 01.04.2013	Adjustment on Consolidation/ Amalgamation	For the year	Deductions	As on 31.03.2014	As on 31.03.2014	As on 31.03.2014
Own Assets													
Goodwill on Consolidation	22.04					22.04						22.04	22.04
Patent and Technical Knowhow	13.10		0.02			13.12	1.52		1.35		2.87	10.25	11.58
Trademark and License Fee	19.47					19.47	1.99		1.30		3.29	16.18	17.48
Computer Software	39.14		5.55			44.69	25.95		4.79		30.74	13.95	13.19
Brand Value & Licence Brands	81.79					81.79	17.29		8.36		25.65	56.14	64.50
Distribution Network	4.31					4.31	0.50		0.86		1.36	2.95	3.81
Vendors' Network	6.27					6.27	5.00		1.25		6.25	0.02	1.27
Jobworkers' Network	1.73					1.73	1.40		0.33		1.73	0.00	0.33
Total	187.85	-	5.57	-	-	193.42	53.65	-	18.24	-	71.89	121.53	134.20
Previous Year	169.99	(3.85)	21.13	-	0.58	187.85	41.29	(3.85)	16.21	-	53.65	134.20	128.70

a Details of Borrowing Cost and Exchange Differences:

₹ in Crores

Particulars	Other Adjustments	
	For the year	
	2013-2014	2012-2013
Borrowing Cost	-	0.58
Total	-	0.58

b Intangible Asset under Development includes amortization capitalised ₹ 0.01 Crores (Previous Year ₹ Nil)

13 Investments

₹ in Crores

Particulars	Non-Current As at		Current As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Investment Property (at cost less accumulated depreciation)				
Cost of Land given on Operating Lease	21.44	-	-	-
Cost of Office Building given on Operating Lease	19.72	13.70	-	-
Less: Accumulated Depreciation	5.44	3.35	-	-
	35.72	10.35	-	-
Trade Investments (Valued at Cost unless stated otherwise)				
Investments in Government Trust Securities	0.02	0.02	-	-
Investments in Fully Paid Equity Shares (Unquoted)				
Others	0.87	0.87	-	-
In Partnership Firm*	0.10	-	-	-
In Joint Ventures (Note 41)	80.81	-	-	-
Other Investments				
Quoted				
In Equity Shares	10.47	10.47	-	-
Unquoted				
In Equity Shares	-	-	-	1.06
In Mutual Funds	0.06	-	1.28	9.92
	92.33	11.36	1.28	10.98
Share Application Money	-	35.11	-	-
Total	128.05	56.82	1.28	10.98

* The financial statements of partnership firm are under compilation and therefore the balance of capital account disclosed above is subject to change.

a Disclosure as per AS 13 - Accounting for Investments

₹ in Crores

	As at March 31, 2014	As at March 31, 2013
Long Term Investments	92.33	11.36
Current Investments	1.28	10.98
Investment Property	35.72	10.35

Notes to consolidated financial statement:

₹ in Crores

14 Loans and Advances

(Unsecured, Considered good unless otherwise stated)

	Long Term		Short Term	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Capital Advances	128.14	71.23	-	-
Considered doubtful	0.12	0.12	-	-
Less: Provision	0.12	0.12	-	-
	128.14	71.23	-	-
Security Deposits	143.32	123.22	2.44	4.34
Considered doubtful	0.01	-	-	-
Less: Provision	0.01	-	-	-
	143.32	123.22	2.44	4.34
Advance tax paid (Net of Provision)	6.39	0.11	-	-
Loans:				
To Employees	4.54	4.65	2.95	2.07
To Others	44.43	40.82	186.43	24.88
MAT Credit Entitlement	230.80	146.34	-	-
Advances recoverable in cash or in kind or for value to be received	0.24	0.03	243.12	144.69
Considered doubtful	-	-	2.46	-
Less: Provision	-	-	2.46	-
	0.24	0.03	243.12	144.69
Prepaid Expenses	0.41	0.23	45.26	19.63
Deferred Premium on Forward Contracts	-	-	0.38	-
Balances with Government Authorities	1.69	1.85	2.42	1.65
CENVAT/Custom Duty Receivable	-	-	19.50	19.66
Total	559.96	388.48	502.50	216.92

₹ in Crores

15 Other Assets

	Non Current		Current	
	As at		As at	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Non Current Bank Balances (Note 18)	5.37	1.48	-	-
Preliminary Expenses	0.01	-	0.01	0.02
Land held for Sale	-	-	75.57	99.43
Interest Accrued	-	-	1.14	2.46
Unbilled Revenue	-	-	5.93	7.08
Income Receivable	-	-	58.91	11.76
Receivable other than trade	-	-	118.88	122.05
Entry Tax Refund Receivable	-	-	0.53	-
Export Incentive Receivable	-	-	73.96	60.68
Total	5.38	1.48	334.93	303.48

Notes to consolidated financial statement:

