

Design  
Innovation  
Sustainability

ARVIND LIMITED  
CIN: L17119GJ1931PLC000093

88th  
Annual  
Report

2019



## Board of Directors

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

## Audit Committee

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

## Stakeholders' Relationship Committee

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

## Nomination and Remuneration Committee

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

## Corporate Social Responsibility Committee

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

## Risk Management Committee

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

## Management Committee

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

## Company Secretary

Mr. R.V. Bhimani

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## Registered Office

Naroda Road, Ahmedabad-380025, Gujarat, India  
Website: [www.arvind.com](http://www.arvind.com)

## Auditors

Deloitte Haskins & Sells LLP  
Chartered Accountants  
19th Floor, "Shapath V", S. G. Highway  
Ahmedabad - 380015

## Bankers

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

## Registrar And Transfer Agent

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



## Message from Chairman

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Dear Shareholders:

FY2019 was a landmark year in the 88-year history of Arvind, as it gave birth to two new companies – Arvind Fashions and Anup Engineering. This demerger clears the path forward for all three companies to chart their respective courses, independently. I am pleased to present the annual results of Arvind Limited, which now is sharply focussed on strengthening the core textiles business. In addition, we will continue to nurture the Advanced Materials and Arvind Envisol as emerging businesses, which will bear fruit over time.

The macro environment surrounding the textiles business continues to be challenged by multiple forces. While the overall industry volumes saw modest growth in both domestic and exports segments, there has been a clear shift towards the value segment from mid/premium offerings. The growth of this segment, especially in India, has benefited most as consumption migrates from the informal to the organised sector. This market shift has imposed limitations on price realization, as consumers trade-off innovative and higher quality products, for aggressively priced or discounted merchandise. The growth of online retail also underlines this consumer preference for lower-priced and more fast-fashion products.



# Message from Chairman

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During this financial year, Arvind has started to actively address this market-shift by tweaking its product mix, organization and cost structures. In parallel, Arvind continued to implement our stated long-term strategy for the textiles business that rests on 4 key pillars – vertical garmenting, product innovation, investments in brand Arvind and Advanced Materials.

Over the course of the year, our newly opened apparel manufacturing facilities in Ranchi and Ahmedabad started shipping commercial orders. In addition, our existing facilities in Bangalore area and Ethiopia, also saw capacity expansion and scale-up. The net result was a capacity addition of 4 million pieces, that resulted in 34 million pieces of garments shipped to our customers during the year. In addition, we also produced 18 million pieces of essentials. As many of our new facilities ramp-up efficiencies during FY2020, we expect to exit the year at a run-rate of over 55 million pieces (excluding essentials). Further, we will continue to strengthen our long-term cut and sew partnerships with some of the top global garment manufacturers. In summary, we are seeing strong momentum in our efforts to be strategic tier-1 supply partners to leading global brands.

Arvind recently introduced Indigo dyed knit wear – which combines the aesthetics of indigo denim with comfort of knitted athleisure products. This category is reviving a strong market response, and promises to account for a significant portion of our Indigo dyed business. Other themes in our innovation pipeline – focused around sportswear, and products manufactured with environmentally friendly dyeing methods – continued to broaden our basket of product offerings.

During the year, we also re-structured our fabric retail business. Now all channels – MBOs, EBOs and Wholesale – for both Shirting and Suitings, have been brought under an integrated platform, common leadership, and branding approach. We are very bullish about this segment to deliver excellent returns going forward. Advanced Materials saw a momentous year, as it signed several new partnerships which significantly add to its capabilities and product range. Most notably, we concluded agreements with top global players which will help us enter the thin composite sheet

market and Cured In Place Pipe solutions. Our protective apparel business also saw rapid growth across all markets.

Arvind Envisol, which provides water and waste-water treatment solutions delivered an outstanding performance, as it completed multiple large projects. This business is poised further growth as it opens up new solution areas, and new geographies.

Our commitment to environmental protection continues to define our priorities in a significant manner. During the year, we became one of the country's largest roof-top solar installation, as we commissioned the 16.2 MW facility, taking our total solar installations to 22 MW. We also signed partnerships with our customers that will enable Arvind to dramatically reduce its dependence on fresh water.

As I sign off, I sincerely thank you for continuing to have faith in your leadership's ability to create value over time.

With warm regards,



Sanjay Lalbhai



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

Company is headquartered in Ahmedabad, Gujarat and ranks amongst the top suppliers of fabric worldwide. With an annual production capacity of more than 100 mn meters in denim and 140 mn meters in woven fabric, your Company supplies fabric to many leading brands, both in India and across the world. The company, through its subsidiary Arvind Fashions Ltd has built a strong portfolio of brands that straddles consumer segments across income pyramid. We are also the garment maker of choice to many leading brands across the globe with manufacturing capacity of more than 56 mn pieces annually.



100 mn  
meters in denim fabric



140 mn  
meters in woven fabric



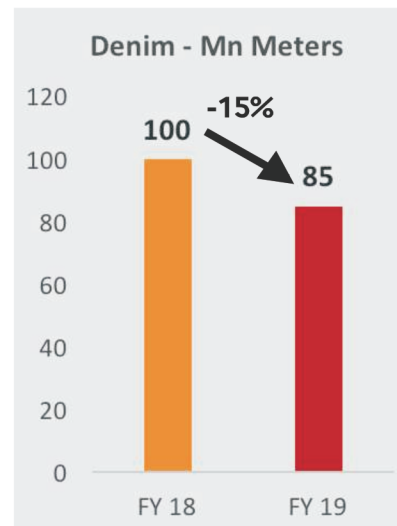
56 mn  
garment pieces annually





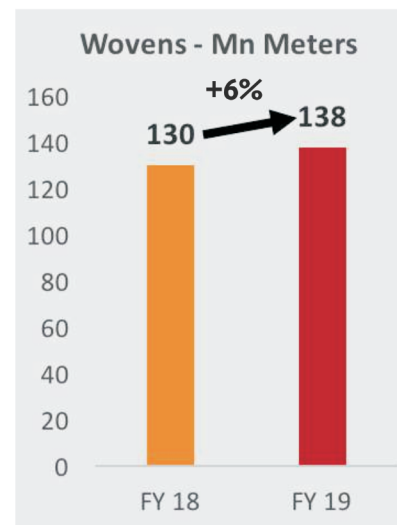
## Denim

Denim fabric business saw a decrease in volume to 85 Mn meters from 100 Mn meters. Over-capacity in domestic market became worse as recently added capacities started producing new volumes and new capacity additions in Bangladesh made imports from India less attractive to Bangladesh garmenters. Also demand from some of our key export customers continued to be muted as they come out of inventory correction cycle. Denim volumes saw a sharp decline in the 3rd quarter, recovered to a degree in the 4th quarter, but the closed the year at 15% lower than previous year. This drove down Denim revenues by 12% to Rs 1,701 crores, even though the price realization was broadly stable.



## Woven

Woven volumes were up +6% to 138 mn meter with strong growth in our export business. We consolidated our position in our top export accounts that gave us a double digit growth in our export business. Among domestic segments as well our key brands accounts fared well, though trade channel was relatively softer. Revenue grew in line with volumes to reach Rs 2,490 crores (incl retail) as average realisation per meter remained largely stable. During the year, we completed re-structuring of our B2C business – which is now aligned along clear segments of Shirting and Suiting, across all 3 channels – EBO, MBO and Direct To Retail. The Shirting retail market was challenging, but our Suiting range got very strong market reception and helped us reinforce our presence as a serious player in the overall fabric retail market.

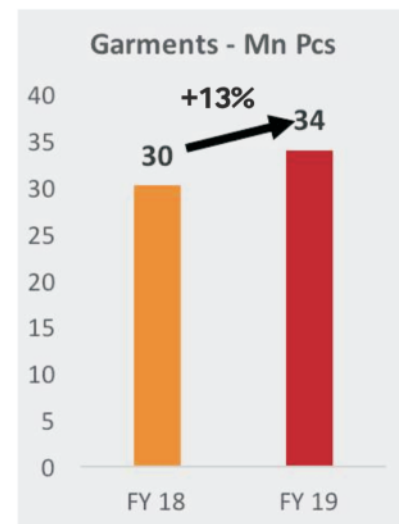






## Garment

Garmenting is an integral part of our verticalisation strategy and continues to grow strongly. During the year under review, garment volumes were up 13% to 34 Mn pieces. Modernization and capacity expansion at our Bangalore/Karnataka plants got completed this year. Our recently established facilities in Ethiopia delivered 2.4 million pieces. Our greenfield factory in Ranchi started small customer shipments towards the second half of the year, and is gearing up for sizable numbers in FY20. Of the two new facilities in Ahmedabad area, the sports-wear lines started delivering customer shipments. The Indigo knit factory is under commissioning.



## Advanced Materials

Advanced Materials division (AMD) delivered a strong performance in FY19. This business grew its top-line almost 30% from Rs 486 crores in FY18 to Rs 630 crores in FY19. EBITDA, which was negative in previous year became +10% in this year, clearly reflecting the maturing of some of the AMD businesses which have started having operating leverage. Human Protection segment, that makes and sells specialty functional apparel such as Fire Retardant, Work Wear, Abrasion Resistant suits, Low temperature clothing etc., signed up several large international customers. Composites business consolidated its global position at a major supplier of cooling tower sections, radomes and other glass-reinforced-composite products. During the year, AMD also started producing sports goods made with carbon-fibre-reinforced composites.



## Other Businesses

Among other businesses that the company deals in, Arvind Envisol is a specialized company for the supply of water and waste water treatment plants for Industrial process, Waste water & Zero Liquid Discharge Solutions. It provides world's most cost-effective environmental solutions to protect our scarce natural resources. The company registered a sharply increased revenue of Rs 326 crores – this was a result of some large overseas projects executed by this business.





## Sustainability & Us

Four years, back, we developed and introduced to stakeholders our Sustainability strategy, Fundamentally Right, which provides our philosophy, approach and how we target to reduce or eliminate our Environmental impacts. Our strategy is to dedicate efforts on input management rather than treatment of outputs, as fundamentally if we use right inputs and make all inputs to our businesses more sustainable, we can minimise harmful effects in an efficient manner. The six key material inputs are cotton, people, money, energy, water and chemicals. Sustainability at Arvind, is a core philosophy as well as the unique selling proposition that helps us to create and maintain enduring bonds with our clients, globally. We are also deeply looking at production processes and how we can migrate from existing technologies to new and revolutionary technologies with significantly less or now environmental impacts.





## Water

We have made significant strides during the past years towards achieving our goal to dissociate textile production and fresh water usage. We have two-pronged approach to water management; firstly, investing in technologies and management practices to reduce the water usage in textile dyeing and processing. Secondly, we focus on eliminating the fresh water use, by moving to recycled water sources either internally or through external waste water sources like community sewage. Focus is equally on water efficiency improvement as well as recycling. We have initiated the construction on another 8 million litres per day recycling facility at our Denim mill at Ahmedabad, which will help us reach our goal of reducing freshwater consumption. We also invested in advanced technologies like indigo foam dyeing of Denim, which uses 90% less water as compared to conventional dyeing technologies.



## Energy

This year we achieved a significant milestone of commissioning India's largest rooftop solar power generation facility at our Santej textile complex. This plant has an installed capacity of 16.2 MW and is capable of generating up to 23 million KWh of energy every year. This takes our total Solar capacity across various sites to 22 MW. We plan to continue to grow our renewable energy footprint during next year and increase renewable energy contribution in our overall energy mix. We have also exceeded our targets under the PAT scheme on energy efficiency at our mills. We have implemented ISO 50001 Energy Management System at all our large energy consuming sites. Energy consumption of machines is a key consideration before investing in any new technologies. Our operations at Ethiopia are fully powered by Renewable Energy. Our facilities undergo periodic energy audits to find out newer opportunities to reduce energy consumption. You can find further details on energy conservation initiatives undertaken during 2018-19 later in this Annual Report.







## Cotton

Sustainability in cotton farming is a crucial subject and we have assumed a leading role in India and established largest sustainable cotton farming operations for a textile mill. During past year, we also started a new Sustainable farming method, Regenerative Organic farming, which is more holistic way encompassing organic practices, animal welfare and social fairness. Our Sustainable farm operations now extends to more than 100,000 acres and we plan to extend this to 140,000 acres during 2019-20. We would be working with 36,000 farmers in promoting sustainable agriculture practices. We have partnered with several local NGOs to implement these activities in various cotton producing states of India. Our sustainable farm operations helps us to fulfil the rising demand for products made with sustainable cotton across Europe, North America and Asia. We aim to accelerate this further and expand our farm operations to cover 400,000 acres of farm land and over 100,000 farmers by the year 2022-23. We are also closely monitoring the reduction in environmental impact through these initiatives and periodically publish the results.



## People

Our operations have expanded further this year and covers new location of Ranchi in India. Workforce is rapidly expanding in existing locations due to expansion of garmenting operations. Our workforce is our key asset which helps us achieve our goals and exceed the market demands year on year. Our key focus is on generating meaningful and long-term employment for deprived sections of the society. Our people strategy focuses on both internal engagement with workmen and external community engagement. Health and Safety is also a critical work domain for us which has led to further improvement in our safety performance. Our community activities have focused largely on Healthcare and Education and would continue to grow during next year. Within next few years, our overall workforce will cross 50,000 and our focus is to create meaningful and long term sustainable employment for large sections of the society.







## Chemicals

Chemicals are essential to provide look and feel to the textile. In addition, chemicals help to impart performance and functionality to the textiles. Our goal is to ensure that our fabrics and garments are safe for end consumers, and their manufacturing is safe, for our employees, surrounding communities and the environment. We monitor all the chemicals we use and are on track to achieve our goal to eliminate all hazardous chemicals from textile production. From cotton cultivation, textile production and water treatment chemical use are being monitored throughout the lifecycle. We are working on developing solutions to reduce the overall chemical usage within textile production processes.



## Money

We try to be fundamentally right in our approach to run our business. This ensures that our core business interests remain protected and are sustainable. We carefully invest in expansion of our capacities, nurturing our talent pool, advancing in technology, employment generation and giving back to the community as well as the environment. Strong financial performance is key to sustainable growth. The more value we generate,

the more we can distribute to our stakeholders and the more we can invest in sustainable innovation. Value creation is hence material for Arvind as it directly affects our stakeholders including employees, local communities, and investors.







## Corporate Social Responsibility

Arvind Ltd. has a long tradition of contributing to the growth and development of the society. Our pioneers held the belief that a healthy business grows only in a healthy society and that business must serve and empower the community in the area where it operates. Our ethos translated into the setting up of multiple institutions in the realm of educational, social and cultural domains in improving the lives of the people.

The responsibility of undertaking development initiatives has been jointly shared by Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust (broadly focussing in urban areas) and Narottam Lalbhai Rural Development Fund (NLRDF) (broadly focussing in rural areas). More recently Arvind Foundation (AF) - a section 8 company was set up to undertake CSR initiatives on its own and support like-minded individuals and institutions in carrying forward its mandate. Arvind Foundation has been driving our CSR initiatives focussing on, but not restricted to Education, Health, Sanitation, Rural Transformation, Art, Culture & Heritage, Women Empowerment and Inner Wellbeing.

We believe in creating synergies through partnerships with like-minded individuals and organisations and work with multiple stakeholders in achieving development goals together.



# Our development initiatives:

## Education:

Gyanda (Fountain of Knowledge) has been working with children studying in Municipal Schools of Ahmedabad since 2006 providing them academic, financial and mentoring support. At present there are around 1,100 students in our system between standard 5 to 12 and above. More than 150 students have completed class 12 and many are either pursuing college education or are gainfully employed. A life skills program prepares the students for a successful professional life ahead. We aim to bring about 6,000 students in our system by 2022.



## Sanitation:

To make India open defecation free it is important to work on 2 levels- First and foremost, we must make good quality toilets affordable and easy to install and maintain. Second, we must promote the benefits of using the same. Project Asmita is working at both the levels through partnerships with NGOs, MFIs, entrepreneurs etc. working in this domain at the grassroot level. The Asmita toilets have been installed in Gujarat and Bihar and have received favourable response from the users. Till date Asmita toilets have been installed in more than 1,400 households in Gujarat and Bihar.



## Rural development:

NLRDF (Narottam Lalbhai Rural Development Fund) has been undertaking development initiatives in 3 districts of Gujarat, reaching out to around 35,000 rural and underserved people. The objective is to improve the delivery mechanism of government programs by becoming a link between government and the rural populace. It also undertakes need based, sustainable development programs in the region.

Arvind Rural Transformation Initiative (ARTI) works towards improving the rural landscape including social, cultural, economic and environmental aspects. Based on the need assessment study and community connect programs conducted in the past, we initiated multiple development programs in Gandhinagar, Ahmedabad, Mahesana and Kheda districts of Gujarat. This year we worked with school going children, their parents, farmers and on projects on environmental awareness and action.





## Health:

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4 Arvind Medical Centres in Saraspur, Asarwa, Khatraj and Kalol provide primary medical and dental care to people, especially benefitting the economically disadvantaged section of society. Credible, affordable and quality primary healthcare is provided under one roof. Since its establishment in 2016 over 12,000 people have received treatment so far.



## Inner Well Being:

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Inner wellbeing of people is at the core of all round development - be it social, cultural, economic or spiritual. We are promoting inner wellbeing through specific techniques of Heartfulness relaxation and meditation. The focus is on making the participants experience this meditation form and its positive impact. Till date around 31,000 people across 300 locations in Gujarat and Rajasthan have experienced and benefitted from this meditation technique. Out of these, over 6,000 people are regularly practicing meditation and are in touch with us through weekly sessions conducted by our four Rural Champions working especially on this project.



## Skill development:

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The skill development program for tribal girls is for inclusive growth of women belonging to the tribal areas of Gujarat. Through this program, we develop industry specific vocational skills (Apparel Manufacturing) of women and provide them employment in our manufacturing units. The program provides them opportunities for furthering their educational qualification through enrolment in university courses. We also work on their holistic growth through organizing various personal empowerment programs. Over 350 women have completed this program and over 300 women are presently enrolled in the program.



## Working with artisans:

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The Company supported the project titled "Walking Hand-in-Hand - Taking Unnamed Artisans to the World Stage." The project was implemented by CDS Art Foundation. The project aims to support artisans, who are creators of exquisite textiles but whose work remains largely unnoticed and unsupported. CDS identified, engaged and encouraged 8 such artisans who have unique abilities and can go far if supported at the right platforms. 3 of the 8 participating artisans were recognized as the 'Masters' of their craft



## Notice

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Tuesday, the 6th August, 2019 at 09:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad – 380 015 to transact the following Business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements [including consolidated financial statements] of the Company for the financial year ended March 31, 2019 and the reports of the Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Punit Lalbhai (holding DIN 05125502), who retires by rotation in terms of Article 168 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as 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, Rules made thereunder and the applicable provisions of the Security and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereto or enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the consent of the Company be and is hereby accorded to the terms of reappointment of Mr. Jayesh K. Shah (holding DIN 00008349) as Director and Group Chief Financial Officer of the Company for a period of five years from 1st October, 2019 to 30th September, 2024 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 may be 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 Section 197 and Schedule V to the Companies Act, 2013, as may be agreed to by the Board of Directors and Mr. Jayesh K. Shah.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory

modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Dileep C. Choksi (holding DIN 00016322), who was appointed as an Independent Director up to May 11, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect 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 re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years upto 11th May 2024 on the Board of the Company.

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 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Arpit Kantilal Patel (holding DIN 00059914), who meets the criteria for independence as provided in Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect 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, not liable to retire by rotation, to hold office for a term of five consecutive years up to 16th May 2024 on the Board of the Company.

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

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made there under (including any statutory modifications, clarifications, exemptions or re-enactment thereof, from time to time) and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 as amended up to date and other applicable SEBI regulations and guidelines, the provisions of Memorandum and Articles of Association of the Company and subject to such applicable laws, rules and regulations and guidelines, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any Committee thereof which the Board may have constituted / reconstituted to exercise its powers including the powers conferred by this Resolution) to offer, issue and allot, in one or more tranches Secured / Unsecured/ Redeemable Non-convertible Debentures (NCDs) including but not limited to subordinated debentures, bonds, and/or other debt securities etc. on private placement basis,



during the period of one year from the date of passing of the Special Resolution by the members, for an amount not exceeding ₹ 300 Crores (Rupees Three hundred crores only) on such terms and conditions and at such times, at par or at such premium, as may be decided by the Board to such person(s), including one or more company(ies), bodies corporate, statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board/Committee of Directors may decide so, however, that the aggregate amount of funds to be raised by issue of NCDs, subordinated debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as may be approved by the Members from time to time.

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

RESOLVED FURTHER THAT the approval is hereby accorded to the Board to appoint lead managers, arrangers, underwriters, depositories, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and

also to enter into and execute all such arrangements, contracts/agreements, memorandum, documents etc. with such agencies and to do such acts, deeds, things and execute all such documents, undertakings as may be necessary for giving effect to this resolution.

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 Section 148 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 3.75 lakhs (Rupees three lakhs seventy five thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the audit, payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad having Firm Registration No. 000025, appointed by the Board to conduct the audit of the cost records of the Company for the financial year ending 31st March 2020, be and is hereby ratified and confirmed.

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

Registered Office:  
Naroda Road  
Ahmedabad-380025  
Date: May 17, 2019

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



## Notes

1. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 4 to 8 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item Nos. 3, 4, 5 and 6 of the Notice, are also annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.  
The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of AGM. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.  
A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act a proxy for any other person or member.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 31st July 2019 to Tuesday, the 6th August 2019 (both days inclusive).
4. Members, Proxies and Authorized Representatives are requested to bring to the meeting, the Attendance Slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID / Folio No.
5. The dividend on equity shares for the year ended 31st March, 2019, 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 6th August 2019 or on records of National Securities Depository Limited and Central Depository Services (India) Limited as beneficial owners as on 30th July 2019.
6. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code etc. to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. in case the shares are held by them in physical form.  
SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime India Pvt. Ltd.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities.  
In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime India Pvt. Ltd. for assistance in this regard.
8. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
9. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the AGM.
11. All unclaimed dividends up to the financial year 2005-06 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The Company did not declare any dividends on equity shares for the financial years 2006-07 to 2010-11. Unclaimed and unpaid dividends for the financial years 2011-12 to 2016-17 will be transferred to this fund on due dates. Those members who have so far not encashed their dividend for the said financial years are requested to approach the Company or its RTA for payment thereof. Kindly note that once unclaimed and unpaid dividends and shares are transferred to the Investor Education and Protection Fund, members will have to approach to IEPF for such dividends and shares.
12. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. [www.arvind.com](http://www.arvind.com).
13. To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with DPs / Link Intime India Pvt. Ltd.
14. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the registered office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.
15. The route map showing directions to reach the venue of the AGM is annexed.
16. Instructions for e-voting:  
A separate sheet containing the complete details of the instructions for e-voting is being sent to all the shareholders along with the Annual Report for the year 2018-19 to enable them to cast their votes through e-voting.

Registered Office:  
Naroda Road  
Ahmedabad-380025  
Date: May 17, 2019

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



**EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013****Item No. 4**

Resolution under Item No. 4 of the Notice relates to the reappointment of Mr. Jayesh K. Shah as Director and Group Chief Financial Officer of the Company for a further period of five years from 1st October 2019 to 30th September 2024 and approval of his remuneration and terms of reappointment.

The Nomination and Remuneration Committee, at its meeting held on 17th May 2019, had recommended the reappointment of Mr. Jayesh K. Shah as Director and Group Chief Financial Officer of the Company and terms of remuneration payable to him for a further period of five years from 1st October 2019 to 30th September 2024. The Board of Directors, at their meeting held on 17th May 2019, 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 2019 to 30th September 2024 as approved by both the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 17th May 2019 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 Director & Group Chief Financial Officer:

**CATEGORY – A****(i) Housing:**

The Company shall provide furnished accommodation to the Director & Group Chief Financial Officer. If the Director & Group Chief Financial Officer is having his own accommodation, the Company shall pay house rent allowance upto 40% of the Basic Salary.

The Company shall provide equipment and appliances, furniture, fixtures and furnishing at the residence of the Director & Group 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 Director & Group 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/ National Pension 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 Director and Group Chief Financial Officer at the entire cost of the Company.

**CATEGORY – D**

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

**Overall 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 profits 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 for any one of Managing Directors and Whole time Directors and subject further to the overall limit of 10% of the annual net profit of the Company for all Managing Directors and Whole time Directors 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 Director and Group 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 Wholtime 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.

The resolution at Item No. 4 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. 4 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 31.03.2019)

Particulars	₹ in Crores
Sales & Other Income	6592.34
EBIDTA	722.80
Net Profit	199.44

- 5 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 18-19	FY 17-18
Salary	69,48,000	69,48,000
Perquisites/Allowances	1,38,41,365	1,38,38,163
Commission/Bonus	1,88,50,000	2,43,86,000
<b>Total</b>	<b>3,96,39,365</b>	<b>4,51,72,163</b>

Note: Remuneration includes contribution to Provident Fund and Superannuation.

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

Mr. Jayesh K. Shah has been appointed as the Director and Group 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.

## iii. Other Information

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

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. 4 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. 4 relates to payment of remuneration to Mr. Jayesh K. Shah, he and his relatives are deemed to be concerned or interested in the said resolution. None of the other 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. 4.

## Item No. 5

The Members at Annual General Meeting held on 30th July 2014 approved the appointment of Mr. Dileep Choksi as an Independent Director of the Company for a period of five years upto 11th May 2019. Now, the Board of Directors of the Company ('the Board') on 9th May 2019, on the recommendation of the Nomination and Remuneration Committee, recommended the re-appointment of Mr. Dileep Choksi as an Independent Director of the Company with effect from 12th May 2019 to the members in terms 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 Regulation 17 of the Securities



and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015") or any amendment thereto or modification thereof and his appointment shall not be subject to retire by rotation.

The Board is of the view that the continued association of Mr. Dileep Choksi would benefit the Company, given the knowledge, experience and performance of Mr. Dileep Choksi and the Board of Directors are also satisfied with the overall performance evaluation results of Mr. Dileep Choksi. Declaration has been received from Mr. Dileep Choksi that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Dileep Choksi fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for re-appointment as an Independent Director and that he is independent of the management of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Consent of the Members by way of Special Resolution is required for re-appointment of Mr. Dileep Choksi, in terms of Section 149 of the Act. Requisite Notice proposing the re-appointment of Mr. Dileep Choksi has been received by the Company and consent has been filed by Mr. Dileep Choksi pursuant to Section 152 of the Act.

Mr. Dileep Choksi and his relatives are interested in this Special Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Special Resolution.

The Board recommends this Special Resolution for your approval.

#### Item No. 6

The Board of Directors of the Company ("the Board") on 17th May 2019, on the recommendation of the Nomination and Remuneration Committee, recommended the appointment of Mr. Arpit Kantilal Patel as an Independent Director of the Company with effect from 17th May 2019, to the members in terms 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 Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations 2015") or any amendment thereto or modification thereof and his appointment shall not be subject to retire by rotation.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Arpit Patel as an Independent Director. Declaration has been received from Mr. Arpit Patel that he meets the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Mr. Arpit Patel fulfils the conditions specified in the Act, the Rules thereunder and the Listing Regulations 2015 for appointment as an Independent Director and that he is independent of the management of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as a Director.

Consent of the Members is required for appointment of Mr. Arpit Patel, in terms of Section 149 of the Act. Requisite Notice proposing the appointment of Mr. Arpit Patel has been received by the Company and consent has been filed by Mr. Arpit Patel pursuant to Section 152 of the Act.

Mr. Arpit Patel and his relatives are interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Ordinary Resolution.

The Board recommends this Ordinary Resolution for your approval.

#### Item No. 7

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

In order to meet the financial needs of the Company, the Company may make an offer of NCDs or invite subscription to NCDs on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the special resolution by the members, for an aggregate amount not exceeding ₹ 300 crores (Rupees three hundred crores). It is proposed that the Board which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution, be authorized to issue NCDs within the aforesaid limits, on such terms and conditions as it may deem fit.

The Board recommends the resolution at Item No. 7 for your approval. None of the Directors or any Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7.

#### Item No. 8

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2020 at a remuneration of ₹ 3.75 lakhs plus applicable taxes and out of pocket expenses.

In accordance with the provisions of Section 148 (3) of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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

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



# ANNEXURE TO ITEM NO. 3, 4, 5 AND 6 OF THE NOTICE

## Details of Directors seeking appointment and reappointment at the forthcoming Annual General Meeting

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India)

Name of the Director	Mr. Punit Lalbhai	Mr. Jayesh Shah	Mr. Dileep Choksi	Mr. Arpit Patel
Director Identification Number (DIN)	05125502	00008349	00016322	00059914
Date of Birth	12th March 1982	25th May 1960	26th December 1949	4th June 1958
Date of first appointment on the Board	26th July 2012	20th November 2002	12th May 2014	17th May 2019
Qualifications	<ul style="list-style-type: none"> <li>• B.Sc. (Conservative Biology), University of California, USA</li> <li>• MES (Environmental Science), Yale University, USA</li> <li>• MBA (Strategy &amp; General Management), INSEAD, France</li> </ul>	<ul style="list-style-type: none"> <li>• Commerce Graduate, Gujarat University</li> <li>• Chartered Accountant, ICAI</li> </ul>	<ul style="list-style-type: none"> <li>• Commerce Graduate</li> <li>• Bachelor of Law</li> <li>• Chartered Accountant, ICAI</li> <li>• Cost Accountant, ICWAI</li> </ul>	<ul style="list-style-type: none"> <li>• Commerce Graduate</li> <li>• Chartered Accountant</li> </ul>
Expertise in specific functional area	Advanced Materials, Engineering and Agribusiness	Wide experience in Finance, Accounts, MIS, Merger, Acquisition, Expansion, Diversification, Project funding, Euro-issue and Financial Restructuring	Business Succession, Tax Advisory and Litigation, Structuring of Collaborations, Joint Ventures and Corporate Restructuring, Turnaround and Change Management Strategies	Assignments of statutory audit and corporate advisory involving interplay of various laws
Brief Profile & Experience	<p>Mr. Punit Lalbhai is the Executive Director of Arvind Limited. He is currently working on building new businesses for the Company such as Advanced Materials, Engineering &amp; Agribusiness.</p> <p>Mr. Punit Lalbhai has an MBA from INSEAD, France. He is also deeply involved in sustainability conservation. He has done his Masters in Environmental Science from Yale University, USA. He has a Bachelor's degree in Conservation Biology from University of California.</p>	<p>Mr. Jayesh K. Shah is the Director and Chief Financial Officer of Arvind Limited, a flagship company of the Lalbhai Group. He was working with the group in its various business divisions since 1985 and in the year 2002, he became Director on the Board. Mr. Shah has distinguished academic career and has extensive administrative, financial regulatory and managerial expertise with his vast experience in the field.</p> <p>He started his career in Garment division of the Lalbhai Group and then textile division and also looked after all the financial aspects of the group companies, viz., Textiles, branded garments, electronics and telecom. He was also actively involved in merger,</p>	<p>Mr. Dileep C. Choksi is a Chartered Accountant by profession and has been in practice for over 40 years. His areas of specialization include business succession, tax advisory and litigation, structuring of collaborations and joint ventures and corporate restructuring, turnaround and change management strategies. He also advises some of India's largest business houses on various strategic matters, including family succession and on wills and trusts.</p> <p>Mr. Choksi was the former Joint Managing Partner of Deloitte in India till 2008, before the setting up C.C. Chokshi Advisors Pvt. Ltd. of which he is the Chief Mentor. Mr. Choksi is on the Board of well-known companies including as a member of their committees.</p>	<p>Mr. Arpit Patel is a senior Chartered Accountant with broad experience in handling assignments ranging from statutory audit to corporate advisory involving interplay of various laws. He has contributed as a Partner at M/s Kantilal Patel &amp; Co. and M/s S. R. Batliboi &amp; Co. LLP (a member firm of EY Global). At present, he is a Partner at M/s Arpit Patel &amp; Associates, Chartered Accountants. He has been appointed as a Technical Reviewer of Financial Statements by ICAI, empanelled as a Technical Reviewer with the Quality Review Board established by the Government of India under the Chartered Accountants Act, 1949 and has authored various books in his field.</p>



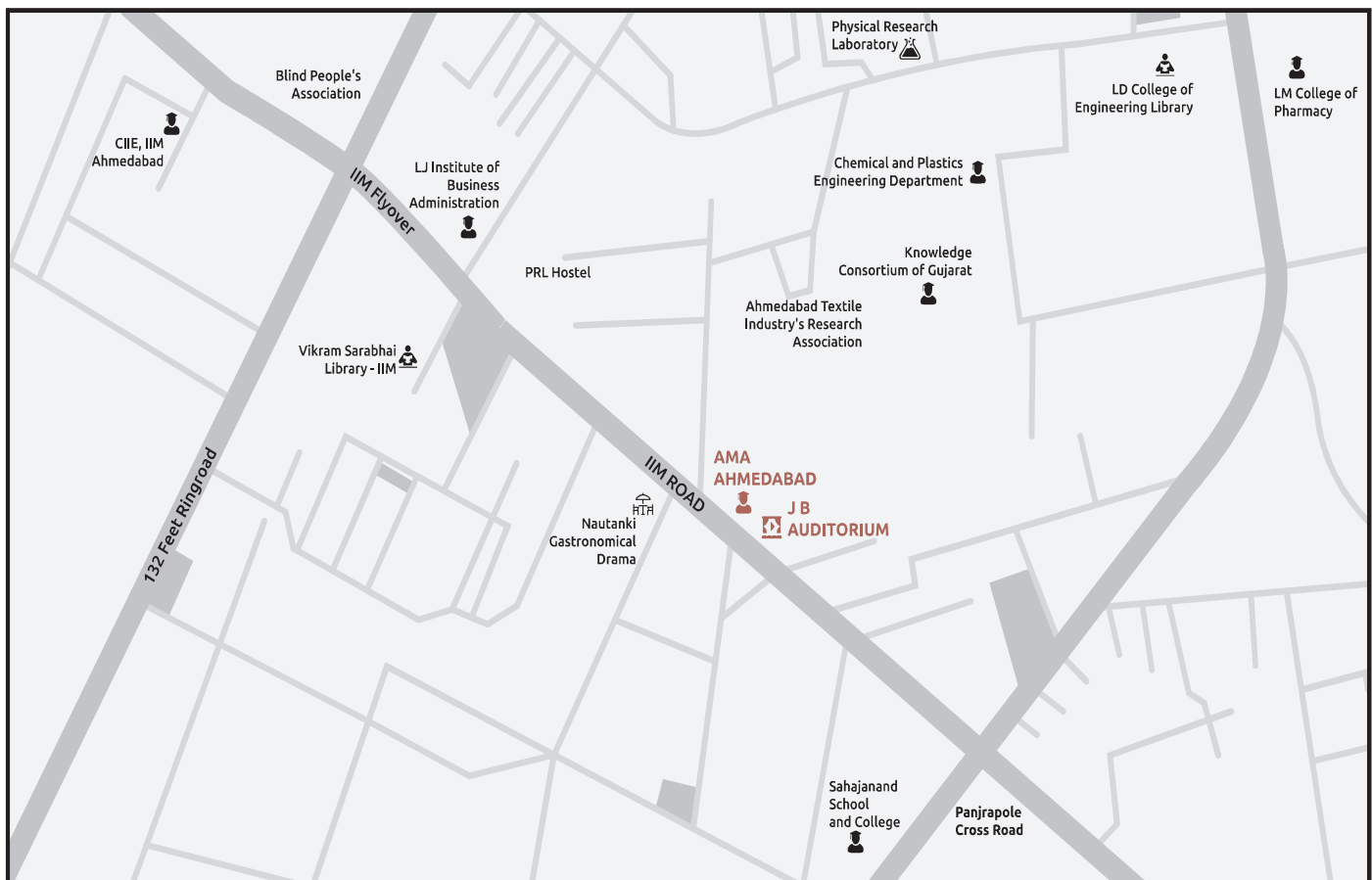
Name of the Director	Mr. Punit Lalbhai	Mr. Jayesh Shah	Mr. Dileep Choksi	Mr. Arpit Patel
		<p>acquisition, expansion, diversification, project funding and euro issue of the Company. Being a dynamic professional, he has always been exploring new business opportunities and challenges. He successfully undertook financial restructuring of the Company during the period 2000 to 2002.</p> <p>He has also served on the Board of e-infochips Limited. Mr. Shah is a Member of the Governing Council of Ahmedabad Management Association.</p> <p>Mr. Shah is Associate member of ICAI and a Commerce Graduate from Gujarat University.</p>	<p>Mr. Choksi is a member of the Society of Trust and Estate Practitioners (STEP). He is also a trustee of the A.D. Shroff Memorial Trust and member of Council of Forum of Free Enterprise. Mr. Choksi has contributed various papers on Professional matters relating to Tax and Business reorganization. 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.</p> <p>Mr. Choksi contributed in the preparation of Kanga and Palkhivala's The Law and Practice of Income Tax (Eighth Edition) - the last edition written by late Mr. N.A. Palkhivala and Mr. B.A. Palkhivala.</p>	
Number of Shares held in the Company	3714 Shares	Nil	Nil	Nil
Details of remuneration sought to be paid	Refer report on Corporate Governance	Refer report on Corporate Governance	Refer report on Corporate Governance	---
Remuneration last drawn	Refer Annexure - E to the Directors' Report	Refer Annexure - E to the Directors' Report	Refer Annexure - E to the Directors' Report	---
Number of Board Meetings attended during the year	4 out of 4	4 out of 4	4 out of 4	---
List of the Directorships held in Other Companies	<ol style="list-style-type: none"> <li>Arvind Fashions Limited</li> <li>Arvind PD Composites Private Limited</li> <li>Arvind OG Nonwovens Private Limited</li> <li>Confederation of Indian Textile Industry</li> <li>Arvind Smart Textiles Limited</li> </ol>	<ol style="list-style-type: none"> <li>Arvind Fashions Limited</li> <li>Arvind PD Composites Private Limited</li> <li>Arvind Goodhill Suit Manufacturing Private Limited</li> <li>Calvin Klein Arvind Fashion Private Limited</li> <li>Firenze Properties and Investments Private Limited</li> </ol>	<ol style="list-style-type: none"> <li>Lupin Limited</li> <li>AIA Engineering Limited</li> <li>Swaraj Engines Limited</li> <li>ICICI Prudential Life Insurance Company Limited</li> <li>Hexaware Technologies Limited</li> <li>Tata Housing Development Company Limited</li> </ol>	<ol style="list-style-type: none"> <li>The Anup Engineering Limited</li> <li>Kantilal Patel And Company Consultancy Pvt. Ltd.</li> </ol>



Name of the Director	Mr. Punit Lalbhai	Mr. Jayesh Shah	Mr. Dileep Choksi	Mr. Arpit Patel
	<p>6. Arvind Polser Engineered Composite Panels Private Limited</p> <p>7. Arvind Envisol Limited</p> <p>8. The Anup Engineering Limited</p> <p>9. Adient Arvind Automotive Fabrics India Private Limited</p> <p>10. Arvind Norm CBRN Systems Private Limited</p> <p>11. Heartfulness Institute</p>	<p>6. Arvind Internet Limited</p> <p>7. Aura Securities Private Limited</p> <p>8. Amplus Capital Advisors Private Limited</p> <p>9. Aura Business Enterprise Private Limited</p> <p>10. Centerac Emarket Places Private Limited</p> <p>11. Arvind Foundation</p> <p>12. Arvind Worldwide Inc. USA</p> <p>13. Arvind Textile Mills Limited, Bangladesh</p>	<p>7. Gujarat International Finance Tec-City Company Limited</p> <p>8. Miramac Properties Private Limited</p>	
<p>Membership/Chairmanship of the Committees of other Companies in which position of Director is held</p>	<p>1. Chairman - Stakeholders' Relationship and Corporate Social Responsibility Committee (The Anup Engineering Limited)</p> <p>2. Member - Nomination &amp; Remuneration Committee (The Anup Engineering Limited)</p>	<p>1. Member - Audit, Nomination &amp; Remuneration, Corporate Social Responsibility, Stakeholders' Relationship and Risk Management Committee (Arvind Fashions Limited)</p>	<p>1. Member - Audit and Corporate Social Responsibility Committee (Lupin Limited)</p> <p>2. Chairman - Stakeholders' Relationship Committee (Lupin Limited)</p> <p>3. Chairman - Audit, Governance &amp; Compliance Committee (Hexaware Technologies Limited)</p> <p>4. Member - Stakeholders' Relationship Committee (Hexaware Technologies Limited)</p> <p>5. Chairman - Audit Committee (Swaraj Engines Limited)</p> <p>6. Member - Audit and Nomination &amp; Remuneration Committee (Tata Housing Development Company Limited)</p> <p>7. Member - Audit, Corporate Social Responsibility and Customer Service &amp; Policyholders' Protection Committee (ICICI Prudential Insurance Company Limited)</p> <p>8. Member - Audit Committee (Gujarat International Finance Tec-City Company Limited)</p>	<p>1. Member - Stakeholders' Relationship Committee and Corporate Social Responsibility Committee (The Anup Engineering Limited)</p> <p>2. Chairman - Audit Committee and Nomination &amp; Remuneration Committee (The Anup Engineering Limited)</p>
<p>Relationship with other Directors, Manager and other Key Managerial Personnel of the Company</p>	<p>Mr. Punit Lalbhai is a son of Mr. Sanjay Lalbhai, Chairman and Managing Director and a brother of Mr. Kulin Lalbhai, Executive Director of the Company.</p>	--	--	--



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





# DIRECTORS' REPORT

To the Members,

Your Directors are pleased to present the Annual Report along with the Audited Financial Statements for the period from 1st April 2018 to 31st March 2019.