16 Inventories	₹ in Crores		17 Trade Receivables	₹ in Crores	
	As at March 31, 2014	As at March 31, 2013		As at March 31, 2014	As at March 31, 2013
Raw Materials and Accessories	221.62	233.22	(Unsecured, considered good unless otherwise stated)		
In Transit	11.52	1.68	Outstanding for a period exceeding six months from the date		
Fuel	4.48	2.63	they are due for payment		
Stores and Spares	60.91	50.44	Considered Good	56.65	102.60
Work-in-Progress	423.07	354.37	Considered doubtful	1.99	1.33
Finished Goods	242.86	233.90	Less: Provision for Doubtful Debts	1.99	1.33
In Transit	1.35	0.62		56.65	102.60
By Product	0.74	0.50	Others		
Stock in Trade	452.34	349.48	Unsecured	952.66	652.05
In Transit	0.22	5.61			
Waste	2.22	1.56	Total	1,009.31	754.65
Packing Material	5.13	8.10			
Material at Site	4.11	3.04			
Project work-in-progress	195.44	165.61			
Unsold plots of land	2.13	2.13			
Total	1,628.14	1,412.89			

18 Cash and Bank Balances	Non Current		Current	
	As at March 31, 2014	As at March 31, 2013	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents:				
Cash on Hand	-	-	0.96	1.47
Foreign Currency on Hand	-	-	(` 41,413/-)	-
Silver Coins on Hand	-	-	(` 9,137/-)	(₹ 9,137/-)
Cheques on Hand	-	-	0.02	0.04
Balances with Banks				
In Current Accounts	-	-	29.98	30.09
In Unpaid Dividend Accounts	-	-	0.71	0.50
In Exchange Earners Foreign Currency A/c	-	-	0.29	-
In Cash Credit Account	-	-	90.36	123.00
In Saving Accounts	-	-	(` 45,808/-)	(₹ 45,808/-)
In Deposit Account (with original maturity upto 3 months)	-	-	0.49	6.29
	-	-	122.81	161.39
Other Bank Balances:				
In Deposits Accounts				
With original maturity more than 3 months but less than 12 months	-	-	13.01	5.39
With original maturity more than 12 months	-	0.43	0.24	1.13
Held as Margin Money				
(Under lien with bank as Security for Guarantee Facility)	5.36	1.04	29.71	17.67
Lodged with Court	-	-	0.54	-
Lodged with Sales Tax Department	0.01	0.01	0.02	(₹ 20,000/-)
	5.37	1.48	43.52	24.19
Amount disclosed under the head "Other Non Current Assets" (Note 15)	5.37	1.48	-	-
Total	-	-	166.33	185.58

Notes to consolidated financial statement:

19 Contingent Liabilities

₹ in Crores

(to the extent not provided for)

Particulars	As at March 31, 2014	As at March 31, 2013
(a) Bills Discounted	151.72	117.59
(b) Claims against the Company not acknowledged as debts	12.54	9.27
(c) Guarantees given by the Banks on behalf of the Company	114.89	103.17
(d) Guarantees given by the Company to Banks on behalf of Joint Ventures	12.21	13.23
(e) Guarantees given by the Company to Banks on behalf of Other Companies	97.31	95.61
(f) Disputed Demands in respect of		
Excise/Custom Duty	34.13	29.33
Sales Tax	22.82	22.81
Income Tax	7.73	19.11
Service Tax	0.44	1.28
Textile Committee Cess	0.11	0.11
(g) Third Party Claim arising from dispute relating to contracts	Amount not ascertainable	

Note: Future cash outflows in respect of (f) above are determinable only on receipt of judgements/ decisions pending with various forums/authorities.

20 Capital and Other Commitments

₹ in Crores

Particulars	As at March 31, 2014	As at March 31, 2013
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	140.32	86.76
Other Commitments	-	-

	Year ended March 31, 2014	₹ in Crores Year ended March 31, 2013		Year ended March 31, 2014	₹ in Crores Year ended March 31, 2013
21 Revenue from Operations			22 Other Income		
Sale of Products			Interest Income	17.41	9.57
Finished Goods and Stock in Trade	6,747.15	5,216.01	Dividend Income on Long Term Investments	0.47	0.35
Less : Excise Duty/ VAT	82.37	72.81	Rent	4.82	0.88
	6,664.78	5,143.20	Sundry Credit Balances Appropriated	0.47	1.40
Sale of Services	38.29	29.73	Bad Debt Written off Recovered	0.63	-
Other Operating Revenues			Profit on Sale of Fixed Assets (Net)	-	23.26
Export Incentives	139.11	103.58	Profit on Sale of Investments (Net)	0.72	0.11
Waste Sales	69.51	72.49	Profit on Sale of Land held for Sale	7.77	14.80
Commission Income	9.37	10.22	Provision no longer required	0.04	2.77
Gain / (Loss) on Forward Contracts	(86.07)	(95.47)	Share of Profit from Partnership Firm	0.55	0.18
Other Operating Income	27.13	28.77	Other non-operating income	35.63	27.24
			Prior Period Item	0.89	-
Total	6,862.12	5,292.52	Total	69.40	80.56

Notes to consolidated financial statement:

	Year ended March 31, 2014	₹ in Crores Year ended March 31, 2013		Year ended March 31, 2014	₹ in Crores Year ended March 31, 2013
23 Cost of Materials and Accessories Consumed			26 Finance Costs		
Stock at the beginning of the year	233.22	265.42	Interest		
Purchases	2,166.97	1,667.40	On Term Loans	117.19	97.29
	2,400.19	1,932.82	On working capital loans	164.14	104.46
Less: Stock at the end of the year	221.62	233.22	Others	30.34	55.50
Total	2,178.57	1,699.60	Exchange Difference to the extent considered as an adjustment to Borrowing Costs	13.70	25.34
24 Changes in Inventories of Finished Goods, Work-in-progress and Stock in Trade (Increase)/Decrease in stocks			Forward Contract Premium	0.38	-
Stock at the end of the year			Amortisation	7.91	7.75
Finished Goods	242.86	233.90	Other Borrowing Costs	20.81	25.00
Stock-in-trade	452.34	349.48	Bank Charges	354.47	315.34
Work-in-Progress	423.07	354.37	Total	354.47	315.34
Project Work-in-Progress	195.44	165.61	27 Depreciation / Amortization Expense		
Unsold Plot of Lands	2.13	2.13	Depreciation of Tangible Assets	206.65	187.87
Waste	2.22	1.56	Amortization of Intangible Assets	18.23	16.21
	1,318.06	1,107.05	Depreciation of Investment Property	0.33	0.22
Stock at the beginning of the year			Total	225.21	204.30
Finished Goods	233.90	151.78	28 Other Expenses		
Stock-in-trade	349.48	248.83	Power and fuel	434.25	429.78
Work-in-Progress	354.37	330.20	Stores Consumed	384.48	311.35
Project Work-in-Progress	165.61	71.21	Jobwork and Processing Charges	127.92	82.98
Unsold Plot of Lands	2.13	2.13	Insurance	6.85	4.64
Waste	1.56	1.96	Printing, Stationery & Communication	18.22	13.89
	1,107.05	806.11	Rent	209.55	165.01
Less : Adjusted on account of Consolidation/Amalgamation	-	(25.33)	Commission, Brokerage and Discounts	125.33	98.33
	1,107.05	780.78	Rates and taxes	28.91	20.28
Add : Transferred from Capital Work in Progress	-	0.14	Repairs:		
	1,107.05	780.92	To Buildings	4.01	3.19
Adjustment on Consolidation	2.25	41.36	To Machineries (Including Spares Consumption)	109.47	90.35
Excise Duty in Value of Stock - Increase/ (Decrease)	0.06	0.09	To Others	37.59	27.73
(Increase)/Decrease in stocks	(208.70)	(284.68)	Freight, Insurance and Clearing Charges	57.61	51.59
25 Employee Benefits Expense			Excise Duty borne by Company	0.14	50.79
Salaries and Wages	611.75	497.76	Legal and Professional Fees	27.35	24.94
Contribution to Provident Fund and Other Funds	49.92	54.02	Conveyance and Travelling Expenses	40.29	30.31
Staff Welfare Expenses	17.65	13.85	Advertisement and Publicity	124.31	80.70
Total	679.32	565.63	Directors' Sitting Fees	0.04	0.02
			Miscellaneous Labour Charges	83.54	58.33
			Royalty on Sales	51.21	33.83
			Provision for Doubtful Debts/Advances	3.13	0.72
			Bad Debts Written off	0.67	0.03
			Sundry Debits Written off	1.55	1.57
			Fixed Assets Written off	2.96	0.58
			Loss on Sale of Fixed Assets	1.31	-

Notes to Consolidated Financial Statements

	Year ended March 31, 2014	Year ended March 31, 2013
28 Other Expenses (Contd.)		
Payments to the auditor as		
(a) Auditor	1.28	1.14
(b) For tax audit matters	0.24	0.16
(c) For taxation matters	0.04	0.10
(d) For Company law matters	0.22	0.24
(e) For Other Certification work	0.70	0.48
(f) For reimbursement of expenses	0.08	0.07
Exchange Difference (Net)	21.28	15.49
Miscellaneous Expenses	118.18	103.92
Total	2,022.71	1,702.54
29 Exceptional items		
Retrenchment Compensation	16.40	-
Total	16.40	-

30 Earning Per Share (EPS) : ₹ in Crores, unless otherwise stated

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit after Tax available to Equity Shareholders	353.89	248.41
Weighted average no. of Equity Shares		
For Basic EPS Nos.	258,075,124	258,043,069
For Diluted EPS Nos.	258,104,100	258,048,828
Nominal value of Equity Shares ₹	10.00	10.00
Basic Earning Per Share ₹	13.71	9.63
Diluted Earning Per Share ₹	13.71	9.63
Weighted average number of Equity Shares		
No. of Shares for Basic EPS	258,075,124	258,043,069
Dilutive Effect of ESOS	28,976	5,759
Weighted average number of shares considered for calculating Diluted EPS	258,104,100	258,048,828

31 Employee Share Based Payment:

- i The Company has formulated Employee Stock Option Scheme (ESOS 2008), the features of which are as follows :

Scheme	ESOS 2008 Tranche - II
Date of Grant	April 21, 2011
Number of options granted	200,000
Exercise Price per option	₹ 73.70
Date of vesting	The vesting will be as under :
	33.33% on April 30, 2012
	33.33% on April 30, 2013
	33.33% on April 30, 2014
Exercise Period	Within 3 years from the date of respective vesting.
Method of settlement	Through allotment of one Equity Share for each option granted.

- ii Intrinsic Value Method has been used to account for the employee share based payment plans. The intrinsic value of each stock option granted under the ESOS 2008 plan is ₹ Nil since the market price of the underlying share at the grant date was same as the exercise price and consequently the accounting value of the option (compensation cost) is ₹ Nil.