## 1. FINANCIAL RESULTS

Highlights of Financial Results for the year are as under:

₹ in crores

Particulars	Standalone		Consolidated	
	2018-2019	2017-2018	2018-2019	2017-2018
Turnover & Operating Income	6435.96	6332.13	7142.18	6793.66
<b>Profit before Finance Costs, Depreciation and Amortisation Expenses, Extraordinary Items &amp; Tax Expenses</b>	<b>736.98</b>	712.72	<b>800.43</b>	748.12
Less: Finance costs	213.38	174.61	220.14	175.67
<b>Profit before Depreciation and Amortisation Expenses, Extraordinary Items &amp; Tax Expenses</b>	<b>523.60</b>	538.11	<b>580.29</b>	572.45
Less: Depreciation and Amortisation Expenses	209.75	201.47	235.05	222.35
<b>Profit before Share of Profit of a Joint Venture, Exceptional Items and Tax Expenses</b>	<b>313.85</b>	336.64	<b>345.24</b>	350.10
Less: Exceptional Items	70.85	22.72	45.98	22.72
Add: Share of profit/(loss) of Joint Ventures	NIL	NIL	1.01	2.71
<b>Profit Before Tax from Continuing Operation</b>	<b>243.00</b>	313.92	<b>300.27</b>	330.09
Current Tax	53.56	60.93	82.09	79.25
(Excess)/Short Provision of Earlier Years	31.97	1.26	32.17	1.80
Deferred Tax	(56.00)	(12.85)	(52.72)	(11.70)
<b>Profit/(Loss) for the year from Continuing Operation (A)</b>	<b>213.47</b>	264.58	<b>238.73</b>	260.74
Profit/(Loss) Before Tax for the year from Discontinuing Operation	(20.70)	(22.31)	(13.02)	60.29
Tax Expense of Discontinued Business	(6.67)	(7.77)	(2.70)	5.22
<b>Profit/(Loss) for the year from Discontinuing Operation (B)</b>	<b>(14.03)</b>	(14.54)	<b>(10.32)</b>	55.07
Profit/(Loss) Before Tax for the year from Continued and Discontinuing Operation	222.30	291.61	287.25	390.38
Tax Expense of Continuing and Discontinued Business	22.86	41.57	58.84	74.57
<b>Profit for the Year (A+B)</b>	<b>199.44</b>	250.04	<b>228.41</b>	315.81

## 2. COMPANY'S PERFORMANCE

2018 was generally a strong year for the global economy, though it ended at a global GDP growth of 3.7%, as against an opening of the year outlook which was widely anticipated at 4%+. US continued to be the prime driver of the economic growth, though the on-off trade war between the US and China is kept threatening the sentiment. Europe continued to deal with the protracted Brexit negotiations and continuing stress in the other parts of the system. China grew at 6.6% in 2018, which was its lowest performance in last 28 years, partly driven by its intent to manage debt and partly the impact of its trade tensions with the US.

Indian economy delivered a strong 7.2% during 2018-19. While significant focus has been on the elections, the country saw several milestones on the economic front as well. Exports crossed \$330 billion and GST collections started to clearly cross ₹ 1 lakh crore each month.

Fashion and apparel has been one of the leading drivers of overall consumption growth in India. Value fashion and private labels, drove the expansion of formalized segments in high double digits. Fashion also continues to contribute relatively larger portion of

growth in the ecommerce segment. This trend clearly indicates revival in volumes (post GST and Demonetization related disruptions from the previous years), however at a significantly low price realization given the market shifts towards value products and discounted merchandise.

In this context, your company delivered an overall topline of ₹ 7226 crores – 5% up compared to previous year. Wovens, Advanced Materials and other segments delivered positive growth, while Denim and Knits faced headwinds. Overall EBITDA stood at ₹ 800 crores, which was up 7% compare to previous year. Consolidate PBT was down 9% at ₹ 300 crores. Profit after Tax stood at ₹ 239 crores, which was down 8% as compared to previous year.

A more detailed analysis and commentary is available in the Management Discussion and Analysis section of this report.

## 3. DIVIDEND

Your Directors have recommended a dividend of 20% i.e. ₹ 2 per equity share of ₹ 10 each for the year ended on 31st March, 2019. The dividend, if approved by the members, would involve a cash outflow of ₹ 62.36 crores (inclusive of tax on dividend).



In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Dividend Distribution Policy and the same is available on the Company's Website at:

[http://arvind.com/sites/default/files/field\\_policy\\_file/DividendDistributionPolicy.pdf](http://arvind.com/sites/default/files/field_policy_file/DividendDistributionPolicy.pdf)

#### 4. TRANSFER TO RESERVES

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

#### 5. SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement amongst Arvind Limited ("Arvind") and Arvind Fashions Limited ("Arvind Fashions") and Anveshan Heavy Engineering Limited ("Anveshan") and The Anup Engineering Limited ("Anup") and their respective shareholders and creditors under Sections 230 - 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 has been sanctioned by the National Company Law Tribunal, Bench at Ahmedabad (NCLT) vide its order dated 26th October 2018.

The Appointed Date for transfer of Branded Apparel Undertaking from Arvind to Arvind Fashions was the effective date i.e. 30th November 2018 and the Appointed Date for transfer of Engineering Undertaking from Arvind to Anveshan and for amalgamation of Anup with Anveshan was 1st January 2018.

#### 6. SHARE CAPITAL

During the year under review, the authorized equity share capital of the Company has been decreased from ₹ 774.50 crores to ₹ 674.50 crores on account of the Composite Scheme of Arrangement amongst Arvind Limited ("Arvind") and Arvind Fashions Limited ("Arvind Fashions") and Anveshan Heavy Engineering Limited ("Anveshan") and The Anup Engineering Limited ("Anup"). Consequently, the authorized share capital of the Company as on 31st March, 2019 was ₹ 674.50 crores divided into 57.45 crores equity shares of ₹ 10 each and 1 crore preference shares of ₹ 100 each.

During the year under review, the paid up Equity Share Capital of the Company stood at ₹ 258.62 crores consisting of 25,86,17,069 equity shares of ₹ 10/- each.

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

#### 7. EMPLOYEE STOCK OPTION SCHEME (ESOS)

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

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

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

#### 9. FINANCE

The Company has repaid the installments of Term Loans amounting to ₹ 369 crores during the current year. The Company has also made fresh long term borrowings of ₹ 586 crores (₹ 225 crores from subsidiaries) for funding capital expenditure and other requirements. Long Term Debt of the Company stands to ₹ 1115 crores (₹ 119 crores loan from subsidiaries) as on 31st March, 2019.

#### 10. FIXED DEPOSITS

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

#### 11. NON-CONVERTIBLE DEBENTURES

As on 31st March 2019,

- 8% - 1,000 Unsecured Redeemable Listed Taxable Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash at par, aggregating ₹ 100 crores;
- 7.79% - 1,000 Unsecured Listed Rated Redeemable Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash at par, aggregating ₹ 100 crores in series - 01 and 02 of ₹ 50 crores each,

were outstanding issued on private placement basis and listed on the Wholesale Debt Market Segment of BSE Limited.

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

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

#### 13. CONSOLIDATED FINANCIAL STATEMENTS

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

#### 14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Arvind Ltd. has a long tradition of contributing to the growth and development of the society. Our pioneers held the belief that a healthy business grows only in a healthy society and that business must serve and empower the community in the area where it operates. Our ethos translated into the setting up of multiple institutions in the realm of educational, social and cultural



domains in improving the lives of the people.

The responsibility of undertaking development initiatives has been jointly shared by Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust (broadly focussing in urban areas) and Narottam Lalbhai Rural Development Fund (NLRDF) (broadly focussing in rural areas). More recently Arvind Foundation (AF) - a section 8 company was set up to undertake CSR initiatives on its own and support like-minded individuals and institutions in carrying forward its mandate. Arvind Foundation has been driving our CSR initiatives focussing on, but not restricted to Education, Health, Sanitation, Rural Transformation, Art, Culture & Heritage, Women Empowerment and Inner Wellbeing.

We believe in creating synergies through partnerships with like-minded individuals and organisations and work with multiple stakeholders in achieving development goals together.

### **Our development initiatives:**

Gyanda is Arvind's flagship program in the realm of supplementary education. It provides educational, financial, motivational and long term handholding support to help students from economically weaker sections of the society (with focus on those enrolled in Municipal Schools) to complete their education till class 12 and further. Today around 1,100 students from various schools are a part of Gyanda and our goal is to make them the last generation in poverty.

Four Arvind Medical Centres provide primary medical and dental care to people, specially benefitting the economically disadvantaged section of society. Credible, affordable and quality primary healthcare is provided under one roof.

Arvind Rural Transformation Initiative (ARTI) was launched last year with the aim of working in a cluster of 15 villages around our plant location Santej. It has started work in 6 villages. It's a new initiative with long term vision of impacting positively, the quality of life of people through social, economic, infrastructural, environmental and inner wellbeing initiatives to achieve sustainable and holistic development of the village ecosystem.

Project Asmita has been working towards making India open defecation free. This year, we have brought 33% more families under sanitation ecosystem compared to the previous year, where around 600 families became a part of this program. This year the focus is on conducting awareness generation programs to promote the usage and treatment of these toilets.

We have also been promoting Inner Wellbeing through meditation programs among masses, with focus in rural areas. The participants learn the techniques of meditation and understand its benefits, thereby getting encouraged to make it a part of their daily routine.

Skill development program for tribal girls (CSR in spirit) encompasses training girls in Apparel Manufacturing and providing them employment in our own manufacturing unit. This program not only gives skills and employment to the girls but also provides opportunity to upgrade their qualification and life skills for a better life ahead.

Promoting National Heritage, Art and Culture has been a CSR focus area for the Company. This focus has guided us to support a projects of Promotion of Indology and a project of Working with

Artisans.

NLRDF has been undertaking development initiatives in 3 districts of Gujarat, reaching out to around 35,000 rural and underserved people. The objective is to improve the delivery mechanism of government programs by becoming a link between government and the rural populace. It also undertakes need based, sustainable development programs in the region.

The Annual Report on CSR Activities in prescribed format is enclosed with this in "Annexure - B".

## **15. HUMAN RESOURCES**

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

A well - defined competency framework outlines the leadership behaviors expected from employees to be successful in Arvind. The Company also uses various communication channels to seek employees' feedback about the overall working environment and the necessary tools and resources they need to perform at their best potential. We work in a dynamic environment where, as socio-economic milieu continues to change, our workforce must evolve. Hence, we've been focusing on leveraging digitalization that encourages innovation, collaboration and partnership at all levels.

As part of our wider commitment to digitalization, we relooked at our Learning & Development methodology and introduced various e-learning courses on managerial & functional competencies. The objective was to ensure that our employees have a more engaging experience when it comes to accessing learning. Diverse employee engagement initiatives are launched to ensure employees of various age and background continue to be effective in their roles and build meaningful career at Arvind.

The Group's Corporate Human Resources plays a critical role in Company's talent management process.

## **16. RISK MANAGEMENT**

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

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

The Company has identified 16 Risks - 4 Strategic Risks, 10



Operational Risks & 2 Regulatory Risks. Key Strategic Risks include geographical concentration of its manufacturing capacity, reputational risk, changing customer preference from cotton to blends & business continuity planning. Key Operating Risks include fluctuation in cotton prices, labour unrest, increased global and local competition, customers' credit risk, fire & safety related accidents, concentration of business with certain customers, IT system breakdown & fluctuation on foreign exchange rates. Regulatory Risks include changes in bilateral/multilateral trade agreements and international trade disputes and regulatory compliances.

## 17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Company has an Internal Audit Department with adequate experience and expertise in internal controls, operating system and procedures. In discharging their role and responsibilities, the department also engages external audit firms, wherever deemed necessary.

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

## 18. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at

[http://arvind.com/sites/default/files/field\\_policy\\_file/Whistle%20Blower%20Policy\\_n.pdf](http://arvind.com/sites/default/files/field_policy_file/Whistle%20Blower%20Policy_n.pdf).

## 19. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on 31st March, 2019, the Company has 22 subsidiaries (Direct or Indirect) and 4 joint venture companies.

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

1. Adient Arvind Automotive Fabrics India Private Limited (Joint Venture)
2. Arvind Norm CBRN Systems Private Limited (Joint Venture)
3. Arvind Polser Engineered Composite Panels Private Limited (Subsidiary)

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

1. The Anup Engineering Limited (transfer of Engineering Undertaking from Arvind Limited)
2. Arvind Fashions Limited (transfer of Branded Apparel Undertaking from Arvind Limited)

3. Arvind Lifestyle Brands Limited (being subsidiary of Arvind Fashions Limited)
4. Arvind Beauty Brands Retail Private Limited (being subsidiary of Arvind Fashions Limited)
5. Calvin Klein Arvind Fashion Private Limited (being subsidiary of Arvind Fashions Limited)
6. Tommy Hilfiger Arvind Fashion Private Limited (being subsidiary of Arvind Fashions Limited)

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

The Company has framed a policy for determining material subsidiaries, which has been uploaded on Company's website at [http://arvind.com/sites/default/files/field\\_policy\\_file/PolicyonMaterialSubsidiaries.pdf](http://arvind.com/sites/default/files/field_policy_file/PolicyonMaterialSubsidiaries.pdf).

## 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

As per the provisions of Section 152(6) of the Act, Mr. Punit Lalbhai (holding DIN 05125502) shall retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment as the Director of the Company.

As per the provisions of Section 149(10) of the Act, Mr. Dileep Choksi (holding DIN 00046322) shall be re-appointed for a second term of five years as an Independent Director of the Company and Mr. Arpit Patel (holding DIN 00059914) shall be appointed for a term of five years as an Independent Director of the Company, subject to approval of members in ensuing Annual General Meeting.

The term of five years of Mr. Vallabh Bhansali as an Independent Director of the Company has expired on 11th May 2019 and accordingly he ceased to be an Independent Director of the Company with effect from 11th May 2019.

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

## 21. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual evaluation of its own performance as well as that of its Committees and Individual Directors. The manner in which the



evaluation has been carried out has been explained in the Corporate Governance Report.

## 22. APPOINTMENT AND REMUNERATION POLICY

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The same is available on the website of the Company at [www.arvind.com](http://www.arvind.com).

## 23. FAMILIARIZATION PROGRAM FOR THE INDEPENDENT DIRECTORS

In compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report and also available on the Company's website at

[http://arvind.com/sites/default/files/field\\_policy\\_file/FamiliarisationProgramsofIDs.pdf](http://arvind.com/sites/default/files/field_policy_file/FamiliarisationProgramsofIDs.pdf).

## 24. DECLARATION OF INDEPENDENCE

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

## 25. BOARD AND COMMITTEE MEETINGS

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

During the year under review, 4 meetings of the Board were held. The details of the Board and Committee meetings are provided in the Corporate Governance Report forming part of this Report.

## 26. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

- they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis;
- they have laid down internal financial controls, which are adequate and are operating effectively;
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

## 27. RELATED PARTY TRANSACTIONS

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

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

The Policy on Related Party Transactions as approved by the Board is available on Company's website at

[http://arvind.com/sites/default/files/field\\_policy\\_file/RelatedPartyTransactionsPolicy.pdf](http://arvind.com/sites/default/files/field_policy_file/RelatedPartyTransactionsPolicy.pdf).

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

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

## 29. AUDITORS

### A. Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants, (ICAI Firm Registration No. 117366W/W-100018) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 4th August, 2017 for a term of five consecutive years. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.



**B. Cost Auditors**

Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000025) carried out the cost audit for applicable business during the year. The Board of Directors has appointed them as Cost Auditors for the financial year 2019-20. The remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to Kiran J. Mehta & Co., Cost Auditors is included at item No. 8 of the notice convening the Annual General Meeting.

**C. Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Hitesh Buch & Associates, a firm of Company Secretaries in practice, to conduct the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended 31st March 2019, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Regulation 24A of the SEBI (LODR) Regulations, 2015 is annexed herewith as "Annexure - C". The Secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

**30. ENHANCING SHAREHOLDERS' VALUE**

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

**31. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS**

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, together with the Certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of Regulation 34(3) of the SEBI (LODR) Regulations, 2015.

**32. BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report for the year ended 31st March, 2019 as stipulated under Regulation 34 of the SEBI (LODR) Regulations, 2015 is annexed which forms part of this Annual Report.

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

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

**34. EXTRACT OF THE ANNUAL RETURN**

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

**35. PARTICULARS OF EMPLOYEES**

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

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

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

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

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

During the financial year 2018-19, the Company has received 0 (zero) complaint on sexual harassment.

**37. ACKNOWLEDGEMENTS**

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

By order of the Board

**Sanjay Lalbhai**

Chairman and Managing Director

Date: May 17, 2019

Place: Ahmedabad



## Annexure - A to the Directors' Report

### Annex I - Disclosures under Regulation 14 of the SEBI (Share based Employee Benefit) Regulations, 2014:

The details of ESOP 2008 for the year ended March 31, 2019 are as under:

1	Description of ESOP 2008:	
(a)	Date of shareholder's approval Date of shareholder's approval on amendment	23-Oct-2007 30-Aug-2018
(b)	Total number of shares approved under ESOP 2008	5% of share capital from time to time
(c)	Vesting requirements	Options vest over a period of 1 to 5 years based on continued service and certain performance parameters.
(d)	Exercise price or pricing formula	The exercise price shall be the Market Price for options to be granted under this scheme. However, exercise price can be such other price as may be decided by the Nomination and Remuneration Committee for grant of options not exceeding 0.5% of the paid-up equity shares as on 31st March 2018 or such other price as may be required to be arrived in accordance with the applicable laws. Further, Nomination and Remuneration Committee shall grant such options not exceeding 0.5% of paid up capital as mentioned above to employees in lieu of cash compensation based on achievement of key performance indicators and such options shall not exceed 0.15% of the paid-up capital to any one employee.
(e)	Maximum term of options granted	5 years from the date of grant
(f)	Source of shares	Primary
(g)	Variation of terms of options	Pursuant to the Composite Scheme of Arrangement involving De-merger, amalgamation and restructure of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and Creditors, Exercise Price of unexercised Arvind Options has been reduced to 90.81 from 316.50 and to 57.51 from 200.45 in lieu of Demerger of Branded Apparel Undertaking and Engineering undertaking from Arvind Limited to Arvind Fashions Limited and The Anup Engineering Limited.
2	Method used to account for ESOS	Fair Value Method
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed. (i) Difference between Intrinsic value and Fair value compensation cost (ii) Impact on the Profits of the Company (₹) (iii) Impact on Basic Earnings Per Share of the Company (₹) (iv) Impact on Diluted Earnings Per Share of the Company (₹)	Not applicable
4	Option movement during the year:	
(a)	Options Outstanding at the beginning of the year	15,76,000
(b)	Options granted during the year	o
(c)	Options forfeited /lapsed during the year	o
(d)	Options vested during the year	o
(e)	Options exercised during the year	o
(f)	Number of shares arising as a result of exercise of option	o
(g)	Money realised by exercise of options (₹)	o
(h)	Loan repaid by the Trust during the year from exercise price received	NA
(i)	Options Outstanding at the end of the year	15,76,000
(j)	Options Exercisable at the end of the year	9,00,000
5A	Weighted average exercise prices of options whose Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	₹ 76.53 o o
5B	Weighted average fair value of options whose Exercise price equals market price of stock Exercise price exceeds market price of stock Exercise price is less than market price of stock	₹ 23.72 o o
6	Employee wise details of options granted to:	
(i)	Key managerial personnel;	None
(ii)	any other employee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year;	None
(iii)	identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	None



7	<p>A description of the method and significant assumptions used during the year to estimate the fair values of options, including following weighted average information:</p> <p>(i) Share price (₹) (ii) Exercise price (₹) (iii) Expected volatility (iv) Risk-free interest rate (v) Any other inputs to the model (vi) Method used and the assumptions made to incorporate effects of expected early exercise (vii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility (viii) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.</p>	<p>Exercise Price of 316.50 was reduced to 90.81 and from 200.45 to 57.51 in lieu of Demerger of Branded Apparel Undertaking and Engineering undertaking from Arvind Limited to Arvind Fashions Limited and The Anup Engineering Limited. Post modification fair value was calculated as below:</p> <p>89.65 76.53 34.51% 6.93% None Binomial Option Pricing Model The daily volatility of the Company's stock price on NSE over the expected life of the options has been considered. None</p>
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## Annex II - Disclosures in the Notes to Accounts pursuant to the Guidance Note on Share based payments issued by the Institute of Chartered Accountants of India:

The Company has instituted Employee Stock Option Scheme 2008 ("ESOP 2008"), pursuant to the approval of the shareholders of the Company at their Extra Ordinary General Meeting held on October 23, 2007. Under ESOP 2008, the Company has granted options convertible into equal number of Equity Shares of face value of Rs. 10 each. The following table sets forth the particulars of the options granted during the Financial Year 2018-19 under ESOP 2008 –

1	Options granted	-																								
2	Date of Grant	-																								
3	Exercise price (₹)	-																								
4	Options Vested	-																								
5	Vesting Schedule	-																								
6	Vesting Requirements	-																								
7	Exercise Period	-																								
8	Method of Settlement (Cash/ Equity)	Equity																								
9	A summary of the activity of options	<table> <tr> <th></th><th>Grant</th><th>Wtd Avg Ex Price (₹)</th></tr> <tr> <td>Outstanding at the beginning of the period</td><td>15,76,000</td><td>76.53</td></tr> <tr> <td>Granted during the period</td><td>-</td><td>-</td></tr> <tr> <td>Forfeited during the period</td><td>-</td><td>-</td></tr> <tr> <td>Exercised during the period</td><td>-</td><td>-</td></tr> <tr> <td>Expired during the period</td><td>-</td><td>-</td></tr> <tr> <td>Outstanding at the end of the period</td><td>15,76,000</td><td>76.53</td></tr> <tr> <td>Exercisable at the end of the period</td><td>9,00,000</td><td>90.81</td></tr> </table>		Grant	Wtd Avg Ex Price (₹)	Outstanding at the beginning of the period	15,76,000	76.53	Granted during the period	-	-	Forfeited during the period	-	-	Exercised during the period	-	-	Expired during the period	-	-	Outstanding at the end of the period	15,76,000	76.53	Exercisable at the end of the period	9,00,000	90.81
	Grant	Wtd Avg Ex Price (₹)																								
Outstanding at the beginning of the period	15,76,000	76.53																								
Granted during the period	-	-																								
Forfeited during the period	-	-																								
Exercised during the period	-	-																								
Expired during the period	-	-																								
Outstanding at the end of the period	15,76,000	76.53																								
Exercisable at the end of the period	9,00,000	90.81																								
10	For stock options outstanding at the end of the period, the range of exercise prices and the weighted average remaining contractual life (comprising the vesting period and the exercise period)	<p>Exercise price range – ₹ 57.51 to ₹ 90.81</p> <p>Weighted average remaining contractual life – 3.26 years</p>																								
11	<p>Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,</p> <p>(i) Risk-free interest rate, (ii) Expected life, (iii) Expected volatility, (iv) Fair Value of the underlying share at the time of modification of the option.</p>	<p>Exercise Price of 316.50 was reduced to 90.81 and from 200.45 to 57.51 in lieu of Demerger of Branded Apparel Undertaking and Engineering undertaking from Arvind Limited to Arvind Fashions Limited and The Anup Engineering Limited. Post modification fair value was calculated as below:</p> <p>6.93% 1 year 34.51% 89.65</p>																								
12	Difference, if any between the employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated using the fair value of the options and the impact of this difference on profits and on the EPS	The Company follows Fair Value Method of Option Valuation and the Profits of the Company along with the Earnings per Share reflect the impact of the accounting expense.																								