- iii Further details of the stock option plans ESOS 2008 is as follows:

Particulars	ESOS 2008	
	Tranche-II	
	2013-2014	2012-2013
Options		
Outstanding at the beginning of year	133,340	200,000
Vested but not exercised at the beginning of year	66,660	-
Granted During the year	-	-
Lapsed during the year	-	-
Exercised during the year	133,320	-
Vested but not exercised at the end of year	66,680	66,660
Not vested at the end of year	-	133,340
Weighted Average Exercise Price per Option	₹ 73.70	₹ 73.70

- iv The Black-Scholes-Mertons Option Pricing Model have been used to derive the estimated value of stock option granted if the fair value method to account for the employee share based payment plans were to be used. The estimated value of each stock options and the parameters used for deriving the estimated value of Stock Option granted under Black-Scholes-Mertons Option Pricing Model is as follows:

Particulars	ESOS 2008		
	Tranche-II		
	Vesting on April 30,		
	2012	2013	2014
Estimated Value of Stock Options (₹)	32.45	39.47	42.63
Share Price at Grant Date (₹)	73.70	73.70	73.70
Exercise Price (₹)	73.70	73.70	73.70
Expected Volatility (%)	62.46%	65.93%	62.19%
Dividend Yield Rate (%)	0.00%	0.00%	0.00%
Expected Life of Options (in years)	2.53	3.53	4.53
Risk Free Rate of Interest (%)	7.57%	7.61%	7.65%

- v Had the compensation cost for the stock options granted under ESOS 2008 been determined on fair value approach, the Company's net profit and earning per share would have been as per pro forma amounts indicated below:

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit after Tax available to equity shareholders	353.89	248.41
Less : Amortization of Compensation Cost (pro forma)	0.09	0.23
Profit after Tax and amortization of Compensation Cost (pro forma)	353.80	248.18
Earning Per Share		
Basic		
- as reported	13.71	9.63
- pro forma	13.71	9.62
Diluted		
- as reported	13.71	9.63
- pro forma	13.71	9.62

Notes to Consolidated Financial Statements

32 Segment Reporting

(A) Primary Segment (Business Segment)

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Segment Revenue		
a) Textiles	4648.97	3701.20
b) Brands and Retail	1915.44	1404.26
c) Real Estate	91.65	51.03
d) Others	261.62	203.91
e) Unallocable	-	-
Total Sales	6917.68	5360.40
Less : Inter Segment Revenue	55.56	67.88
Net Sales	6862.12	5292.52
Segment Results		
Segment Results before Interest & Finance Cost		
a) Textiles	710.86	501.83
b) Brands and Retail	42.40	25.71
c) Real Estate	21.71	14.53
d) Others	3.35	(4.66)
e) Unallocable	(16.53)	26.26
Total Segment Results	761.79	563.67
Less : Interest & Finance Cost	354.47	315.34
Profit from Ordinary Activities	407.32	248.33
Extra Ordinary Items (Net)	-	-
Profit before Tax	407.32	248.33
Other Information		
Segment Assets		
a) Textiles	3735.51	3446.18
b) Brands and Retail	1629.68	1195.04
c) Real Estate	299.77	259.02
d) Others	369.98	240.89
e) Unallocable	1328.29	1092.26
Total Assets	7363.23	6233.39
Segment Liabilities		
a) Textiles	734.26	660.49
b) Brands and Retail	586.28	451.34
c) Real Estate	139.27	165.46
d) Others	107.99	79.99
e) Unallocable	196.21	150.55
Total Liabilities	1764.01	1507.83
Segment Depreciation/Impairment		
a) Textiles	145.25	140.83
b) Brands and Retail	62.32	49.13
c) Real Estate	0.57	0.60
d) Others	9.73	7.51
e) Unallocable	7.34	6.23
Total Depreciation/Impairment	225.21	204.30

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Capital Expenditure		
a) Textiles	251.92	255.00
b) Brands and Retail	97.92	84.99
c) Real Estate	0.77	1.52
d) Others	20.67	49.50
e) Unallocable	29.93	0.61
Total Capital Expenditure	401.21	391.62
Non cash expenses other than Depreciation		
a) Textiles	2.18	1.04
b) Brands and Retail	5.41	0.20
c) Real Estate	-	-
d) Others	0.72	1.58
e) Unallocable	-	0.12
Total Non cash expenses other than Depreciation	8.31	2.94
(B) Secondary Segment (Geographical by Customers)		
Segment Revenue		
a) In India	4934.89	3820.22
b) Outside India	1927.23	1472.30
Total Sales	6862.12	5292.52
Carrying Cost of Assets by location of Assets		
a) In India	7189.83	6120.05
b) Outside India	173.40	113.34
Total	7363.23	6233.39
Addition to Assets		
a) In India	400.57	389.14
b) Outside India	0.64	2.48
Total	401.21	391.62

Notes:

- The Company has considered business segment as the primary reporting segment. Segments have been identified taking into account the nature of the products and services, differential risks and returns, the Organizational structure and internal reporting system. Consequently, the geographical segment has been considered as a secondary segment.
- The business segment comprise of the following:
Textiles : Fabric, Yarn and Garments
Brands and Retail : Retailing of Branded Garments, Apparels and Fabric
Others : Electronics, Technical Textiles, Engineering, Construction and Project Activity
- Geographical segment is considered based on sales within India and outside India.
- Intersegment Revenues are recognised at sales price.

Notes to Consolidated Financial Statements

33 Related Party Disclosures

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

a Name of Related Parties and Nature of Relationship :

Shri Sanjay S. Lalbhai, Chairman and Managing Director	Key Management Personnel
Shri Jayesh K. Shah, Director & Chief Financial Officer	Key Management Personnel
Shri Punit S. Lalbhai, Executive Director	Key Management Personnel
Shri Kulin S. Lalbhai, Executive Director	Key Management Personnel
Shri Darshil J. Shah, Son of Director & Chief Financial Officer	Relative of Key Management Personnel
Premium Garments Wholesales Private Limited	Joint Venture
637 Developers	Associates
Aura Securities Private Limited	Company under the control of Key Managerial Personnel
Amplus Capital Advisors Private Limited	Company under the control of Key Managerial Personnel

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

b Transactions and Balances :

₹ in Crores

Nature of Transactions	Key Management Personnel and relatives		Company under the control of Key Managerial Personnel		Joint Venture		Associate	
	Year ended		Year ended		Year ended		Year ended	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Transactions								
Sales of Goods and Materials			9.57	7.00				
Share of Profit							0.55	0.18
Remuneration	12.78	8.98						
Other Income			0.02	0.02				
Interest Expense			0.44	1.22				
Investments (Net)					80.64	-	-	(1.64)
Loan Received/(Repaid) (Net)			(0.72)	(13.96)				
Balances as at year end								
Trade and other receivable			(₹ 44,742/-)	(₹ 22,795/-)				
Trade and other payable			4.16	2.75			-	0.45
Payable in respect of loans			0.01	0.26				

c Disclosure in respect of Related Party Transactions :

₹ in Crores

Nature of Transactions	Year ended March 31, 2014	Year ended March 31, 2013
Sales of Goods and Materials		
Aura Securities Private Limited	9.57	7.00
Remuneration		
Shri Sanjay S. Lalbhai, Chairman and Managing Director	6.93	4.70
Shri Jayesh K. Shah, Director & Chief Financial Officer	3.76	3.03
Shri Punit S. Lalbhai	0.99	0.57
Shri Kulin S. Lalbhai	1.00	0.58
Shri Darshil J. Shah, Son of Director & Chief Financial Officer	0.10	0.10
Other Income		
Amplus Capital Advisors Private Limited	0.02	0.02
Share of Profit		
637 Developers	0.55	0.18
Interest Expense		
Aura Securities Private Limited	0.44	1.22
Loan Received/(Repaid) (Net)		
Aura Securities Private Limited	(0.72)	(13.96)
Investments (Net)		
Premium Garments Wholesales Private Limited	80.64	-
637 Developers	-	(1.64)
Trade and other payable		
Aura Securities Private Limited	4.16	2.75
637 Developers	-	0.45
Trade and other receivable		
Amplus Capital Advisors Private Limited	(₹ 44,742/-)	(₹ 22,795/-)
Payable in respect of Loans		
Aura Securities Private Limited	0.01	0.26

Notes to Consolidated Financial Statements

34 Lease Rent

Operating Lease:

- (A) Land is taken on lease period of 30 years with no option of renewal, no sub lease of the land and having an escalation clause for increase in lease rental by 5% after block of every 2 years.

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	7.81	4.12
Not later than one year	0.61	0.11
Later than one year and not later than five years	2.48	0.44
Later than five years	4.72	3.57
Lease Payment recognised in Statement of Profit and Loss	0.40	0.11

- (B) Factory Building is taken on lease period of 18 to 20 years with no option of renewal, no sub lease of the building and having an escalation clause for increase in lease rental by 15% after every 3 years

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	89.59	79.59
Not later than one year	8.25	7.43
Later than one year and not later than five years	41.64	31.50
Later than five years	39.70	40.66
Lease Payment recognised in Statement of Profit and Loss	8.13	7.24

- (C) Plant & Machineries are taken on operating lease for a period of 5 to 8 years with the option of renewal

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	204.31	135.68
Not later than one year	36.35	30.53
Later than one year and not later than five years	132.65	93.64
Later than five years	35.31	11.51
Lease Payment recognised in Statement of Profit and Loss	37.44	37.00

- (D) Rent expense includes lease rental payments towards office premises, showrooms and other facilities. Such leases are generally for a period of 11 to 108 months with the option of renewal against increased rent.

The particulars of these leases are as follows:

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Future Minimum lease payments obligation on non-cancellable operating leases:	215.44	144.52
Not later than one year	71.11	43.84
Later than one year and not later than five years	104.58	71.37
Later than five years	39.75	29.31
Lease Payment recognised in Statement of Profit and Loss	158.69	115.49

- (E) Rent Income also includes Lease Rental received towards Land and Buildings. Such operating lease is generally for a period from 3 years 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, 2014	Year ended March 31, 2013
Future Minimum lease payments under non-cancellable operating leases:	75.16	15.99
Not later than one year	5.52	1.50
Later than one year and not later than five years	21.51	5.56
Later than five years	48.13	8.93
Lease income recognised in Statement of Profit and Loss	4.65	1.08

35 Impairment of Fixed Assets

In accordance with the Accounting Standard (AS -28) on 'Impairment of Assets', the Company has reassessed its fixed assets and is of the view that no further impairment/reversal is considered to be necessary in view of its expected realisable value.