# Annexure - B to the Directors' Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### SECTION 1

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

#### **Brief outline of the Company's CSR policy**

Arvind Ltd. has been working on initiatives of social, educational, cultural and economic development. Development of society has been at the forefront of all strategic decisions. Our founders appreciated the importance of quality education in contributing to the growth of the nation and helped in establishing many educational institutes of repute in Ahmedabad, which have over the years been instrumental in driving Ahmedabad's education scenario. We set up a benchmark in Slum Upgradation when we transformed the Sanjay Nagar Slum area way back in 1997. Our skill development initiatives helped hundreds of youth get gainfully employed in various sectors like Automobile, IT, Retail etc. Financial support to the needy have helped patients belonging to lower socio-economic strata get quality medical care in the past. Our ethos in the realm of Corporate Social Responsibility got culminated in Arvind Limited Policy on Corporate Social Responsibility (ALPCSR) in the year 2014-15. The key points of the policy are presented below and the policy can be reached at our website through the given link:

[http://www.arvind.com/sites/default/files/field\\_policy\\_file/CSR%20Policy.pdf](http://www.arvind.com/sites/default/files/field_policy_file/CSR%20Policy.pdf)

#### **Overview of projects or programs undertaken**

Arvind Limited through its CSR policy aims to work for social, economic, educational, infrastructural, environmental, health, inner wellbeing and cultural advancement of the people and thereby positively impact their quality of life.

The projects and programs of ALPCSR are in accordance to the thematic areas as defined in Schedule VII of the Companies Act, 2013.

The development initiatives mentioned under ALPCSR are being carried out by company promoted organizations - **SHARDA Trust, NLRDF and Arvind Foundation**. The organizations have formed synergistic partnerships to enhance the quality of deliverables and increase the reach of the programs.

#### **Initiatives in urban area - undertaken by SHARDA Trust**

We aim to continue working on the given ongoing programs and enhance the quality of deliverables along with increasing their reach.

- **Gyanda (Fountain of Knowledge)** has been working with the children studying in Municipal Schools of Ahmedabad since 2006 providing them academic, financial and mentoring support. At present there are around 1,100 students in our system between standard 5 to 12 and above. More than 150 students completed class 12 and many are either pursuing college education or are gainfully employed. A life skills program has been initiated to prepare our students for a successful professional life ahead. The program is now ready for expansion. We aim to bring about 6,000 students in our system by 2022.
- **Teachers' Training Program:** To support the planned expansion of this after-school initiative Gyanda, a Teachers' Training Program was initiated. Riverside Learning Centre Ahmedabad designed and delivered this program during June 2018 and March 2019. The program aims to re-imagine, re-design and re-vitalize Gyanda and create Teaching Learning Leaders. 16 employees – 14 teachers and two people from management team participated in the training. This training will continue in the year 2019-20 too.
- **Arvind Medical Centres** have been established in 4 areas - Saraspur, Asarwa, Khatraj and Kalol, providing quality medical and dental care at affordable costs. These centers are well equipped to provide various medical services like consultation, pathological tests, medicines, dental care, day time care and more. In 2018-19, more than 2,300 families registered themselves in the 4 clinics for availing medical services. Around 3,800 patients got treatment for general ailments and around 1,700 got dental treatment. Since its establishment in 2016, over 12,000 people have received treatment so far.
- **Promotion of Indology:** The Company has decided to support a project titled "Promotion of Indology". The project is being implemented by Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) to preserve a repository of rare art, manuscripts and archaeological objects of India. This was undertaken as an attempt for protection of National Heritage, Art and Culture. As part of this project, the LDBSV has undertaken the Digital Archival of Manuscripts and the Library Automation work. The institute has undertaken a comprehensive exercise for digitizing, deciphering and creating a comprehensive, applied research-oriented digital repository of paper/palm-leaf manuscripts housed in the LDII (Lalbhai Dalpatbhai Institute of Indology). This exercise may be extended to old books, journals and periodicals etc. written in languages such as Sanskrit, Prakrit, Pali, Hindi, Rajasthani etc. in due course. Around 32 lacs pages of such Manuscripts are available at LDII.

#### **New initiatives by Arvind Foundation**

- **Arvind Rural Transformation Initiative (ARTI)** works towards improving the rural landscape including social, cultural, economic and environmental aspects. Based on the need assessment study and community connect programs conducted in the past, we initiated multiple development programs in Gandhinagar, Ahmedabad, Mahesana and Kheda districts of Gujarat. This year we worked with school going children, their parents, farmers and on projects on environmental awareness and action.

The first year was to understand the community, build rapport and prepare a long term plan for the rural transformation in the identified



villages. To enhance the learning experience of school children, we worked on improving school infrastructure. We painted the school building. We worked on improving health and hygiene and provided them plates for mid-day meals. For improving exposure of students we took them for multiple educational tours and planted trees/shrubs in the school campus for improving surrounding.

An education visit to Gujarat Science City, Ahmedabad was organized for 445 children and 21 teachers from 5 schools. The visit was to understand various science principles through practical models, exhibits, short films. This visit also enhanced learning of various science topics through practical models and exhibits like universe, planets, space science, eclipse, technology, planet earth, biodiversity, importance of flora and fauna, human body, minerals and modern technologies.

With 85 farmers, we created more green space in Kheda district by planting 400 fruit trees and 2,000 local trees in the region. A farmers training cum exposure visit was also organized for 25 farmers to KVK Randheja benefitting them immensely to enhance their income.

Apart from the above, we organized International Yoga Day which included awareness about Yoga, Heartfulness meditation and relaxation techniques witnessing participation from around 2,000 people.

- **Enabling Sanitation Ecosystem: Project Asmita** - To make India open defecation free it is important to work on 2 levels - First and foremost, we must make good quality toilets affordable and easy to install and maintain. Second, we must promote the benefits of using the same. Project Asmita is working at both the levels through partnerships with NGOs, MFIs, entrepreneurs etc. working in this domain at the grassroot level. The Asmita toilets have been installed in Gujarat and Bihar and have received favorable response from the users. This year, we have installed around 800 toilets in the 2 states mentioned above.
- **Promoting Inner Wellbeing** - Inner wellbeing of people is at the core of all round development - be it social, cultural, economic or spiritual. Growth loses meaning if it is not complimented by a sense of peace and wellness within. We are promoting inner wellbeing through specific techniques of Heartfulness relaxation and meditation. The focus is on making the participants experience this meditation form and its positive impact. Till date around 31,000 people in 300 locations in Gujarat and Rajasthan have experienced and benefitted from this meditation technique. Out of these, over 6,000 people are regularly practicing meditation and are in touch with us through weekly sessions conducted by our four Rural Champion working especially on this project.
- **Construction of School Building at Village Santej:** The Company supported the project **“Construction of School Building for Rajnagar Prathamik Shala at Santej.”** The project was implemented by Ahmedabad Round Table Trust that constructs school buildings and hands it over to community. The school is in village Santej – where our plant is and we work in surrounding areas. We see potential of utilizing this in our Education and other community programs.
- **Working with Artisans:** The Company supported the project titled **“Walking Hand-in-Hand - Taking Unnamed Artisans to the World Stage.”** The project was implemented by CDS Art Foundation. Project aims to support artisans, who are creators of exquisite textiles, who elevate the craft of creating textiles to an art, who are central to the survival and revival of textile techniques and textiles, remain largely unnoticed and unsupported. They have very little access to funds, markets, designers and innovations and often struggle to keep the craft alive, to create textiles of fine quality and creativity, while earning a steady income to support their families. CDS identified, engaged and encouraged 8 such artisans who have unique ability and can go far is supported at right platforms. **3 of the 8 participating artisans were recognized as the ‘Masters’** of their craft. Masters are those who are active contributors to the wealth of Indian textile heritage, employment providers in their segment of their community and the future of our evolving contemporary craft culture. This honour of excellence is deeply appreciated and celebrated amongst the community of fellow artisans nationally.
- **Skill development program for tribal girls (CSR in spirit)** is a program for inclusive growth of women belonging to the tribal areas of Gujarat. Through this program, we develop industry specific vocational skills (Apparel Manufacturing) of women and provide them employment in our manufacturing units. The program provides them opportunities for furthering their educational qualification through enrolment in university courses. We also work on their holistic growth through organizing various personal empowerment programs. Over 350 women have completed this program and over 300 women are presently enrolled in the program.

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

NLRDF has been involved in implementing development programs in the realm of agriculture, health and sanitation, rural energy, livelihood promotion, skill up gradation, solar promotion, farmers training, HIV/AIDS awareness and prevention, women and child development, women empowerment etc. since 1978. The following initiatives were undertaken/strengthened in the reporting year:

- **Better Cotton Initiative (BCI) Project** is working with farmers in Sabarkantha District and aims to produce better cotton and thus help farmers become a part of huge channel for BCI. This project has been implemented in 8,764 acres of land belonging to 2,180 farmers in 15 villages of Vadali block and 2,321 farmers in 22 villages of Khedbrahma block of Sabarkantha District. The program includes organizing training sessions for farmers, making demonstration plots and helping the farmers maintain agronomic data regularly apart from many such activities.
- **Solar Project:** This project has been implemented in Tuver Village in Sabarkantha district. Tuver is a tribal village in the interiors of Gujarat which does not have access to electricity and other basic amenities like toilets and safe drinking water. Many activities have been implemented for the betterment of the village like providing solar power with DC distribution, LED lights & pedestal fans for individual homes, street lighting, common toilets, community center, availability of potable water and more.
- **HIV/AIDS control program** - Dahej industrial area in Gujarat has high migrant population, which is at a higher risk of getting sexually transmitted diseases. NLRDF conducts awareness generation programs with this group. Health camps and testing are regularly organized, informative posters are displayed at prominent locations, rallies are organized and demand generation activities are conducted on a regular



basis. NLRDF also implements AIDS Program with the support of Gujarat State AIDS Control Society, Ahmedabad in Idar, Vadali, Khedbrahma and Himmatnagar of Sabarkantha District for the vulnerable population.

- **Farmer Producer Organization Project** - Under this project 2 Farmer Producer Organizations are formed in Khedbrahma Taluka. The members are encouraged to learn and adopt advanced farming techniques and improve productivity of land, through various exposure visits and trainings from experts and resource persons in the field.
- **Micro Entrepreneurship Development Programme** - NLRDF conducted 2 training programs on Beauty Parlor and Masonry work in Khedbrahma. The trainings which lasted for 13 days focused on skill upgradation for employment.
- **Mother, Young and Infant Child Nutrition Programme:** A program to strengthen community network to promote mother, infant and young child nutrition practices at family and community level towards malnutrition free villages in Sabarkantha was implemented with support from UNICEF-Gandhinagar.
- Apart from the above programs, many other initiatives were undertaken like training to laborers on their rights, linking government schemes to beneficiaries, wall painting in interior villages for information dissemination and more.

## Section 2

### Composition of the CSR Committee

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

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

## Section 3

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

The average net profit of the Company is ₹ 361.77 Crores.

## Section 4

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

The prescribed CSR Spend for Arvind Limited for the year 2018-19 is ₹ 7.24 Crores.

## Section 5

### Details of CSR Spend during the financial year

- Total amount to be spent for the financial year: ₹ 7.30 Crores
- Amount Unspent, if any: None
- Manner in which the amount was spent during the financial year is detailed below:

1	2	3	4	5	6	7	8	
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes	Amount outlay (budget) project or Programmes wise	Amount spent on the projects or programmes	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency	Remarks
	<b>From 2% CSR Fund</b>			<b>₹ in Lacs</b>				
1	Project Expenses for Health Project	Promoting Health care	Project of setting up primary health centres in Ahmedabad	65	65		Through SHARDA Trust: Company's Implementing Agency	
2	Promotion of Indology	National Heritage, Art & Culture	Ahmedabad, Gujarat	100	100	165	Through Implementing Agency - Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) - Towards Project Expenses	



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

1 Sr. No.	2 CSR project or activity identified	3 Sector in which the Project is covered	4 Projects or programmes	5 Amount outlay (budget) project or Programmes wise	6 Amount spent on the projects or programmes	7 Cumulative expenditure upto to the reporting period	8 Amount spent: Direct or through implementing agency	Remarks
3	Rural Development Projects in Santej Area	Rural Development Projects	Kalol, Gandhinagar	50	50	215	Through Arvind Foundation	
4	Towards Promoting Education	Promoting Education	Gujarat	70	70	285	Through SHARDA Trust: Company's Implementing Agency	
5	Initiatives of Inner Wellbeing	Promoting preventive health care and Promotion of National Heritage, Art and Culture	Gujarat	65	65	350	Through SHARDA Trust: Company's Implementing Agency	
6	Other CSR Projects Supported			93	93	443	Through Arvind Foundation, CDS Art Foundation and Ahmedabad Round Table Trust	
7	Corpus Donation	Promoting Education, Promoting Skills, Promoting Health, Promoting Sanitation, Promoting National Heritage, Art and Culture and Promoting other CSR projects as per schedule VII	Interest to be used in the projects in these areas.	250	250	690	For creating a corpus for Arvind Foundation - Company's own foundation created for undertaking CSR initiative	
8	Administrative Expenses				37	730	5% of 2%	5%
	<b>Total</b>				<b>730</b>			
	<b>Programmes supported through Funds over and above 2% CSR Funds</b>							
1	Gyanda: Education Support Programme for Underprivileged students	Promoting Education	Shahpur, Khanpur, Shahibaug areas of Ahmedabad		160		Through SHARDA Trust's - own & other sources	Operational Expenses - Unaudited
2	NLRDF Programmes	Promoting Health, Promoting Sanitation, Skills and Training	Gujarat		220	380	Through NLRDF's own & other sources	Operational Expenses - Unaudited
	<b>Total Spend</b>				<b>380</b>	<b>380</b>		
	<b>Grand Total</b>				<b>1110</b>	<b>1110</b>		



#### Details of the Implementation Agencies:

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

#### Section 6

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

Not applicable. The Company has spent the required amount.

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

Sd/-  
**Mr. Sanjay Lalbhai**  
Chairman and Managing Director

Sd/-  
**Dr. Bakul Dholakia**  
Chairman-CSR Committee



## Annexure - C to the Directors' Report

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Arvind Limited ("the Company") for the financial year ended on 31st March 2019 according to the provisions of:
  - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - (v) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
  - (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI)**
  - (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable as the Company has not applied for delisting of Equity Shares during the financial year)**
  - (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not Applicable as the Company has not bought back any of the securities during the financial year)**
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws applicable to the Company:
  - (i) Explosives Act, 1884
  - (ii) Electricity Act, 2003
  - (iii) Public Liability Insurance Act, 1991
  - (iv) Information Technology Act, 2000
  - (v) Essential Commodities Act, 1955
  - (vi) Textile Committee Act, 1963
  - (vii) Textile (Development & Regulation) Order, 2001
  - (viii) Textile (Consumer Protection) Regulations, 1988



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

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period:

- The Hon'ble National Company Law Tribunal ("NCLT"), Bench at Ahmedabad, vide its Order dated 26th October 2018, approved the Composite Scheme of Arrangement under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 amongst Arvind Limited and Arvind Fashions Limited and Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and Creditors whereby the Branded Apparel Undertaking and Engineering Undertaking of the Company stood demerged and vested in Arvind Fashions Limited and Anveshan Heavy Engineering Limited respectively.
- During the Financial Year 2018-19, the Company passed a special resolution at the annual general meeting held on 30th August 2018 authorizing the board of directors to offer, issue and allot Secured/Unsecured Redeemable Non-convertible debentures, subordinated debentures, bonds, other debt securities etc. on private placement basis for an amount not exceeding ₹ 500 crore.

Hitesh Buch

Proprietor

For, Hitesh Buch & Associates

FCS No.: 3145

C P No.: 8195

Place: Ahmedabad

Date: May 13, 2019

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Hitesh Buch

Proprietor

For, Hitesh Buch & Associates

FCS No.: 3145

C P No.: 8195

Place: Ahmedabad

Date: May 13, 2019



## Annexure - D to the Directors' Report

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

### A. CONSERVATION OF ENERGY:

#### 1. Energy Conservation Measures taken:-

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

#### Arvind Naroda, Intex and Santej Denim Unit:

Sr. No.	Work Description	Saving kW/Hr	Units Saved/ Year (Kwh)
<b>Naroda Unit:</b>			
1	50 Rope Dying Installed new panel having AC Inverter in water header pump	9	78840
2	Installation of VFD in 45 Kw ETP pump	19	164160
3	Installation of VFD in 100 Kw IJT boiler ID fan	41.5	358560
4	In Sucker Muller-7 AC Drive installed in 100HP Blower motor	5.27	43635.6
5	Installation of LED lights in place of existing conventional lighting system <ul style="list-style-type: none"> <li>1,000 Nos 18 W LED tube lights installed at spinning, rope dyeing area in place of conventional tube lights.</li> <li>replacement of conventional lights with LED lights in A and C supply rooms</li> <li>Sucker Muller 5&amp;6 Creel zone, 250W high bay replaced by 12 Nos 80W LED</li> <li>Replacement of Conversion to LED lights done in AEP/NEO</li> <li>60 highbay replaced by LED at Bruckner</li> <li>AML Finishing and inspection area installation of 140 nos LED lights in place of conventional tubes lights</li> </ul>	38.21	289240.75
6	Roof top Solar power generation	94.5	326025
7	Replacement of old and non-efficient Air Conditioners with new energy efficient 3/5 star energy rating environment friendly air conditioners	9.12	32832
8	Air leakage was arrested of various size Air Line at 7.0Kg Pressure. Total Air was losing 1589 CFM / Hr	253.2	2187648
9	A/C-3 Trash belt gear motor replaced with new one by modification	0.26	1794
10	Sizing kanji kitchen storage-3 double speed motor replaced with single speed IE3, 3.7 KW motor	1.1	9108
11	AML Desize VDR Unit, two 7.5 kW motor replaced by five 1.5 kW motor Energy Saving: 7.5 kW	7.5	51750
12	R. A. Fan 1 & 2 new IE3 Motors (37 kw & 30 kw) installed	2	16560
<b>Intex Unit:</b>			
13	Installation of LED lights in place of existing conventional lighting system. <ul style="list-style-type: none"> <li>RS2, RS3 and RS4 department - 3500 nos. 18 W LED tube lights installed in place of existing conventional tube light fittings.</li> <li>10 nos. 50w LED street lights installed in place of 150 W sodium vapour lights results 0.5 Kw energy saving</li> </ul>	63.5	576720
14	RS 1 B/R H/P Extra standby Pump (11 KW Monoblock) installed against existing split case type 15 KW pump results 5 KW/ Hour energy Saving	5	32400
15	R/F rotary filter cloth type changed and suction increased resulting in stop utilization of 3 nos. RA fan results 36 Kw/Hr energy saving	36	311040



Sr. No.	Work Description	Saving kW/Hr	Units Saved/ Year (Kwh)
16	Intex In RS-4, replaced standby 37kW water pump with 18.5kW water pump in Ring Frame H/P. Benefit Energy Saving 9kW	9	58320
17	Intex RS 4 Fiber Separator EX. Conveying Fan duct modify and removed fan with motor results energy saving 6.5 KW	6.5	56160
<b>Santej Denim Unit:</b>			
18	Installation of LED lights in place of existing conventional lighting system <ul style="list-style-type: none"> <li>Installation of 18 W, 1000 Nos. LED tube lights in place of conventional tube lights At TPD and DSSP</li> <li>12 Nos. LED Street light @ 65 watt replaced in place of 175 watt sodium lamp</li> </ul>	18.1	155880
19	Station-P Washer pump motor replaced with IE3 energy efficient Motor	1.5	12420
<b>Total yearly Electrical Energy saved year (2018-19)</b>		<b>620.26 Kw/Hr.</b>	<b>4763093.35 Kwh/Year</b>
<b>Total yearly financial saving year (2018-19) in ₹</b>		<b>3,76,28,437 ₹/Yr.</b>	

#### Bangalore Denim Garmenting Units:

Sr. No.	Work Description	kwh/day	Units Saved/ Year (Kwh)
<b>MR Unit:</b>			
1	Installed LED tube lights in wet and dry process (Total 59 nos. 32W tube lights replaced with 59 nos. 22W LEDs.)	9.44	3398
2	Installed LED lights for expanded sections of sampling, Washing and Laser section (Total 100 nos. of LED-22W)	16	5760
3	Solar energy – roof top solar installed for SS-2	2335	630450
4	Optimisation of auto drain valve of ATLAS COPCO Compressor – 186.12 KW	167.5	60300
<b>Bommasandra Unit:</b>			
5	LED lights - replacement - 1047 nos.(32 W) by 1047 nos.(22W)	167	60120
6	LED lights – newly installed for expansion – 709 nos. (22W)	113	40680
7	LED lights – 8 nos-250 W by 8 nos. – (50W)	25.6	9216
<b>Yeshwanthpur Unit:</b>			
8	LED lights – replacement – 1650 nos. (28W) by 1650 nos.(22W)	79.2	28512
<b>Total yearly Electrical Energy saved year (2018-19)</b>		<b>2912.5 kwh</b>	<b>838436 kwh/year</b>
<b>Total yearly financial saving year (2018-19) in ₹</b>		<b>35,35,088/-</b>	

#### Ankur Textiles (AT):

- Use of 760 nos. of LED tube fittings in place of conventional florescent tube light fittings resulted in saving of 170700 Units per year.
- By alternative working of Aerators at Sewage Treatment and Effluent Treatment Plants and installation of invertors at STP, saved ₹ 346300 Unit per year. This is first time in the history of Industries.
- Installation of variable frequency drives on Boiler ID fan motors and saved about 35000 Units per year.
- Replaced Air compressor pulley from 14” to 10” and saved 241500 Units per year.
- Monitoring of power consumption and production data to sustain lowest possible kwh/kg through minimum operation of machines and aligning maintenance schedule and production program.
- Monitoring of airline leakages to reduce the compressor working hour and to save power.
- Replaced 67 numbers of High Bay fitting having 250 and 400 watts by 120 Wats. Saved 99000 Units per year.
- Proper preventive maintenance of all machines including utilities.