36 Early adoption of AS 30, Financial Instruments :Recognition and Measurement

- (a) Consequent to the Announcement of the Institute of Chartered Accountants of India (ICAI), the Company had chosen to early adopt 'Accounting Standard - 30, Financial Instruments: Recognition and Measurement' in its entirety, read with the clarification issued on application of AS -30. Accordingly, the Company has changed the designation and measurement of all its significant financial assets and liabilities. All the financial assets and financial liabilities and derivatives have been remeasured at their respective fair values or at amortized cost as against cost except for those items whose accounting treatment is covered by the existing standards notified by Companies (Accounting Standards) Rules, 2006.

Notes to Consolidated Financial Statements

(b) As a result, as on Balance Sheet date, Long Term Borrowings are lower by ₹ 8.04 Crores, (Previous year ₹ 7.32 Crores) and Hedge Reserve account is credited by ₹ 21.71 Crores (Previous year debited by ₹ 23.64 Crores) on account of fair valuation of outstanding derivatives.

37 Foreign Exchange Differences

As per the notification issued by the Ministry of Corporate Affairs dated 31st March, 2009 as amended from time to time, the Company had already exercised the option for accounting of exchange rate differences with effect from April 1, 2007. Consequent to the adoption of that option:

(a) 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;

(b) 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 or up to 31st March, 2020 whichever is earlier.

As a result:

(a) An amount of ₹ 6.19 Crores being the exchange rate loss for the year (Previous year ₹ 3.75 Crores) has been adjusted against the fixed assets.

(b) An amount of ₹ 5.00 Crores being the exchange rate loss for the year (Previous year ₹ 4.90 Crores) remains to be amortized as at the balance sheet date.

38 Disclosure in respect of Derivative Instruments and Unhedged Foreign Currency Transactions

a Category-wise Quantitative data about derivative instruments outstanding:

Particulars	Currency	As at 31st March, 2014			As at 31st March, 2013		
		In Mn	Avg. Ex. Rate	₹ in Crores	In Mn	Avg. Ex. Rate	₹ in Crores
Forward Sales	USD	25.49	60.5071	154.23	60.71	52.3898	318.06
	EUR	1.08	83.4897	8.98	0.81	72.7398	5.88
Forward Purchase	USD	24.11	60.8339	146.67	14.52	55.0709	79.94
	JPY	434.64	0.5882	25.57	193.98	0.6141	11.91
	EUR	2.11	83.1462	17.54	-	-	-
	CHF	1.37	69.6233	9.54	-	-	-
Interest Swap	USD	10.00	56.7325	56.73	10.00	56.7325	56.73
Option Deals	USD	140.00	62.0000	868.00	-	-	-

b Unhedged Foreign Currency Transactions:

Particulars	Currency	As at 31st March, 2014		As at 31st March, 2013	
		In Mn	₹ in Crores	In Mn	₹ in Crores
Payable towards royalty	USD	1.54	9.22	1.45	7.89
	SEK	0.26	0.24	0.29	0.24
	EUR	0.05	0.40	0.02	0.12
Payable for purchase of goods	USD	2.42	14.48	17.17	90.87
	GBP	0.03	0.31	0.25	2.09
	EUR	0.23	1.91	0.46	3.18
Receivable on sale of goods	USD	1.50	9.00	0.83	4.51
	EUR	1.49	12.31	-	-
Payable towards Foreign Currency Loans	USD	1.15	0.69	3.65	19.80
	GBP	0.06	0.53	0.09	0.72
Payable towards Buying Office Commission	USD	(4,159)	0.02	(1,479)	0.01

Notes to Consolidated Financial Statements

39 Disclosure in respect of Construction/Job work Contracts

₹ in Crores

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Amount of Contract Revenue recognized	17.61	29.89
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	16.85	29.89
Advance received from customers	1.40	6.03
Due from customers	1.31	3.19
Due to customers	-	-

40 Capital Reserve on Consolidation

Capital Reserve on Consolidation includes the losses in the value of the investments in subsidiary companies provided by the Arvind Limited (Holding Company) in accordance with the scheme of arrangement sanctioned in earlier years.

- 41 One of the subsidiaries of the Company has invested in a joint venture “Premium Garments Wholesales Private Limited” toward the end of the accounting year. Pending completion of formalities this joint venture has not been considered for consolidation.
- 42 Figures less than ₹ 50,000/- which are required to be shown separately, have been shown as actual in brackets.
- 43 Previous year figures have been regrouped or recast wherever necessary to make them comparable with those of the current year.

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

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

Ahmedabad
May 15, 2014

SANJAY S. LALBHAI

Chairman & Managing Director

JAYESH K. SHAH

Director & Chief Financial Officer

R. V. BHIMANI

Company Secretary

NOTE UNDER SUB-SECTION (1) OF SECTION 212

The Ministry of Corporate Affairs has, vide its General Circular No. 2/2011 (No:5/12/2007-CL-III) dated 8th February, 2011, granted a general exemption to the Companies under Section 212(8) of Companies Act, 1956, relating to the statements to be attached in respect of the subsidiary companies, with the financial statements of the Companies. As required, the information in aggregate for each of the subsidiary Company is furnished as under.

Shareholders interested in obtaining the statements of Company's interest in the subsidiaries or stand-alone financial statements of the subsidiaries may obtain it by writing it to the Company.

The information in aggregate for each subsidiary including subsidiaries of subsidiaries in terms of direction u/s 212 (8) of the Companies Act, 1956 :

₹ in crores

Sr. No.	Name of Subsidiary	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
1	Asman Investments Limited	0.08	(20.09)	5.21	25.22	[1]	7.88	1.33	0.43	0.90	Nil
2	The Anup Engineering Limited	3.40	44.34	111.40	63.66	[2]	104.60	17.35	6.09	11.26	Nil
3	Arvind Internet Limited	0.05	(1.55)	5.59	7.09	[2]	0.00	(1.54)	0.01	(1.55)	Nil
4	Arvind Lifestyle Brands Limited	27.94	229.50	1390.78	1133.34	[3]	1742.05	(30.00)	(8.51)	(21.48)	Nil
5	Arvind Accel Limited	0.05	(15.64)	7.65	23.23	[1]	6.79	(5.31)	(0.01)	(5.30)	Nil
6	Syntel Telecom Limited	0.05	(1.35)	0.45	1.75	[2]	3.57	0.07	0.00	0.06	Nil
7	Arvind Infrastructure Limited	10.05	105.31	237.22	121.85	[4]	34.88	11.67	2.39	9.28	Nil
8	Arvind Brands and Retail Limited	10.71	305.19	396.63	80.74	[5]	0.00	0.59	0.03	0.56	Nil
9	Arvind PD Composites Private Limited	0.18	11.57	30.00	18.25	[2]	9.27	(4.51)	0.00	(4.51)	Nil
10	Arvind Envisol Pvt. Ltd.	0.02	(3.14)	13.98	17.11	[2]	13.89	(2.14)	(0.43)	(1.71)	Nil
11	Arvind Goodhill Suit Manufacturing Private Limited	0.28	12.63	46.35	33.44	[2]	0.00	(0.13)	0.00	(0.13)	Nil
12	Dholka Textile Park Pvt Limited (Formerly Known as Arvind Spinning Park Pvt. Ltd.)	0.01	(0.01)	18.67	18.67	[2]	0.00	0.00	0.00	0.00	Nil
13	Arvind Garments Park Pvt Limited (Formerly Known as Arvind Processing Park Pvt. Ltd.)	0.01	0.00	18.33	18.32	[2]	0.00	0.00	0.00	0.00	Nil
14	Arvind OG Nonwovens Pvt. Limited	2.05	18.11	32.51	12.34	[2]	0.00	(0.15)	0.00	(0.15)	Nil
15	Arvind Hebbal Homes Private Limited	0.01	0.38	40.17	39.77	[6]	0.00	(0.01)	0.00	(0.01)	Nil
16	Arvind Worldwide Inc. USA	2.19	1.13	5.75	2.43	[2]	7.20	0.34	0.02	0.32	Nil
17	Arvind Worldwide (M) Inc. Mauritius	23.87	(28.77)	1.81	6.71	[2]	0.00	(0.03)	0.00	(0.03)	Nil
18	Arvind Overseas (M) Limited, Mauritius	42.35	(42.14)	0.34	0.13	[2]	0.00	0.00	0.00	0.00	Nil
19	Arvind Spinning Limited, Mauritius	14.63	(14.51)	0.12	0.00	[2]	0.00	0.00	0.00	0.00	Nil
20	Arvind Textile Mills Limited, Bangladesh	0.20	(7.21)	2.10	9.11	[2]	0.00	(0.74)	0.00	(0.74)	Nil
21	Arvind Niloy Exports Pvt. Ltd., Bangladesh	0.65	(1.06)	0.43	0.84	[2]	0.24	(0.93)	0.00	(0.93)	Nil

₹ in crores

[1] Not applicable being Investment in Subsidiary

[2] These Companies have no Investments.

[3] Investment in Govt. Securities 0.02

[4] Investment in Partnership Firm 90.33

[5] Investment in Partnership Firm 0.10

[6] Investment in Partnership Firm 0.01

Location & Sites

Lifestyle Fabrics – Denim
Arvind Limited
Naroda Road
Ahmedabad – 380 025
Gujarat, India.
Tel: +91-79-30138000/30138181
Fax: +91-79-30138671
E-mail: subir.mukherjee@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 – Shirts
Arvind Limited
63/9, Doddathogur Village
Electronic City Post
Bangalore-560100, Karnataka, India.
Tel: +91-80-33717000
E-mail: ashish.kumar@arvindexports.com

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 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

Arvind Intex
Rajpur Road, Gomtipur
Ahmedabad – 380 021
Gujarat, India.
Tel: +91-79-30139200

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 – Shirts
Arvind Limited
No.23/1, Sonnenahalli Village
Sitarampalya Cross
ITPL Road, Brookfield, Mahadevpura Post
Bangalore – 560048, Karnataka, India.
Tel: +91-80-33717000
E-mail: ashish.kumar@arvindexports.com

Arvind Polycot
Khatrej, Taluka Kalol
Dist. Gandhinagar- 382 721
Gujarat, India.
Tel: +91-2764-395000

Subsidiaries & Joint Ventures

Arvind Lifestyle Brands Limited
8th Floor, Du Park Trinity
17, M. G. Road, Bangalore-560001.
Tel: +91-80-41550650
Fax: +91-80-41550651
E-mail: sureshj@arvindbrands.com

Arvind Infrastructure Limited
24, Govt. Servant's Society
Adj. Municipal Market
C. G. Road, Ahmedabad-380 009.
Tel: +91-79-30137000
Fax: +91-79-30137021
E-mail: kamal.singal@arvind.in