9. Economical operation of humidification plants looking to the atmospheric condition in all seasons which reduces the electrical energy units.
10. Installation of power capacitors in electrical distribution network for unity power factor hence reduced transmission losses and subsequent rebates obtained from grid supplier.
11. Diverted in open access power and took benefit of low cost.
12. Installation of new meters and ct pt to monitor section wise power consumption.
13. Temperature controller installed on cooling tower of compressor.
14. Installation of inverter drives in all warping machines.
15. Regular checking and repairing of water leakages for reduction in energy consumption.
16. Replacement of existing fans by energy efficient fans in pneumatic fan section of Humidification plants.
17. Reduced specific Energy consumption to 1.67 MTOE per MT in 2018-19 of production against 2.4303 MTOE/MT of production in FY 2015-16.

#### Water & Steam (Coal) Conservation:

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

#### Naroda:

Sr. No.	Action Taken	Water saved
1.	Water consumption optimization by WF, Monfort rubber water recovery.	120 KL/Day
2.	Condensate water recovery increased by 43KL compared to earlier year which is 53.75% increase.	43KL/Day
3.	Optimised Process in Dyeing Department.	100 KL/Day
4.	Water saving by supply network water pressure optimization.	250 KL/Day
<b>Total water saving during year 2018-19</b>		<b>513 KL/Day</b>

#### Denim Fabric Unit:

Sr. No.	Action Taken	Water and Coal Saving
1.	Water consumption optimization by WF, Monfort rubber water recovery	120 KL/Day
2.	Condensate water recovery increased compared to earlier year which was 123 KL/Day	134 KL/Day
3.	Reuse of RO reject water	280 KL/Day
4.	Water saving by supply network water pressure optimization	250 KL/Day
5.	Coal consumption reduction by steam condensate recovery	454 Ton/Year
6.	Modification done in air nozzle for increasing combustion efficiency in IJT boiler and 0.5% boiler efficiency improved results reduction in coal consumption	240 Ton/Year
7.	AML Motex Stenter machine has 7 HRU (Heat Recovery Unit) Air to Air heat recovery system from chamber No. 3 to Chamber No. 8 which recovers the exhaust heat to supplied fresh air	30% thermal energy, 20.4% energy saving.

#### Denim Garmenting Unit:

Sr. No.	Action Taken	Savings/day	Savings/year
1	Steam Cooker – Capture of flash steam from the condensate recovery system and using it to prepare tea instead of LPG	2 kg of LPG	720 kg LPG
2.	Condensate Recovery – Capturing of condensate water from the steam line and using back for boiler feed water thereby reducing make up water and fuel consumption	19.6 KL	7056 KL
3.	Mylan Water – Use of treated recycled water from Mylan Laboratories for our process	65 KL	23497 KL

#### Ankur Textiles:

1. In view of saving of natural resources, we started Sewage Treatment plant at Ankur and as of today, we take 1500 KL raw sewage from AMC, treat it and use it as process water. (65% of our process Water)
2. Installed and started Pressure transducer in water supply system and linked with inverter drive pump to maintain optimum water supply pressure. With this, we save about 40000 KL of water per year.
3. Reuse of condensate water at Boiler saved 674 M Kcal of Heat Energy per year.



4. Almost 120 KL per day machine cooling water as hot process water is reused in processing area.
5. Regular checking for wasteful use of water followed by remedial action.
6. Steam condensate recycling in various areas adopted in order to reduce water and steam consumption.
7. Installation of pressure reducing valve on steam line of 6 nos. of Comby Jigger machines and reduced steam consumption by 8% of those machines Saved 349 M Kcal of Thermal energy per year.
8. Replaced 36 nos of thermodynamic traps by Bucket type traps. Saved 296 M Kcal of heat energy per year.
9. Installed one stenter machine having 1470 Million Kilo Kcal per year thermal energy saving per year.
10. Installed 5 nos of Steam Cut off Switches on Drying range machines which saved 1397 M Kcal of Heat Energy per year.

## 2. Additional Investment and Proposals if any, being implemented for reduction of Consumption of Energy:-

### Denim:

Across denim, it has been decided to go for Energy efficient motors/drives (IE-3) for better efficiency & performance wherein for all new projects same is considered like:

Seamless, warp knitting, new rope dyeing, foam dyeing including related shed LED lighting.

### Capital Investment on energy conservation equipment's for Fabric Division at Arvind Naroda, Intex and Santej - Reduction in energy, coal, water consumption (2019-20)

Sr. No.	Saving Project Details
1	Installation of 400 Kwp Roof top Solar panels in addition of 250 Kwp solar panels in Arvind Naroda campus.
2	Installation of APH in IJT boiler for increasing 1.5-2% boiler efficiency.
3	Replacement of 55 KW water pump with energy efficient 30 KW pump.
4	Installation of centralize derator of enhancing capacity of condensate recovery from new projects.
5	Replacement of 650 nos. existing conventional tube light with LED tube light.
6	Installation of energy efficient equipment's/drives at knits finishing, G2 dynamics, Bavla garmenting project.
7	Optimization of ground water whereas entire process will be operated with treated sewage water by installation of sewage treatment plant of 8000 KL/Day at Arvind Ltd. - Naroda.
8	Installation of 2500 CFM energy efficient compressor at Arvind Intex.

### Ankur Textiles:

Sr. No.	Project Proposal Description	Type - Return / Non-Return	Type of saving Energy /Fuel	Working justification	Investment Cost (₹ in Lakh)	ROI Return on investment (Per annum) (₹ in Lakh)	Payback period (In Years)	Remarks
1	Installation of High Efficiency Stenter machine.	Non Return	Elect Energy and Thermal Energy	Installed stenter machine having thermal and electrical high efficiency.	167.00	30.42	5.5	
2	Pressure transducer on Compressor. IHE 10	Return	Elect Energy	Speed control by transducer feedback to inverter.	4.00	14.70	0.3	Working since Dec-18.
3	Natural resource conservation	Non Return	Energy saving by reduction in Water consumption	Save in Water consumption in Dyeing Process by Optimise /Diverting process.	0	2.80	0	
4	LED Lights	Return	Electrical Energy	Save Energy by replacing conventional lights with LED.	4.0	7.04	0.6	
	<b>Total</b>				<b>175</b>	<b>54.96</b>	<b>3.2</b>	

Invested ₹ 175 lakhs for Energy Conservation and saving of natural resources.



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

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

## B. TECHNOLOGY ABSORPTION:

### 1. Efforts made towards technology absorption:-

#### Denim Business - Naroda Road:

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

- Denim fabric made out of state of art warp knitting technology, thus, added new dimension to the aesthetic and comfort of wearing.
- The use of break through spray technology indigo dyeing, thus created new dimension for design and sustainability.
- The use of 100% non-cotton fiber for making denim fabric, opens a new horizon in history of denim.
- The dyeing of polyester fabric with Indigo has created new avenue for denim beyond cotton, few more developments are made to make it more denim like.
- The laser friendly denim fabric is developed in order to minimize use of water in garment finishing process.
- The development of more complicated variants of Khadi Denim to maintain its acceptance in international market.
- The incorporation of lamination in denim fabric enhanced the performance and aesthetic quotient of denim fabric.
- The recovery from deformation is an increased demand in stretch denim fabric, thus, work had been done to achieve zero growth, i.e. 100% recovery in stretch fabric.

#### Advanced Materials Division – Santej:

Technical or engineered textiles are defined as products that are used for functional purposes. Since technical textiles are linked to high-technology, it is imperative to indigenously produce these products. We are doing Research & Development in different projects at Advanced Materials Division.

- Development of Silane treated base Fabric as reinforcement for hoses application.
- Design and Development of Engineered special yarn as well as fabrics for electrical arc protection.
- Development of Automotive Car seat cover fabrics.
- Development of different kind of Sewing threads for Flame Retardant and color enhancement
  - Development of Sewing thread from Polyester Core spun yarn for Flame Retardant Application.
  - Development of Modacrylic / Cotton Yarn Sewing thread Dyeing for extra dark Black color.
- Development of different filtration fabrics for chemical, pharmaceutical, mining, power, cement and steel industries
  - Arvind's technical marketing and product development team works with customers to provide complete solution.
  - Have developed different kinds of mesh fabrics for belt filter.
  - Have also developed fabric for tape.
  - Development of nonwoven fabric for liquid filtration.
  - Development of different scrims in nonwoven fabrics for hot gas as well as liquid filtration.
  - Optimization of Micron Size of Fabrics for Filtration Application.
- Development of different kinds of coated fabrics for Tent, Black out, print media and other applications
  - Arvind has facility of spinning, weaving, processing as well as coating and expertise to supply fabrics in this segment.
  - Have developed Biodegradable fabric for print media.
  - Development of fabric for Black out and Eco Black out.
  - Development of water proof breathable fabric using polyester base fabrics.
  - Development of polyester flame retardant water repellent tent fabric.



## Shirting Business - Santej:

- ECO WAY – An innovative and sustainable process for low temperature scour-bleach application that provides excellent cleaning, re-wetting and even absorbency at 80° C.
- Novel environmental friendly Eco-scouring process of textile with reduced COD, BOD and ETP load.
- Reactive dye HE to ME class shifting which leads to conservation energy and reduced ETP load.
- Alkali free-Green boost processing of Textile.
- Waterless Super critical fluid carbon dioxide (ScF-CO<sub>2</sub>) textile processing.
- Natural softener from plant extract - for Moisture Management Finish & Normal Finish.
- Application of Sulfur through Foam Coating.
- Filament Dyeing & Lycra Intermingling for Stretch Fabrics.

## Arvind Composites:

### I. Product : Ladder C and J channel

Client: Werner

Manufacturing Process: Pultrusion

Product Dimension: - C Channel - 78.99 mm x 28.19 mm x 2.54 mm / 2.34 mm  
 - J Channel - 43.94 mm x 30.15 mm / 15.09 mm x 2.79 mm

Pultrusion for thin wall C channel and J channel with combination of CFM and Glass Roving is very specially design for steps ladder application where load capacity of final ladder approx 300 lbs (136 kgs). Pultrusion such thin wall channels with considering mechanical well as physical requirements is very complicated process. Were specific problems like bend and twist is severer in the PFMEA process? There for need proper attention and experience in pultruding this product.

More than 50 set of samples (LHS and RHS) were produce for difference length in C and J channel, each sample have been successfully developed and dispatched to Client's Werner USA for rigorous testing. Before dispatch, Products were tested at In-house Laboratory (with reference ANSI-ASC A14.5-2017 and ATIRA) for Elevated Temperature compression testing, which have been found meeting specifications. Full scale testing is underway at Italy. We have been collecting feedback from Client at regular intervals.

### II. Product : Thermo curve Analysis Software

Instrument Name – Temperature Monitor Device

Purchase from – Top glass Italy

Target Area: Pultrusion Process Improvement

This thermo curve analysis software is addition to new technology improvement in process with below mention additional benefits:

- Study of Pultrusion profile curing behavior in die with respect to temperature.
- Design of temperature range and heater zone with respect to product thickness.
- Correlation of Pultrusion speed with curing and exothermic distance in the Pultrusion die.
- Designing the Pultrusion speed with respect data generated from software for enhancing production speed.

### III. Product : Round Pipe For Gard Rail

Target Client: Marine Industry (Prema Composites)

Manufacturing Process: Pultrusion

Product Dimension: Round Pipe 50.8 x 6.35mm

Producing FRP round hollow pipe is regular product with Pultrusion process but the target application is for marine industry which is new application and client area for Arvind composite division.

More than 20 No's of sample were produce with the max length of 2 mtrs for customer at Australia and in-house testing. The biggest challenge is performing testing for assessing the strength and rigidity of the top rails, Intermediate rails, posts and fixings of the railing system as per Appendix B of AS 1657. We perform below testing at our mechanical testing lab:

- Test 1: Horizontal point load at top of post – Deflection.
- Test 2: Horizontal point load on top rail or intermediate rail – Deflection.



- Test 3: Vertical point load on top rail or intermediate rail – Deflection.
- Test 4: Horizontal UDL on top rail or intermediate rail – Deflection.
- Test 5: Horizontal point load at top of the post – Ultimate.
- Test 6: Horizontal UDL on top rail or intermediate rail – Ultimate.
- Test 7: Horizontal point load on top rail or intermediate rail – Ultimate.

During client visit all testing were perform with the satisfactory results, we provide 4 sample set for testing at their end in Australia, we are awaiting for customer feedback.

#### IV. Product : FRP Radomes (Thin Wall Profile)

Target Client: Telecommunication Industry

Manufacturing Process: Pultrusion

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

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

At Arvind, so far, we have developed 6 different type of Radome Profile for 3 different Clients. Two of the Client has since approved the Product and a short Pilot production run (500 Radomes) has been completed. 5 types Radomes are commercially supplied to the client with our best quality and production output. One of our customer awarded Arvind as “Strategic Award-Development” for Pultrusion 2019 for the year of 2018-2019.

#### V. Product : Epoxy Flat Strip

Target Client: MHB bv (architecture, engineering and innovative)

Manufacturing Process: Pultrusion

Product Dimension/Profile: Flat 38.1 x 3mm

Development is start with old tool which is present with us.

Glass/Epoxy Pultrusion is a proven and well accepted Technology which has not been started at Arvind Composites as yet. But as Arvind Composites are expanding and widening its Product Range, it has been decided to include Glass/Epoxy Pultruded profiles for architecture, engineering and innovative in its Product Range. Initial trials have been conducted and results are satisfactory, 3 set of samples send to the customer for pouncing testing, we are awaiting for customer feedback on the samples testing results at their end.

#### 2. Benefits derived as a result of the above efforts:-

- The enhanced image of Arvind as a leader in innovation - both Incremental and break through innovation.
- Opportunity to explore more Client Base with value added products.
- Increased scope to operate in premium segments and retain stake in regular segments by cost optimization.
- Contributing in sustainability to save mother earth.

#### 3. Information regarding technology imported during the three years:-

Technology imported :	<ol style="list-style-type: none"> <li>1. Semiautomatic Sewing Thread Machine 12 H.</li> <li>2. Upgradation of 50 gm sample pot dyeing machine.</li> <li>3. Hang Jie machine refurbishing 200gm.</li> <li>4. Dyecoo - waterless dyeing unit.</li> <li>5. Rota Spray, Spray technology for Indigo dyeing.</li> <li>6. Rota Spray, Spray technology for Indigo dyeing.</li> <li>7. Filament-Lycra Intermingling Machine.</li> <li>8. PTFE Membrane Lamination.</li> <li>9. Filament-Lycra Intermingling Machine.</li> </ol>
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Year of Import :	<ol style="list-style-type: none"> <li>2018-19</li> <li>2018-19</li> <li>2018-19</li> <li>2017-18</li> <li>2017-18</li> <li>2017-18</li> <li>2017-18</li> <li>2016-17</li> <li>2016-17</li> </ol>
Has technology been fully absorbed? :	<ol style="list-style-type: none"> <li>Trials are going on to establish the technology.</li> <li>Reactive dye HE to ME class shifting has been started.</li> <li>Reactive dye HE to ME class shifting has been started.</li> <li>Lab establishment has been done successfully in Polyester segment and exploring possibilities of other fibre processing.</li> <li>Trials are going on to establish the technology.</li> <li>Bulk trial has been conducted successfully.</li> <li>Trials are going on to establish the technology.</li> <li>PTFE Membrane lamination application absorbed.</li> <li>Nonwoven fabrics for Hot-gas filtration application absorbed.</li> </ol>

#### 4. Expenditure on R & D:

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

	Particulars	₹ in crores	
		Year ended	
		March 31, 2019	March 31, 2018
<b>(a)</b>	<b>Capital Expenditure</b>		
	Naroda Centre	0.00	0.03
	Santej Centre	7.61	1.40
	Khatraj Centre	0.41	1.64
	Pune Centre	0.00	0.00
	<b>Sub Total</b>	<b>8.02</b>	<b>3.07</b>
<b>(b)</b>	<b>Revenue Expenditure</b>		
	Naroda Centre	4.43	5.53
	Santej Centre	25.73	29.11
	Khatraj Centre	3.44	3.58
	Pune Centre	2.23	1.60
	<b>Sub Total</b>	<b>35.83</b>	<b>39.82</b>
<b>(c)</b>	<b>Total R &amp; D Expenditure</b>	<b>43.85</b>	<b>42.89</b>
<b>(d)</b>	<b>Total R &amp; D Expenditure as a percentage of total turnover</b>	<b>0.68%</b>	<b>0.67%</b>

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

Total Foreign Exchange used and earned:

Particulars	₹ in crores	
	2018-19	2017-18
Total foreign exchange used	570.35	498.21
Total foreign exchange earned	2791.68	2618.10



## Annexure - E to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN for the financial year ended on 31.03.2019

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

### I. REGISTRATION & OTHER DETAILS:

i	CIN	L17119GJ1931PLC000093
ii	Registration Date	1st June, 1931
iii	Name of the Company	Arvind Limited
iv	Category/ Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	Naroda Road, Ahmedabad - 380025. Phone No.: 079 - 68268000
vi	Whether listed company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 5th Floor, 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre (GBC), Nr. St. Xavier's College Corner, Off C.G. Road, Ellisbridge, Ahmedabad - 380006 Phone Nos.: 079 - 26465179/86/87 Fax No.: 079 - 26465179 e-mail id: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name & Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the Company
1	Fabrics	13131	69.09
2	Garments	14101	21.05

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Syntel Telecom Limited Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U30006GJ1985PLC008289	Subsidiary	100	2(87)
2	Arvind PD Composites Private Limited Arvind Mills Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2011PTC066160	Subsidiary	51	2(87)
3	Arvind Envisol Limited Arvind Mill Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U29100GJ2008PLC053226	Subsidiary	100	2(87)
4	Arvind Goodhill Suit Manufacturing Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17121GJ2012PTC071968	Subsidiary	51	2(87)
5	Arvind OG Nonwovens Private Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17120GJ2013PTC073807	Subsidiary	74	2(87)
6	Arvind Internet Limited Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U72400GJ2013PLC074576	Subsidiary	100	2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
7	Arvind Foundation (Incorporated under Section 8 of the Companies Act, 2013) Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U85300GJ2015NPL084020	Subsidiary	100	2(87)
8	Arvind Ruf & Tuf Private Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52609GJ2016PTC093051	Subsidiary	100	2(87)
9	Arvind Premium Retail Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52390GJ2016PLC085946	Subsidiary	51	2(87)
10	Arvind True Blue Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U52100GJ2015PLC085165	Subsidiary	87.5	2(87)
11	Arvind Transformational Solutions Private Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U25111GJ2017PTC096807	Subsidiary	100	2(87)
12	Arvind Smart Textiles Limited Main Building, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U17299GJ2017PLC100201	Subsidiary	100	2(87)
13	Arya Omnitalk Wireless Solutions Private Limited Arvind Mills Limited, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U31100GJ1995PTC024599	Subsidiary	50.06	2(87)
14	Arvind Polser Engineered Composite Panels Private Limited Survey No. 12, Final Plot No. 10, Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U25199GJ2018PTC105475	Subsidiary	100	2(87)
15	Arvind Worldwide Inc. 130 West, 42nd Street, Suit 603, 6th Floor, New York, NY 10036, USA.	N.A.	Subsidiary	100	2(87)
16	Arvind Textile Mills Limited Plot #221, Bir Uttam Mir Shawkat Road (Gulshan-Tejgaon Link Road), Tejgaon I/A, Dhaka - 1215, Bangladesh.	N.A.	Subsidiary	100	2(87)
17	Arvind Niloy Exports Private Limited Nitol Niloy Tower, 3rd Floor, 69, Nikunja North New Airport Road, Dhaka - 1229, Bangladesh.	N.A.	Subsidiary	70	2(87)
18	Arvind Lifestyle Apparel Manufacturing PLC Shed No. 5, Bole Lemi Industrial Zone, Woreda 11, Bole Sub-city, Addis Ababa, Ethiopia.	N.A.	Subsidiary	100	2(87)
19	Westech Advanced Materials Limited 2200, HSBC Building, 885, West Georgia Street, Vancouver BC V6C 3E8, Canada.	N.A.	Subsidiary	51	2(87)
20	Arvind Enterprise (FZE) SAIF Zone, Sharjah, UAE.	N.A.	Subsidiary	100	2(87)
21	Arvind Envisol PLC Shed #5, Bole Lemi Industrial Park, Addis Abbaba, Ethiopia.	N.A.	Subsidiary	100	2(87)
22	Brillaire Inc. 1203, Leewood Drive, Oakville, Ontario, Canada L6M 3B3.	N.A.	Subsidiary	100	2(87)



Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
23	Adient Arvind Automotive Fabrics India Private Limited Arvind Limited Premises, Santej/Khatraj, Industrial Complex PO Khatraj, Tal. Kalol, Dist. Gandhinagar - 382721, Gujarat, India.	U74999GJ2018PTC101015	Associate (Joint Venture)	49.50	2(6)
24	Arvind Norm CBRN Systems Private Limited Arvind Limited Premises, Naroda Road, Ahmedabad - 380025, Gujarat, India.	U74999GJ2018PTC103195	Associate (Joint Venture)	50	2(6)
25	Arya Omnitalk Radio Trunking Services Private Limited Unit No. A-202, 2nd Floor, Summer Court, Magarpatta City, Pune - 411013, Maharashtra, India.	U64120PN2003PTC018154	Associate (Joint Venture)	50	2(6)
26	Arudrama Developments Private Limited 1134, 1st Floor, 100 Ft. Road, HAL 2nd Stage, Bangalore - 560008, Karnataka, India.	U45201KA1995PTC017371	Associate (Joint Venture)	50	2(6)

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

##### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	76595	0	76595	0.03	76595	0	76595	0.03	0.00
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporates	110923549	0	110923549	42.89	111391957	0	111391957	43.07	0.18
d) Banks/ FIs	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL : (A)(1)</b>	<b>111000144</b>	<b>0</b>	<b>111000144</b>	<b>42.92</b>	<b>111468552</b>	<b>0</b>	<b>111468552</b>	<b>43.10</b>	<b>0.18</b>
<b>(2) Foreign</b>									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/ FIs	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL : (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>111000144</b>	<b>0</b>	<b>111000144</b>	<b>42.92</b>	<b>111468552</b>	<b>0</b>	<b>111468552</b>	<b>43.10</b>	<b>0.18</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	38043984	11513	38055497	14.71	34379329	11513	34390842	13.30	-1.42
b) Banks/Fls	8697810	8129	8705939	3.37	4702348	6666	4709014	1.82	-1.55
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	200	0	200	0.00	200	0	200	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
(i-i) Alternate Investment Funds	42837	0	42837	0.02	0	0	0	0.00	-0.02
(i-ii) Foreign Portfolio Investor	59964037	21957	59985994	23.19	51889739	21957	51911696	20.07	-3.12
<b>SUB TOTAL : (B)(1)</b>	<b>106748868</b>	<b>41599</b>	<b>106790467</b>	<b>41.29</b>	<b>90971616</b>	<b>40136</b>	<b>91011752</b>	<b>35.19</b>	<b>-6.10</b>
<b>(2) Non Institutions</b>									
a) Bodies corporates									
(i) Indian	5526774	0	5526774	2.14	8788433	0	8788433	3.40	1.26
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	22597125	2861661	25458786	9.84	29888927	2620354	32509281	12.57	2.73
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	5777574	44926	5822500	2.25	7745317	44926	7790243	3.01	0.76
c) Others (specify)									
(c-i) NRIs	1035346	162750	1198096	0.46	1546477	161200	1707677	0.66	0.20
(c-ii) OCBs	2900	0	2900	0.00	2900	0	2900	0.00	0.00
(c-iii) Trusts	1063394	0	1063394	0.41	1644505	0	1644505	0.64	0.22
(c-iv) Clearing Members	519385	0	519385	0.20	1921095	0	1921095	0.74	0.54
(c-v) Hindu Undivided Family	1234623	0	1234623	0.48	1714276	0	1714276	0.66	0.19
(c-vi) Foreign Portfolio Investor (Individual)	0	0	0	0.00	58355	0	58355	0.02	0.02
<b>SUB TOTAL : (B)(2)</b>	<b>37757121</b>	<b>3069337</b>	<b>40826458</b>	<b>15.79</b>	<b>53310285</b>	<b>2826480</b>	<b>56136765</b>	<b>21.71</b>	<b>5.92</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>144505989</b>	<b>3110936</b>	<b>147616925</b>	<b>57.08</b>	<b>144281901</b>	<b>2866616</b>	<b>147148517</b>	<b>56.90</b>	<b>-0.18</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>255506133</b>	<b>3110936</b>	<b>258617069</b>	<b>100.00</b>	<b>255750453</b>	<b>2866616</b>	<b>258617069</b>	<b>100.00</b>	<b>0.00</b>



## (ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Sanjaybhai Shrenikbhai Lalbhai	1564	0.00	0.00	1564	0.00	0.00	0.00
2	Jayshreeben Sanjaybhai Lalbhai	345	0.00	0.00	345	0.00	0.00	0.00
3	Punit Sanjaybhai	3714	0.00	0.00	3714	0.00	0.00	0.00
4	Aura Securities Private Limited	95561810	36.95	2.26	95561810	36.95	1.64	0.00
5	Kulin S. Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
6	Lalbhai Poorva Punitbhai	0	0.00	0.00	0	0.00	0.00	0.00
7	Jaina Kulin Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
8	Ishaan Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
9	Ruhani Punit Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
10	Ananyaa Kulin Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
11	Kalpanaben Shripalbhai Morakhia	12	0.00	0.00	12	0.00	0.00	0.00
12	Samvegbhai Arvindbhai Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
13	Anamikaben Samvegbhai Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
14	Saumya Samvegbhai Lalbhai	0	0.00	0.00	26656	0.01	0.00	0.01
15	Snehalben Samvegbhai Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
16	Hansaben Niranjambhai Lalbhai	38052	0.01	0.00	11396	0.00	0.00	-0.01
17	Badlani Manini Rajiv	7152	0.00	0.00	7152	0.00	0.00	0.00
18	Sunil Siddharth Lalbhai	5437	0.00	0.00	5437	0.00	0.00	0.00
19	Swati S. Lalbhai	9712	0.00	0.00	9712	0.00	0.00	0.00
20	Vimlaben S. Lalbhai	4590	0.00	0.00	4590	0.00	0.00	0.00
21	Taral S. Lalbhai	4074	0.00	0.00	4074	0.00	0.00	0.00
22	Asthaben S. Lalbhai	1925	0.00	0.00	1925	0.00	0.00	0.00
23	Arvind Fashions Limited	0	0.00	0.00	0	0.00	0.00	0.00
24	The Anup Engineering Limited (Formerly known as Anveshan Heavy Engineering Limited)	0	0.00	0.00	0	0.00	0.00	0.00
25	Arvind SmartSpaces Limited	0	0.00	0.00	0	0.00	0.00	0.00
26	Aura Merchandise Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
27	Aura Business Enterprise Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
28	Adore Investments Private Limited	132296	0.05	0.00	132296	0.05	0.00	0.00
29	Arvind Farms Private Limited	0	0.00	0.00	1490119	0.58	0.00	0.58
30	Amardeep Holdings Private Limited	94250	0.04	0.00	94250	0.04	0.00	0.00
31	Kasturbhai Lalbhai Museum Limited (Formerly known as Anagram Knowledge Academy Limited)	0	0.00	0.00	0	0.00	0.00	0.00



Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
32	Anukul Investments Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
33	Amplus Capital Advisors Pvt. Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
34	Shruti Trade Link Pvt. Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
35	Aayojan Resources Pvt. Ltd.	85505	0.03	0.00	91000	0.04	0.00	0.00
36	Adhigam Investments Pvt. Ltd.	0	0.00	0.00	0	0.00	0.00	0.00
37	Adhinami Investments Pvt. Ltd.	6000	0.00	0.00	18500	0.01	0.00	0.00
38	Aahvan Agencies Limited (Formerly known as Agrimore Limited)	0	0.00	0.00	0	0.00	0.00	0.00
39	Anusandhan Investments Limited	115000	0.04	0.00	115000	0.04	0.00	0.00
40	Akshita Holdings Pvt. Limited	136	0.00	0.00	136	0.00	0.00	0.00
41	Amal Limited	0	0.00	0.00	0	0.00	0.00	0.00
42	Atul Finserv Limited (Formerly known as Ameer Trading Corporation Limited)	0	0.00	0.00	0	0.00	0.00	0.00
43	Anchor Adhesives Private Limited	0	0.00	0.00	0	0.00	0.00	0.00
44	Atul Bioscience Limited	0	0.00	0.00	0	0.00	0.00	0.00
45	Atul Limited	4127471	1.60	0.00	4127471	1.60	0.00	0.00
46	Rudolf Atul Chemicals Limited	0	0.00	0.00	0	0.00	0.00	0.00
47	Aagam Holdings Private Limited	1876258	0.73	0.00	1876258	0.73	0.00	0.00
48	Lalbhair Realty Finance Private Limited	455000	0.18	0.18	455000	0.18	0.18	0.00
49	Aura Business Ventures LLP	810000	0.31	0.00	1102500	0.43	0.00	0.11
50	Style Audit LLP	0	0.00	0.00	0	0.00	0.00	0.00
51	JP Trunkshow LLP	0	0.00	0.00	0	0.00	0.00	0.00
52	Sunil Siddharth	18	0.00	0.00	18	0.00	0.00	0.00
53	Samvegbhai Arvindbhai	0	0.00	0.00	0	0.00	0.00	0.00
54	AML Employees' Welfare Trust	6327317	2.45	2.09	6327317	2.45	2.44	0.00
55	Aura Securities Private Limited	100	0.00	0.00	100	0.00	0.00	0.00
56	Amazon Investments Pvt. Ltd.*	1152962	0.45	0.00	0	0.00	0.00	-0.45
57	Aeon Investments Private Limited*	179244	0.07	0.00	0	0.00	0.00	-0.07
<b>Total</b>		<b>111000144</b>	<b>42.92</b>	<b>4.52</b>	<b>111468552</b>	<b>43.10</b>	<b>4.26</b>	<b>0.18</b>

\*Merged with Arvind Farms Private Limited.



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

Sr. No.	Shareholders Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Amazon Investments Private Limited</b>				
	At the beginning of the year	1152962	0.45	--	--
	Transfer due to Merger - May 2018	-1152962	-0.45	0	0.00
	At the end of the year	--	--	0	0.00
<b>2</b>	<b>Aura Business Ventures LLP</b>				
	At the beginning of the year	810000	0.31	--	--
	Purchase - 28.11.2018	85500	0.03	895500	0.35
	Purchase - 29.11.2018	82000	0.03	977500	0.38
	Purchase - 03.12.2018	25000	0.01	1002500	0.39
	Purchase - 04.12.2018	100000	0.04	1102500	0.43
	At the end of the year	--	--	1102500	0.43
<b>3</b>	<b>Aeon Investments Private Limited</b>				
	At the beginning of the year	179244	0.07	--	--
	Transfer due to Merger - May 2018	-179244	-0.07	0	0.00
	At the end of the year	--	--	0	0.00
<b>4</b>	<b>Aayojan Resources Private Limited</b>				
	At the beginning of the year	85505	0.03	--	--
	Purchase - 26.11.2018	5495	0.00	91000	0.04
	At the end of the year	--	--	91000	0.04
<b>5</b>	<b>Hansaben Niranjanbhai Lalbhai</b>				
	At the beginning of the year	38052	0.01	--	--
	Transfer by virtue of will - 08.05.2018	-26656	-0.01	11396	0.00
	At the end of the year	--	--	11396	0.00
<b>6</b>	<b>Adhinami Investments Private Limited</b>				
	At the beginning of the year	6000	0.00	--	--
	Purchase - 05.09.2018	2500	0.00	8500	0.00
	Purchase - 21.09.2018	1000	0.00	9500	0.00
	Purchase - 25.09.2018	4500	0.00	14000	0.01
	Purchase - 28.09.2018	4500	0.00	18500	0.01
	At the end of the year	--	--	18500	0.01
<b>7</b>	<b>Arvind Farms Private Limited</b>				
	At the beginning of the year	0	0.00	--	--
	Transfer due to Merger - May 2018	1152962	0.45	1152962	0.45
	Transfer due to Merger - May 2018	179244	0.07	1332206	0.52
	Transfer due to Merger - August 2018	157913	0.06	1490119	0.58
	At the end of the year	--	--	1490119	0.58
<b>8</b>	<b>Saumya Samvegghai Lalbhai</b>				
	At the beginning of the year	0	0.00	--	--
	Transfer by virtue of will - 08.05.2018	26656	0.01	26656	0.01
	At the end of the year	--	--	26656	0.01



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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND</b>				
	At the beginning of the year	8379000	3.24	--	--
	Purchase - 06.04.2018	280000	0.11	8659000	3.35
	Purchase - 27.04.2018	250000	0.10	8909000	3.44
	Purchase - 04.05.2018	18000	0.01	8927000	3.45
	Purchase - 11.05.2018	100000	0.04	9027000	3.49
	Purchase - 01.06.2018	200000	0.08	9227000	3.57
	Sale - 08.06.2018	-48000	-0.02	9179000	3.55
	Sale - 15.06.2018	-12000	0.00	9167000	3.54
	Purchase - 06.07.2018	130000	0.05	9297000	3.59
	Sale - 20.07.2018	-26000	-0.01	9271000	3.58
	Purchase - 10.08.2018	74000	0.03	9345000	3.61
	Purchase - 17.08.2018	170000	0.07	9515000	3.68
	Purchase - 07.09.2018	100000	0.04	9615000	3.72
	Purchase - 14.09.2018	692000	0.27	10307000	3.99
	Purchase - 21.09.2018	478378	0.18	10785378	4.17
	Purchase - 29.09.2018	600000	0.23	11385378	4.40
	Purchase - 05.10.2018	300000	0.12	11685378	4.52
	Purchase - 12.10.2018	450000	0.17	12135378	4.69
	Purchase - 19.10.2018	300000	0.12	12435378	4.81
	Purchase - 26.10.2018	100000	0.04	12535378	4.85
	Purchase - 02.11.2018	374000	0.14	12909378	4.99
	Purchase - 23.11.2018	202000	0.08	13111378	5.07
	Sale - 30.11.2018	-1066000	-0.41	12045378	4.66
	At the end of the year	--	--	12045378	4.66
<b>2</b>	<b>FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA EQUITY FUND</b>				
	At the beginning of the year	7256898	2.81	--	--
	Sale - 22.06.2018	-420122	-0.16	6836776	2.64
	Purchase - 30.06.2018	100000	0.04	6936776	2.68
	Purchase - 29.09.2018	200000	0.08	7136776	2.76
	Purchase - 05.10.2018	100000	0.04	7236776	2.80
	Purchase - 12.10.2018	100000	0.04	7336776	2.84
	Purchase - 15.02.2019	100000	0.04	7436776	2.88
	Purchase - 08.03.2019	500000	0.19	7936776	3.07
	At the end of the year	--	--	7936776	3.07
<b>3</b>	<b>KOTAK STANDARD MULTICAP FUND</b>				
	At the beginning of the year	6011282	2.32	--	--
	Sale - 18.05.2018	-55000	-0.02	5956282	2.30
	Sale - 01.06.2018	-123536	-0.05	5832746	2.26
	Sale - 08.06.2018	-32746	-0.01	5800000	2.24
	Sale - 21.09.2018	-150027	-0.06	5649973	2.18
	Purchase - 19.10.2018	418667	0.16	6068640	2.35
	Purchase - 07.12.2018	152000	0.06	6220640	2.41
	Sale - 21.12.2018	-138000	-0.05	6082640	2.35
	Sale - 31.12.2018	-49973	-0.02	6032667	2.33



Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Purchase - 11.01.2019	90415	0.03	6123082	2.37
	At the end of the year	--	--	6123082	2.37
<b>4</b>	<b>RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND</b>				
	At the beginning of the year	6289100	2.43	--	--
	Sale - 06.04.2018	-704000	-0.27	5585100	2.16
	Sale - 13.04.2018	-128000	-0.05	5457100	2.11
	Sale - 20.04.2018	-86000	-0.03	5371100	2.08
	Sale - 27.04.2018	-18000	-0.01	5353100	2.07
	Sale - 04.05.2018	-184000	-0.07	5169100	2.00
	Sale - 11.05.2018	-52000	-0.02	5117100	1.98
	Sale - 25.05.2018	-20000	-0.01	5097100	1.97
	Purchase - 01.06.2018	201000	0.08	5298100	2.05
	Purchase - 08.06.2018	56000	0.02	5354100	2.07
	Purchase - 15.06.2018	540000	0.21	5894100	2.28
	Sale - 30.06.2018	-66000	-0.03	5828100	2.25
	Sale - 10.08.2018	-1501702	-0.58	4326398	1.67
	Sale - 14.09.2018	-22000	-0.01	4304398	1.66
	Sale - 21.09.2018	-184000	-0.07	4120398	1.59
	Sale - 29.09.2018	-1208398	-0.47	2912000	1.13
	Purchase - 05.10.2018	34000	0.01	2946000	1.14
	Sale - 12.10.2018	-148000	-0.06	2798000	1.08
	Sale - 19.10.2018	-16000	-0.01	2782000	1.08
	Sale - 26.10.2018	-380000	-0.15	2402000	0.93
	Sale - 02.11.2018	-50000	-0.02	2352000	0.91
	Sale - 30.11.2018	-432000	-0.17	1920000	0.74
	Sale - 07.12.2018	-120000	-0.05	1800000	0.70
	Purchase - 01.02.2019	99800	0.04	1899800	0.73
	Purchase - 08.02.2019	1000200	0.39	2900000	1.12
	Purchase - 01.03.2019	1000000	0.39	3900000	1.51
	Purchase - 08.03.2019	500000	0.19	4400000	1.70
	At the end of the year	--	--	4400000	1.70
<b>5</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>				
	At the beginning of the year	8428439	3.26	--	--
	Sale - 03.08.2018	-999600	-0.39	7428839	2.87
	Sale - 10.08.2018	-498000	-0.19	6930839	2.68
	Sale - 31.08.2018	-970220	-0.38	5960619	2.30
	Sale - 07.09.2018	-724501	-0.28	5236118	2.02
	Sale - 14.09.2018	-805279	-0.31	4430839	1.71
	Sale - 21.09.2018	-350353	-0.14	4080486	1.58
	Sale - 29.09.2018	-41463	-0.02	4039023	1.56
	At the end of the year	--	--	4039023	1.56
<b>6</b>	<b>MERRILL LYNCH MARKETS SINGAPORE PTE. LTD</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase - 18.05.2018	178	0.00	178	0.00
	Purchase - 25.05.2018	654	0.00	832	0.00



Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	Sale - 08.06.2018	-832	0.00	0	0.00
	Purchase - 10.08.2018	20871	0.01	20871	0.01
	Purchase - 26.10.2018	132716	0.05	153587	0.06
	Purchase - 07.12.2018	935252	0.36	1088839	0.42
	Purchase - 14.12.2018	1043380	0.40	2132219	0.82
	Purchase - 21.12.2018	330355	0.13	2462574	0.95
	Purchase - 11.01.2019	365119	0.14	2827693	1.09
	Sale - 22.02.2019	-72459	-0.03	2755234	1.07
	At the end of the year	--	--	2755234	1.07
<b>7</b>	<b>VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND</b>				
	At the beginning of the year	1808297	0.70	--	--
	Purchase - 08.06.2018	103701	0.04	1911998	0.74
	Purchase - 15.06.2018	8002	0.00	1920000	0.74
	Purchase - 16.11.2018	155595	0.06	2075595	0.80
	Purchase - 22.02.2019	115582	0.04	2191177	0.85
	Purchase - 01.03.2019	302585	0.12	2493762	0.96
	At the end of the year	--	--	2493762	0.96
<b>8</b>	<b>TT EMERGING MARKETS EQUITY FUND</b>				
	At the beginning of the year	58621	0.02	--	--
	Purchase - 13.04.2018	21950	0.01	80571	0.03
	Sale - 04.05.2018	-18265	-0.01	62306	0.02
	Purchase - 11.05.2018	49598	0.02	111904	0.04
	Purchase - 18.05.2018	894324	0.35	1006228	0.39
	Purchase - 25.05.2018	65027	0.03	1071255	0.41
	Purchase - 08.06.2018	266202	0.10	1337457	0.52
	Purchase - 15.06.2018	70034	0.03	1407491	0.54
	Purchase - 22.06.2018	17661	0.01	1425152	0.55
	Purchase - 30.06.2018	21056	0.01	1446208	0.56
	Sale - 06.07.2018	-26610	-0.01	1419598	0.55
	Sale - 27.07.2018	-72034	-0.03	1347564	0.52
	Sale - 03.08.2018	-112942	-0.04	1234622	0.48
	Purchase - 07.09.2018	45694	0.02	1280316	0.50
	Purchase - 29.09.2018	113245	0.04	1393561	0.54
	Purchase - 05.10.2018	43007	0.02	1436568	0.56
	Sale - 26.10.2018	-35914	-0.01	1400654	0.54
	Sale - 02.11.2018	-126095	-0.05	1274559	0.49
	Purchase - 07.12.2018	21667	0.01	1296226	0.50
	Purchase - 14.12.2018	448610	0.17	1744836	0.67
	Purchase - 11.01.2019	79122	0.03	1823958	0.71
	Purchase - 18.01.2019	515833	0.20	2339791	0.90
	Purchase - 22.02.2019	21020	0.01	2360811	0.91
	Sale - 22.03.2019	-113032	-0.04	2247779	0.87
	Sale - 29.03.2019	-10674	0.00	2237105	0.87
	At the end of the year	--	--	2237105	0.87



Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>9</b>	<b>NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND</b>				
	At the beginning of the year	2113049	0.82	--	--
	Purchase - 06.04.2018	24103	0.01	2137152	0.83
	Sale - 21.09.2018	-71660	-0.03	2065492	0.80
	Sale - 29.09.2018	-52166	-0.02	2013326	0.78
	Purchase - 16.11.2018	35117	0.01	2048443	0.79
	Purchase - 22.02.2019	109755	0.04	2158198	0.83
	At the end of the year	--	--	2158198	0.83
<b>10</b>	<b>TT EMERGING MARKETS OPPORTUNITIES FUND II LIMITED</b>				
	At the beginning of the year	1574497	0.61	--	--
	Sale - 27.04.2018	-177894	-0.07	1396603	0.54
	Sale - 04.05.2018	-67967	-0.03	1328636	0.51
	Purchase - 08.06.2018	109071	0.04	1437707	0.56
	Sale - 27.07.2018	-81700	-0.03	1356007	0.52
	Sale - 03.08.2018	-141838	-0.05	1214169	0.47
	Sale - 02.11.2018	-76940	-0.03	1137229	0.44
	Purchase - 07.12.2018	19346	0.01	1156575	0.45
	Purchase - 14.12.2018	298668	0.12	1455243	0.56
	Purchase - 11.01.2019	69746	0.03	1524989	0.59
	Purchase - 18.01.2019	707133	0.27	2232122	0.86
	Sale - 22.03.2019	-98255	-0.04	2133867	0.83
	Sale - 29.03.2019	-10133	0.00	2123734	0.82
	At the end of the year	--	--	2123734	0.82

Notes:

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



**(v) Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of the Directors & KMP	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>Mr. Sanjay Lalbhai - Chairman and Managing Director</b>				
	At the beginning of the year	1564	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	1564	0.00
<b>2</b>	<b>Mr. Punit Lalbhai - Executive Director</b>				
	At the beginning of the year	3714	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	3714	0.00
<b>3</b>	<b>Dr. Bakul Dholakia - Independent Director</b>				
	At the beginning of the year	14700	0.01	--	--
	Purchase - February 2019	5500	--	20200	0.01
	At the end of the year	--	--	20200	0.01
<b>4</b>	<b>Ms. Renuka Ramnath - Independent Director</b>				
	At the beginning of the year	295	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	295	0.00
<b>5</b>	<b>Mr. Nilesh Shah - Independent Director</b>				
	At the beginning of the year	211	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	211	0.00
<b>6</b>	<b>Mr. R.V. Bhimani - Company Secretary</b>				
	At the beginning of the year	0	0.00	--	--
	Purchase - 11.07.2018	4	0.00	4	0.00
	At the end of the year	--	--	4	0.00

Note: The following Directors do not hold any shares of the Company.