Arvind and Smart Value Homes LLP
(A JV of Tata Value Homes Ltd. and Arvind Limited)
1008-1009 Venus Atlantis,
Opp. Safal Pegasus,
100 ft. Ring Road, Prahladnagar,
Ahmedabad – 380015.
Tel: +91-79-61903947
Fax: +91-79-61903945
E-mail: corporateinfo@tatavaluehomes.com

Arvind Goodhill Suit Manufacturing Private Limited
Plot No.50 B1 & 50 C1, Survey No. 299, Bommasandra
Industrial Area,
Bangalore – 560099.
Tel: 080-49461005
E-mail: arun.babu@arvindexports.com

Arvind PD Composites Pvt. Limited
Village: Moti Bhojan Ta: Kalol
Dist: Gandhinagar, Gujarat – 382721.
Tel: 02764 396223-02764 395000
Fax: 02764-396220
E-mail: rajesh.patel@arvind-pd.in

Tommy Hilffger Arvind Fashion
Private Limited
4, Brunton First Cross Road,
Bangalore – 560 025.
Tel: +91-80-49363100
Fax: +91-80-41124092
E-mail: shailesh.chaturvedi@th-india.com

The Anup Engineering Limited
Behind 66KV Electric Sub Station
Odhav Road, Ahmedabad-382415
Gujarat, India.
Tel: +91-79-22870622-23
Fax: +91-79-22870642
E-mail: anup@anupengg.com

Arvind Envisol Private Limited
Arvind Mill Premises, Naroda Road,
Ahmedabad – 380 025.
Tel: 079-3013456/8454
Fax: 079-30138677
E-mail: dinesh.yadav@arvind.in

Arya Omnitalk Wireless Solutions Private Limited
3rd Floor, Ling Field Plaza
S.No.66/67, Salunke Vihar Road,
Wanowrie, Pune – 411 040.
Tel: +91-20-26851072, 40118100
Fax: +91-20-26851077
E-mail: manoj.kottil@aryaomnitalk.com

Overseas Offices

Arvind Worldwide Inc.
130, West, 42nd Street,
Suite 603, 6th Floor,
New York, NY 10036, USA.
Tel: +(212)768-4815X104
E-mail: raju@arvindusa.com

Arvind Limited
Plot No.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.com

ARVIND LIMITED

(CIN: L17119GJ1931PLC000093)

Registered Office : Naroda Road, Ahmedabad-380 025.

Email: investor@arvind.in Website: www.arvind.com

Phone: 079-30138000, Fax: 079-30138668

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id*		Folio No.	
Client Id*		No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the **83RD ANNUAL GENERAL MEETING** of the Company held on Wednesday, 30th July, 2014 at 9.30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad – 380 006.

* Applicable for investors holding shares in electronic form.

Signature of Shareholder / proxy

ARVIND LIMITED

(CIN: L17119GJ1931PLC000093)

Registered Office : Naroda Road, Ahmedabad-380 025.

Email: investor@arvind.in Website: www.arvind.com

Phone: 079-30138000, Fax: 079-30138668

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 83rd Annual General Meeting of the Company, to be held on the 30th July, 2014 at 9.30 a.m. at Thakorebhai Desai Hall, Near Law Garden, Ellisbridge, Ahmedabad – 380 006 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	RESOLUTIONS	Optional*	
		For	Against
Ordinary Business			
1	Ordinary Resolution for adoption of Audited Financial Statements for the year ended 31 st March, 2014.		
2	Ordinary Resolution for declaration of dividend @ 23.50% i.e. ₹ 2.35 per share on fully paid up Equity Shares of ₹ 10 each for the year 2013-14.		
3	Ordinary Resolution for re-appointment of Mr. Sanjay S. Lalbhai as a Director of the Company, who retires by rotation.		
4	Ordinary Resolution for appointment of Sorab S. Engineer & Co., Chartered Accountants as Auditors of the Company and fixing their remuneration.		

Resolution No.	RESOLUTIONS	Optional *
Special Business		
5	Ordinary Resolution for appointment of Dr. Bakul Dholakia as an Independent Director of the Company.	
6	Ordinary Resolution for appointment of Ms. Renuka Ramnath as an Independent Director of the Company.	
7	Ordinary Resolution for appointment of Mr. Dileep C. Choksi as an Independent Director of the Company.	
8	Ordinary Resolution for appointment of Mr. Vallabh Bhanshali as an Independent Director of the Company.	
9	Special Resolution for appointment and approval of overall remuneration of Mr. Jayesh Shah as Wholetime Director and Chief Financial Officer for a period of five years from 1st October, 2014 to 30th September, 2019.	
10	Special Resolution for borrowing of monies in excess of paid up capital and free reserves of the Company.	
11	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.	
12	Special Resolution for keeping and inspecting the registers, returns etc. at a place other than the registered office of the Company.	
13	Special Resolution for alteration of Articles of Association of the Company by inserting new article 149A.	
14	Ordinary Resolution for approval of the remuneration of the Cost Auditors.	
15	Ordinary Resolution for not to fill, for the time being, the vacancy caused by the retirement of Mr. Sudhir Mehta, Director, who retires by rotation at the AGM and does not seek re-appointment.	

Signed this _____ day of _____, 2014

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix Revenue
Stamp not less
than Re.o.15

Note:

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 83rd 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.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a full page of blank, lined paper. It features approximately 20 horizontal blue or grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines, text, or other markings on the page.

If undelivered, please return to:

Arvind Limited

Naroda Road, Ahmedabad - 380 025.