- Mr. Jayesh Shah - Whole Time Director & Chief Financial Officer
- Mr. Kulin Lalbhai - Executive Director
- Mr. Dileep Choksi - Independent Director
- Mr. Vallabh Bhansali - Independent Director
- Mr. Samir Mehta - Independent Director



**V. INDEBTEDNESS**

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

(₹ in Crores)

Indebtedness	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>At the beginning of the financial year</b>				
i) Principal Amount	1682.54	879.60	0.00	2562.14
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	11.38	0.00	0.00	11.38
<b>Total (i+ii+iii)</b>	<b>1693.92</b>	<b>879.60</b>	<b>0.00</b>	<b>2573.52</b>
<b>Change during the financial year</b>				
Additions	361.31	225.00	0.00	586.31
Reduction	124.81	371.72	0.00	496.53
Net Change	236.50	-146.72	0.00	89.78
<b>At the end of the financial year</b>				
i) Principal Amount	1918.63	732.88	0.00	2651.51
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	11.79	0.00	0.00	11.79
<b>Total (i+ii+iii)</b>	<b>1930.42</b>	<b>732.88</b>	<b>0.00</b>	<b>2663.30</b>

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/MTD/Manager				Total Amount
1	Gross salary	Mr. Sanjay Lalbhai Chairman and Managing Director	Mr. Punit Lalbhai Wholetime Director	Mr. Kulin Lalbhai Wholetime Director	Mr. Jayesh Shah Wholetime Director and CFO	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	31623017	14764323	14811611	20818846	82017797
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	994143	41370	41370	43140	1120023
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	--	--	--	--	--
2	Stock option	--	--	--	--	--
3	Sweat Equity	--	--	--	--	--
4	Commission	37216000	20469000	20469000	24190000	102344000
	as % of profit					
	others (specify)	--	--	--	--	--
5	Others, please specify					
	NPS, PF, Gratuity and Super Annuation	2401458	1159838	1159838	2246337	6967471
	<b>Total (A)</b>	<b>72234618</b>	<b>36434531</b>	<b>36481819</b>	<b>47298323</b>	<b>192449291</b>
	<b>Ceiling as per the Act</b>	<b>10% of the net profits of the Company.</b>				



**B. Remuneration to other Directors**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors						Total Amount
		Dr. Bakul Dholakia	Ms. Renuka Ramnath	Mr. Dileep Choksi	Mr. Vallabh Bhanshali	Mr. Samir Mehta	Mr. Nilesh Shah	
<b>1</b>	<b>Independent Directors</b>							
	(a) Fee for attending board / committee meetings	70000	30000	90000	40000	30000	70000	<b>330000</b>
	(b) Commission	750000	650000	750000	550000	550000	750000	<b>4000000</b>
	(c) Others, please specify	--	--	--	--	--	--	<b>--</b>
	<b>Total (1)</b>	<b>820000</b>	<b>680000</b>	<b>840000</b>	<b>590000</b>	<b>580000</b>	<b>820000</b>	<b>4330000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>							
	(a) Fee for attending board / committee meetings	--	--	--	--	--	--	<b>--</b>
	(b) Commission	--	--	--	--	--	--	<b>--</b>
	(c) Others, please specify	--	--	--	--	--	--	<b>--</b>
	<b>Total (2)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
	<b>Total (B) = (1) + (2)</b>	<b>820000</b>	<b>680000</b>	<b>840000</b>	<b>590000</b>	<b>580000</b>	<b>820000</b>	<b>4330000</b>
	<b>Ceiling as per the Act</b>	<b>1% of the Net Profits of the Company</b>						
	<b>Total Managerial Remuneration</b>	<b>196779291</b>						
	<b>Overall Ceiling as per the Act</b>	<b>11% of the Net Profits of the Company</b>						

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
		Mr. R.V. Bhimani Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2752126	<b>2752126</b>
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	32400	<b>32400</b>
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	<b>--</b>
2	Stock Option	--	<b>--</b>
3	Sweat Equity	--	<b>--</b>
4	Commission	--	<b>--</b>
	as % of profit	--	<b>--</b>
	others, specify	--	<b>--</b>
5	Others, please specify	--	<b>--</b>
	NPS, PF, Gratuity and Super Annuation	399204	<b>399204</b>
	<b>Total</b>	<b>3183730</b>	<b>3183730</b>

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

There were no penalties/punishment/compounding of offences for the year ended 31st March 2019.



## Annexure - F to the Directors' Report

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

	Particulars	Status	
		Number of Times	
i)	The ratio of the remuneration of each Director to median remuneration of the employees of the Company for FY 2018-19	<b>If Total remuneration of the Director is considered</b>	<b>If total remuneration of the Director excluding Variable pay and commission is considered</b>
		Bakul Dholakia	2.19
		Renuka Ramnath	1.81
		Dileep Choksi	2.24
		Vallabh Bhansali	1.57
		Samir Mehta	1.55
		Nilesh Shah	2.19
		Sanjay Lalbhai	192.61
		Jayesh Shah	126.12
		Punit Lalbhai	97.15
		Kulin Lalbhai	97.27
ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<b>Directors</b>	<b>%</b>
		Bakul Dholakia	-1
		Renuka Ramnath	-1
		Dileep Choksi	2
		Vallabh Bhansali	-2
		Samir Mehta	-5
		Nilesh Shah	-1
		<b>Chairman and Managing Director</b>	
		Sanjay Lalbhai	-5.00
		<b>Whole Time Director and Chief Financial Officer</b>	
		Jayesh Shah	-6.00
		<b>Executive Directors</b>	
		Punit Lalbhai	-6.00
		Kulin Lalbhai	-6.00
		<b>Company Secretary</b>	
		Ramnik Bhimani	12.00
iii)	The percentage increase in the median remuneration of employees in the financial year		13.00
iv)	The number of permanent employees on the rolls of the Company		30454
v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase for Key Managerial Personnel is 5.86% and for other employees was about 9.48%. There is no exceptional increase in remuneration of Key Managerial Personnel.	
vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.	



# CORPORATE GOVERNANCE REPORT

Your Directors present the Company's Report on Corporate Governance for the year ended on 31st March 2019.

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

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

### Our corporate governance philosophy is based on the following principles:

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

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

## 2. BOARD OF DIRECTORS

### 2.1 Composition of the Board:

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

The Company has re-appointed Mr. Dileep Choksi as an Independent Director w.e.f. 12th May 2019 for a second term of five years and appointed Mr. Arpit Patel as an Independent Director w.e.f. 17th May 2019 for a term of five years.

The following is the Composition of the Board as at 31st March 2019:

Sr. No.	Name of Director	Executive/Non-Executive/Independent Director	No. of Directorships held (Including Arvind Ltd.)*	Committee(s) position (Including Arvind Ltd.)**	
				Member	Chairman
1	Mr. Sanjay S. Lalbhai	Chairman & Managing Director	6	1	1
2	Mr. Punit S. Lalbhai	Executive Director	10	0	1
3	Mr. Kulin S. Lalbhai	Executive Director	6	1	0
4	Mr. Jayesh K. Shah	Wholetime Director and Chief Financial Officer	11	4	0
5	Dr. Bakul Dholakia	Independent Director	5	2	2
6	Ms. Renuka Ramnath	Independent Director	15	2	2
7	Mr. Dileep Choksi	Independent Director	9	5	4
8	Mr. Vallabh Bhanshali <sup>+</sup>	Independent Director	8	0	0
9	Mr. Samir Mehta	Independent Director	4	1	0
10	Mr. Nilesh Shah	Independent Director	4	5	0

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

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

+The term of five years of Mr. Vallabh Bhanshali as an Independent Director of the Company has expired on 11th May 2019 and accordingly he ceased to be an Independent Director of the Company with effect from 11th May 2019.



**Names of the Listed Entities where the person is a Director and the category of Directorship:**

Sr. No.	Name of the Director	Name of Listed Company	Category of Directorship
1	Mr. Sanjay S. Lalbhai	Adani Ports and Special Economic Zone Limited	Independent and Non-Executive Director
		Arvind SmartSpaces Limited	Chairman & Non-Executive Director
		Arvind Fashions Limited	Chairman & Non-Executive Director
		The Anup Engineering Limited	Chairman & Non-Executive Director
2	Mr. Punit S. Lalbhai	The Anup Engineering Limited	Non-Executive Director
3	Mr. Kulin S. Lalbhai	Arvind SmartSpaces Limited	Non-Executive Director
		Zydus Wellness Limited	Non-Executive and Independent Director
		Arvind Fashions Limited	Non-Executive Director
4	Mr. Jayesh K. Shah	Arvind Fashions Limited	Non-Executive Director
5	Dr. Bakul Dholakia	Gujarat State Petronet Limited	Independent Director
		Ashima Limited	Independent Director
6	Ms. Renuka Ramnath	Ultratech Cement Limited	Independent Director
		Tata Communications Limited	Chairperson (Independent Director)
		L&T Technology Services Limited	Independent Director
		PVR Limited	Non-Executive Non Independent Director
		Indian Energy Exchange Limited	Non-Independent Non-executive Director
7	Mr. Dileep Choksi	Lupin Limited	Independent Director
		AIA Engineering Limited	Independent Director
		Swaraj Engines Limited	Non-Executive Independent Director
		Hexaware Technologies Limited	Non-Executive Independent Director
		ICICI Prudential Life Insurance Company Limited	Independent Director
8	Mr. Vallabh Bhanshali <sup>+</sup>	Arvind Fashions Limited	Non-Executive Independent Director
9	Mr. Samir Mehta	Torrent Pharmaceuticals Limited	Managing Director
		Torrent Power Limited	Managing Director
10	Mr. Nilesh Shah	Arvind Fashions Limited	Non-Executive Independent Director
11	Mr. Arpit Patel <sup>*</sup>	The Anup Engineering Limited	Independent Director

<sup>+</sup>The term of five years of Mr. Vallabh Bhanshali as an Independent Director of the Company has expired on 11th May 2019 and accordingly he ceased to be an Independent Director of the Company with effect from 11th May 2019.

<sup>\*</sup>The Company has appointed Mr. Arpit Patel as an Independent Director w.e.f. 17th May 2019 for a term of five years.

**2.2 Key Board Qualifications, Expertise and Attributes:**

The Company's core businesses include manufacturing and sales of fabrics and apparel, in India and abroad. In addition, the Company also has small but growing presence in technical textile products, composites as well as water and waste water processing.

In context of the above mentioned businesses, following capabilities and expertise have been identified by the Board of Directors for it to function effectively and are available among the board members collectively:

- Sales and marketing including an understanding of consumer markets in India, US and Europe
- International business experience covering operations in new geographies
- Innovation management to ensure continuing relevance of Company's offerings under changing market conditions
- Manufacturing and supply chain management including running production facilities
- General management and financial management skills including mergers and acquisitions, legal and regulatory, risk management, industrial relations and overall stakeholder management

**2.3 Board Agenda:**

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board Member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board Members at least 7 working days in advance. In addition, for any business exigencies



the resolutions are passed by circulation and later places at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

#### **Invitees & Proceedings:**

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

#### **Support and Role of Company Secretary:**

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

### **2.4 Meetings and Attendance:**

During the year, the Board of Directors met 4 times on 9th May 2018, 6th August 2018, 1st November 2018 and 7th February 2019. The gap between two Board Meetings was within the maximum time gap prescribed in SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

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

+The term of five years of Mr. Vallabh Bhanshali as an Independent Director of the Company has expired on 11th May 2019 and accordingly he ceased to be an Independent Director of the Company with effect from 11th May 2019.

### **2.5 Independent Directors:**

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

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies. No person has been appointed or continuing as an Alternate Director for an Independent Director of the Company.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors fulfills the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

During the year under review, the Independent Directors met on February 7, 2019, interalia:

- To review the performance of the Non-Independent Directors (Executive Directors);
- To review the performance of the Board of the Company as a whole;
- To review the performance of Chairman of the Company taking into account the views of Executive Directors on the same;
- To assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

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



**2.6 Disclosure of relationships between the Directors inter-se:**

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

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

Name	Category	Number of equity shares
Dr. Bakul Dholakia	Non-Executive Independent Director	20200
Ms. Renuka Ramnath	Non-Executive Independent Director	295
Mr. Nilesh Shah	Non-Executive Independent Director	211

During the year under review, the Company has not issued any Convertible Instruments.

**2.8 Familiarisation Programme for Independent Director:**

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

The details of familiarisation program imparted to Independent Directors is also posted on the Company's Website at [http://arvind.com/sites/default/files/field\\_policy\\_file/FamiliarisationProgramsofIDs.pdf](http://arvind.com/sites/default/files/field_policy_file/FamiliarisationProgramsofIDs.pdf).

**2.9 Code of Conduct for Directors and Senior Management Personnel:**

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

**2.10 Code for Prohibition of Insider Trading:**

During the year, the Company has amended the Code of Conduct for Prohibition of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and also formulated Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

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

**2.11 Committees of the Board:**

**The Board of Directors has constituted 6 Committees of the Board viz.**

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

**3. AUDIT COMMITTEE**

The Audit Committee of the Company comprises of 5 members out of which 4 members are Non-Executive Independent Directors. Mr. Arpit Patel, Non-Executive Independent Director has been appointed as a Member and Chairman of the Committee w.e.f. 17th May 2019. The Committee members are professionals having requisite experience in the fields of Finance and Accounts, Banking and Management.



### 3.1 Terms of reference of the committee:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to Auditors for any other services rendered by the Auditors of the Company;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon 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 (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons thereto;
  - 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; and
  - g) modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Formulating a policy on related party transactions, which shall include materiality of related party transactions;
9. Approval or any subsequent modification of transactions of our Company with related parties;
10. Scrutiny of inter-corporate loans and investments;
11. Valuation of undertakings or assets of our Company, wherever it is necessary;
12. Evaluation of internal financial controls and risk management systems;
13. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
14. 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;
15. Discussion with internal auditors of any significant findings and follow up there on;
16. 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;
17. 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;
18. 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;
19. To review the functioning of the whistle blower mechanism;
20. Approval of the appointment of the CFO of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. to review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
22. to review the compliance with the provisions of Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively; and
23. to carry out any other function as is mentioned in the terms of reference of the Audit Committee.



**Audit Committee shall mandatorily review the following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Company;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors of our Company;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor;
6. Statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchanges in terms of sub-regulation (1) of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of sub-Regulation (7) of Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3.2 The Composition of the Committee as at 31st March 2019 and the details of Members participation at the Meetings of the Committee are as under:**

During the year, 4 Audit Committee Meetings were held on 9th May 2018, 6th August 2018, 1st November 2018 and 7th February 2019. The Attendance of Members at meetings was as under:

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

\*Mr. Dileep Choksi has ceased to be a Chairman of the Committee.

The representatives of Internal and Statutory Auditors are invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee of the Company comprises of 3 Directors viz. Dr. Bakul Dholakia, Ms. Renuka Ramnath and Mr. Dileep Choksi, all of whom are Non-Executive Independent Directors. Dr. Bakul Dholakia acts as a Chairman of the Committee. No Committee meeting was held during the year.

**4.1 The terms of reference of the Committee:**

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identify persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
5. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.

**4.2 Evaluation of the Board's Performance:**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who



were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

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

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

#### 4.3 Remuneration of Directors:

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

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

Details of remuneration to all Directors for the Financial Year 2018-19 are as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Retirement & Leave Benefits (₹)	Sitting Fees (₹)	Commission/ Bonus (₹)	Stock Option
1	Mr. Sanjay S. Lalbhai	10416000	21319658	1824915	-	29000000	-
2	Mr. Punit S. Lalbhai	4140000	10587564	1805257	-	15950000	-
3	Mr. Kulin S. Lalbhai	4140000	10595729	2141148	-	15950000	-
4	Mr. Jayesh K. Shah	6948000	13870846	1833648	-	18850000	-
5	Dr. Bakul Dholakia	-	-	-	70000	750000	-
6	Ms. Renuka Ramnath	-	-	-	30000	650000	-
7	Mr. Dileep Choksi	-	-	-	90000	750000	-
8	Mr. Vallabh Bhanshali <sup>+</sup>	-	-	-	40000	550000	-
9	Mr. Samir Mehta	-	-	-	30000	550000	-
10	Mr. Nilesh Shah	-	-	-	70000	750000	-

+The term of five years of Mr. Vallabh Bhanshali as an Independent Director of the Company has expired on 11th May 2019 and accordingly he ceased to be an Independent Director of the Company with effect from 11th May 2019.

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

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

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

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

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has 3 Members comprising of 1 Non-Executive Independent Director and 2 Executive Directors. Dr. Bakul Dholakia, Non-Executive Independent Director, acts as a Chairman of the Committee.

### 5.1 Terms of reference of the Committee:

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has revised the terms of reference of the Committee. The revised terms of reference are:

1. Resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent; and
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.



**5.2 The Composition of the Committee as at 31st March 2019 and the details of Members participation at the Meetings of the Committee are as under:**

During the year, 3 Stakeholders' Relationship Committee Meetings were held on 6th August 2018, 1st November 2018 and 7th February 2019. The Attendance of Members at meetings was under:

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

**5.3 Name and Designation of Compliance Officer:**

R. V. Bhimani

Company Secretary

**5.4 Details of Complaints / Queries received and redressed during 1st April 2018 to 31st March 2019 are as follows:**

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
Nil	48	48	Nil

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

**6. RISK MANAGEMENT COMMITTEE**

The Company has constituted the Risk Management Committee of the Board w.e.f. 01.11.2018. The Risk Management Committee has 4 Members comprising of 1 Executive Director viz. Mr. Jayesh K. Shah and 3 Non-Executive Independent Directors viz. Dr. Bakul Dholakia, Mr. Dileep Choksi and Mr. Nilesh Shah. No committee meeting was held during the year.

**6.1 Terms of reference of the Committee:**

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To frame, devise, monitor and review the risk management plan and policy of the Company;
3. To review and recommend potential risk involved in any new business plans and processes; and
4. Any other similar functions as may be laid down by Board from time to time and such other functions specifically cover cyber security.

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

**7.1 Terms of reference of the Committee:**

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
2. To finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act, 2013;
3. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1);
4. Monitor the Corporate Social Responsibility Policy of the Company from time to time;
5. Review the CSR Report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board Report.



## 7.2 Composition of the Committee as at 31st March 2019 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 2 Meetings were held on 9th May 2018 and 1st November 2018.

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

## 8 MANAGEMENT COMMITTEE

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

### 8.1 Role:

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

### 8.2 The Composition of the Committee as at 31st March 2019 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 23 Management Committee Meetings were held on various dates. The Attendance of Members at meetings was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Member	23	19
2	Mr. Punit S. Lalbhai	Member	23	17
3	Mr. Kulin S. Lalbhai	Member	23	12
4	Mr. Jayesh K. Shah	Member	23	22

## 9 INFORMATION ON GENERAL BODY MEETINGS

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

Date	Time	Venue
30th August 2018	09:30 a.m.	J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015
4th August 2017		Thakorebhai Desai Hall, Nr. Law Garden, Ellisbridge, Ahmedabad - 380006
4th August 2016		

### 9.2 Special Resolutions passed in the last 3 Annual General Meetings:

#### 2017-18

1. Special Resolution for approval of offer or invitation to subscribe to Non-convertible Debentures on private placement basis upto ₹ 500 crores.
2. Special Resolution for the amendment to the "Arvind Limited - Employee Stock Option Scheme 2008".

#### 2016-17

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

#### 2015-16

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



**9.3 Extraordinary General Meeting (EGM):**

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

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

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

**10. MEANS OF COMMUNICATION**

- 10.1 The Quarterly, half-yearly and yearly financial Results are published in the Financial Express - All India Editions and Financial Express - Gujarati Edition of Ahmedabad and are also posted on the Company's website at [www.arvind.com](http://www.arvind.com).
- 10.2 Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Moreover, the Company's website hosts a special page giving information which investors usually seek.
- 10.3 Presentations made to institutional investors/analysts are posted on the Company's website at [www.arvind.com](http://www.arvind.com).

**11. GENERAL SHAREHOLDER INFORMATION****11.1 Annual General Meeting:**

Date	6th August 2019
Time	09:30 a.m.
Venue	J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015

**11.2 Financial Calendar (Tentative):**

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

First quarter results	:	First week of August, 2019
Second quarter results / Half yearly results	:	Last week of October, 2019
Third quarter results	:	Last week of January, 2020
Fourth quarter results / Year end results	:	First week of May, 2020

**11.3 Book Closure: 31st July 2019 to 6th August 2019 (Both Days inclusive)****11.4 Dividend Payment Date: 10th August 2019****11.5 Listing on Stock Exchanges:**

- Equity Shares**

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

- Non-Convertible Debentures**

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

**Scrip Code:**

956873: ARVIND-8%-8-9-21-PVT  
 956950: AL-7.79%-29-9-20-PVT  
 956951: AL-7.79%-29-9-22-PVT

**Debenture Trustee (for privately placed Debentures):**

Axis Trustee Services Limited  
 2nd Floor - E, Axis House  
 Bombay Dyeing Mills Compound  
 Pandurang Budhkar Marg  
 Worli, Mumbai - 400025  
 Tel. No.: 022 - 26593535  
 Fax No.: 022 - 26533297  
 Website: [www.axistrustee.com](http://www.axistrustee.com)

The Company has paid Annual Listing Fees for the year 2019-2020 to the above Stock Exchanges.



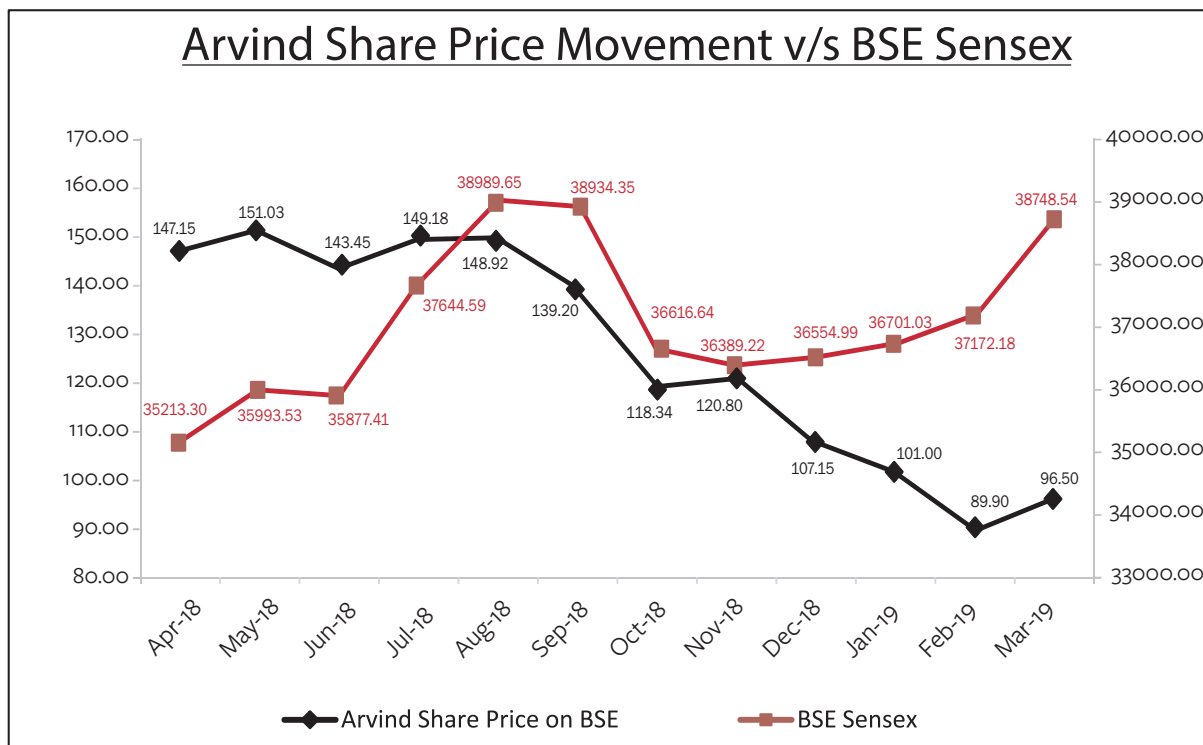
## 11.6 Market Price Data:

The market price data and volume of the Company's share traded in the BSE Ltd. and the National Stock Exchange of India Ltd. during the Financial Year 2018-19 were as under:

Month	Share price BSE*		BSE Sensex		Volume No. of shares	Share price NSE*		NSE (NIFTY)		Volume No. of shares
	High (₹)	Low (₹)	High	Low		High (₹)	Low (₹)	High	Low	
Apr-18	147.15	129.47	35213.30	32972.56	2844540	147.32	129.23	10759.00	10111.30	26767093
May-18	151.03	128.54	35993.53	34302.89	3335152	151.11	128.23	10929.20	10417.80	44936401
Jun-18	143.45	126.19	35877.41	34784.68	3225277	143.36	126.06	10893.25	10550.90	28792969
Jul-18	149.18	130.70	37644.59	35106.57	1914401	149.16	130.61	11366.00	10604.65	35169627
Aug-18	148.92	132.23	38989.65	37128.99	2730012	147.87	131.78	11760.20	11234.95	48876207
Sep-18	139.20	107.10	38934.35	35985.63	3376621	139.20	106.54	11751.80	10850.30	40586293
Oct-18	118.34	98.31	36616.64	33291.58	2356381	118.51	98.28	11035.65	10004.55	41239463
Nov-18	120.80	90.25	36389.22	34303.38	14622304	121.02	90.25	10922.45	10341.90	203861909
Dec-18	107.15	95.55	36554.99	34426.29	9732330	107.15	95.50	10985.15	10333.85	105526078
Jan-19	101.00	84.75	36701.03	35375.51	6716876	100.95	84.80	10987.45	10583.65	45023653
Feb-19	89.90	72.80	37172.18	35287.16	4283962	89.40	72.80	11118.10	10585.65	40799477
Mar-19	96.50	75.90	38748.54	35926.94	9245237	96.60	76.35	11630.35	10817.00	111952568

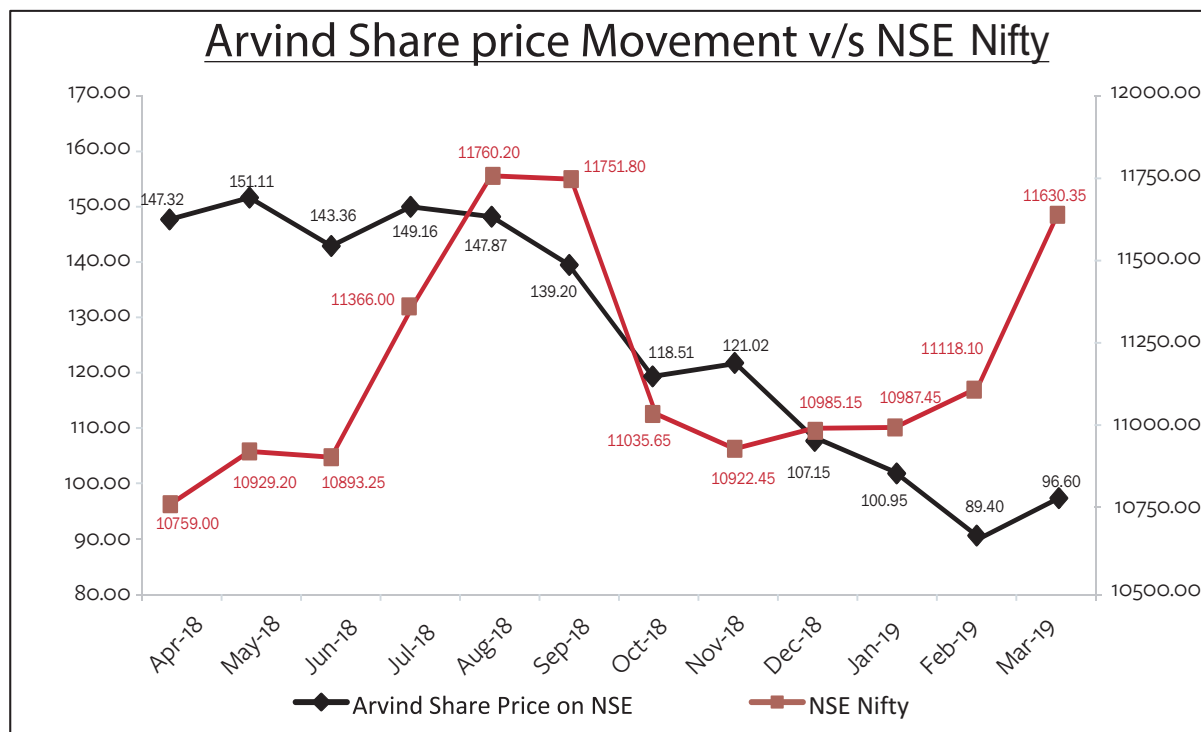
\*Pursuant to the Composite Scheme of Arrangement involving De-merger, amalgamation and restructure of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective shareholders and creditors, approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench, the Company had fixed the record date as 29.11.2018 for ascertaining the entitlement to receive equity shares of Arvind Fashions Limited and Anveshan Heavy Engineering Limited by the shareholders of the Company. In pursuance of the record date fixed, the Stock Exchanges has notified the ex-date as 28.11.2018 and the market price of the shares got adjusted w.e.f. the ex-date. For the pre-demerger prices, the Stock Exchanges have adjusted the market price to make them comparable. We have taken the adjusted market price for the whole year in the same line.

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





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

**11.7 Registrar And Transfer Agent:**

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

**11.8 Share Transfer System:****(I) Delegation of Share Transfer Formalities:**

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

**(II) Share Transfer Details for the period from 1st April 2018 to 31st March 2019:**

Transactions	Physical
Number of Transfers	954
Average Number of Transfers per month	79.5
Number of Shares Transferred	47779
Average Number of shares Transferred per month	3981.58
No. of Pending Share Transfers	Nil



### (III) Investors' Grievances:

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

#### 11.9 Category wise shareholding as on 31st March 2019:

Sr. No.	Category	No. of Shares held	Percentage of Shareholding
1	Promoter & Promoter Group	111468552	43.10
2	Mutual Funds, Alternate Investment Funds & UTI	34390842	13.30
3	Financial Institutions, Banks, Insurance Companies & Central/State Government	4708351	1.82
4	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs & Foreign Banks	53620236	20.73
5	NBFCs registered with RBI	58355	0.02
6	Bodies Corporate	8788433	3.40
7	Individuals	40299524	15.58
8	Trusts	1644505	0.64
9	Hindu Undivided Family	1714276	0.66
10	Clearing Members	1921095	0.74
11	Overseas Bodies Corporates	2900	0.00
<b>Total</b>		<b>258617069</b>	<b>100.00</b>

#### 11.10 Distribution of shareholding as on 31st March 2019:

Sr. No.	Shares Range			Number of Shareholders	Total Shares for the Range	Percentage of Issued Capital
1	1	to	500	215758	17998278	6.96
2	501	to	1000	7025	5569146	2.15
3	1001	to	2000	2899	4343460	1.68
4	2001	to	3000	926	2352481	0.91
5	3001	to	4000	403	1444745	0.56
6	4001	to	5000	330	1546616	0.60
7	5001	to	10000	461	3371794	1.30
8	10001	to	*****	481	221990549	85.84
<b>Total</b>				<b>228283</b>	<b>258617069</b>	<b>100.00</b>

#### 11.11 Dematerialisation of shares and liquidity:

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on 31st March 2019, 25,57,50,453 shares representing 98.89% of the issued capital have been dematerialised by investors and bulk of transfers take place in the demat form.

##### Demat ISIN:

Equity Shares fully paid: INE034A01011

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

Not Applicable



**11.13 Commodity price risk or foreign exchange risk and hedging activities:**

The Company has a comprehensive Risk Management Policy for commodities. The policy covers, amongst other things, risk definition, management strategy and guidelines, risk limits and accounting. The Company has highest exposure from cotton as a commodity. Risks faced by the Company in Cotton sourcing & supply chain falls under 3 broad categories:

**(a) Outright Price Risk on Cotton inventory (bought or yet to be bought):**

When the Company is long Cotton, it is exposed to outright price risk of a fall in market prices for that part of Cotton inventory that is not squared off by short position on the fabric side. On the other hand, if the Company is short Cotton, it is exposed to outright price risk of a hike in market prices.

In order to mitigate outright price position risk, the Company maintains cotton inventory enough to last - not less than 30 days of consumption for all domestically sourced Cotton categories and 60 days of inventory for all import Cotton categories. Mark to Market valuation of inventory is being done on a regular basis. If the mark to market value of any Cotton category falls more than the risk limit defined as per the Policy for that category, the Company hedges the position through futures hedging strategy (either on MCX and/or ICE futures) to mitigate the fall in market.

To aid risk mitigation strategies in the above-mentioned circumstances, the Company does a rigorous analysis of various data points to aid price view formation. These include:

- (i) Fundamental analysis of the market - pertaining to Supply & Demand analysis of Cotton in Indian market and relevant overseas origins;
- (ii) Structural analysis of market - wherein the Company tracks the investment positions of speculators, hedge funds & trade participants in the ICE futures market.

**(b) Supply Chain and Operational Risks:**

Indian Cotton season lasts from 1st October of a given year to 30th September of the following year. In India, prime quality of cotton needed for Denim and Shirting business is available in sufficient quantities between December and April months.

To map & mitigate the risk of non-availability of quality cotton during these months, the Company builds inventory for those quality sensitive categories - whose availability is lower after the month of April. The Company employs similar strategy for sourcing Contamination Free Cotton categories as well.

Counterparty credit risk exposure & liabilities are also tracked on a daily basis through coordination with F&A department.

**(c) Forex Risk:**

Company is exposed to foreign exchange risk on account of import and export transactions entered. For Cotton imports, the Company has to make payment in USD terms; therefore the Company is exposed to the risk of depreciation in the local currency.

Since the Company is a net exporting Company, Forex hedge management is done centrally by the FX Desk. The Company is proactively mitigating these risks by entering into commensurate forex hedging transactions, after taking into account the natural hedge available to it from export transactions.

**2. Exposure of the Company to Commodity i.e. Raw Cotton Lint is as follows:**

Exposure in Quantity - 20693 MT

Exposure in INR - ₹ 259.50 crores

**11.14 Plant Locations:**

- (a) Lifestyle Fabrics - Denim, Arvind Limited, Naroda Road, Ahmedabad - 380025, Gujarat, India
- (b) Lifestyle Fabrics - Voiles, Ankur Textiles, Outside Raipur Gate, Ahmedabad - 380022, Gujarat, India
- (c) Lifestyle Fabrics - Shirting, Khakis and Knitwear, Arvind Limited, PO Khatrej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat, India
- (d) Lifestyle Apparel - Knits, Arvind Limited, PO Khatrej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat, India
- (e) Lifestyle Apparel - Jeans, Arvind Limited, #26/2, 27/2, Kenchenahalli, Mysore Road, Near Bangalore University, Bangalore - 560059, Karnataka, India
- (f) Lifestyle Apparel - Shirts, Arvind Limited, #63/9, Dodda Thogur Village, Electronic City, Hosur Road, Bangalore - 560100, Karnataka, India
- (g) Arvind Intex (Division of Arvind Limited), Rajpur Road, Gomtipur, Ahmedabad - 380021, Gujarat, India



- (h) Arvind Polycot, Khatrej, Taluka Kalol, Dist. Gandhinagar - 382721, Gujarat, India  
 (i) Arvind Cotspin, D-64, MIDC, Gokul Shirgaon, Tal. Karveer, Kolhapur - 416234, Maharashtra, India

#### 11.15 Unclaimed Dividend:

- (1) Unclaimed dividends upto and including the financial years 1993-94 have been transferred to the General Revenue Account of the Central Government. Shareholders who have not encashed their dividend warrants relating to any financial year upto 1993-94 are requested to claim the amounts from the Registrar of Companies, Gujarat, ROC Bhavan, Near Ankur Bus Stand, Naranpura, Ahmedabad - 380013 in the prescribed form. Investors may write to the Secretarial Department of the Company or the Registrars and Transfer Agent for a copy of the form.
- (2) Dividends on equity shares for the financial years 1994-95 to 1997-98, 2004-05 and 2005-06 remaining unclaimed for 7 years from their due dates have been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government pursuant to Section 205C of the Companies Act, 1956.
- (3) The Company did not declare any dividends on equity shares for the financial years 1998-99 to 2003-04 and 2006-07 to 2010-11.
- (4) The dividends on equity shares for the following years remaining unclaimed for 7 years from the dates of declaration are required to be transferred by the Company to IEPF and the various dates for transfer of such amounts are as under:

Financial Year	Date of Declaration	Due for transfer to IEPF*
2011-12	28th September 2012	3rd November 2019
2012-13	29th July 2013	3rd September 2020
2013-14	30th July 2014	4th September 2021
2014-15	6th August 2015	11th September 2022
2015-16	4th August 2016	9th September 2023
2016-17	4th August 2017	9th September 2024
2017-18	30th August 2018	5th October 2025

\* Actual dates of transfer to IEPF may vary.

#### 11.16 Nomination Facility:

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

#### 11.17 List of all Credit Ratings obtained by the entity:

At the time of issuance of Non-Convertible Debentures, Company has obtained Credit Ratings from CARE Ratings Limited which was CARE AA, Stable. The said rating was reaffirmed by them vide their letter dated December 3, 2018.

#### 11.18 Address for correspondence:

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

Arvind Limited Secretarial Department Naroda Road, Ahmedabad - 380 025 Phone Nos.: 079-68268000/8108/8109 E-mail: <a href="mailto:investor@arvind.in">investor@arvind.in</a> Website: <a href="http://www.arvind.com">www.arvind.com</a>	Link Intime India Private Limited 5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1) Beside Gala Business Centre (GBC), Near St. Xavier's College Corner Off C. G. Road, Ellisbridge, Ahmedabad - 380 006 Phone Nos.: 079-26465179/86/87 Fax No.: 079-26465179 E-mail: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
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## 12. OTHER DISCLOSURES

- 12.1 There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries etc. that had potential conflict with the Company's interest. Suitable disclosure as required by the Indian Accounting Standard (Ind AS 24) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's Website at [http://arvind.com/sites/default/files/field\\_policy\\_file/RelatedPartyTransactionsPolicy.pdf](http://arvind.com/sites/default/files/field_policy_file/RelatedPartyTransactionsPolicy.pdf).
- 12.2 Transactions with related parties are disclosed in detail in Note No. 35 in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.
- 12.3 There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
- 12.4 No Strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years.



- 12.5 The Company has formed the policy for determining material subsidiary as required by Regulation 16 of the SEBI (LODR) Regulations, 2015 and the same is disclosed on the Company's website. The web link is [http://arvind.com/sites/default/files/field\\_policy\\_file/PolicyonMaterialSubsidiaries.pdf](http://arvind.com/sites/default/files/field_policy_file/PolicyonMaterialSubsidiaries.pdf).

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

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

#### 12.6 Vigil Mechanism:

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

During the year, the Whistleblower Policy (WB Policy) was amended in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The WB Policy provides a framework and avenue for all directors, employees, business associates and other stakeholders which are a part of the business ecosystem of the Company for reporting, in good faith, instances of unethical/improper conduct in the Company and commitment in adhering to the standards of ethical, moral and fair business practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

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

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

**Website for Complaints:** [www.in.kpmg.com/ethicshelpline/Arvind](http://www.in.kpmg.com/ethicshelpline/Arvind)

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

**Dedicated Email ID:** [arvind@ethicshelpline.in](mailto:arvind@ethicshelpline.in)

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

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

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

#### 12.8 Certification from Company Secretary in Practice:

Mr. Hitesh Buch, Proprietor of M/s. Hitesh Buch & Associates, Practicing Company Secretaries, has issued a certificate as required under the SEBI (LODR) Regulations, 2015, confirming that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

#### 12.9 Complaints pertaining to Sexual Harassment:

During the year, the Company has received o (zero) complaint pertaining to sexual harassment.

#### 12.10 Details of total fees paid to Statutory Auditors:

Details relating to fees paid to the Statutory Auditors are given in Note 26 to the Standalone Financial Statements and Note 27 to the Consolidated Financial Statements.

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

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

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in Regulation 27(1) of the SEBI (LODR) Regulations, 2015, is provided below:

- a. **The Board:** The Chairman of the Company is Executive Director.
- b. **Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on Company's website [www.arvind.com](http://www.arvind.com) and same are not being sent to the shareholders.
- c. **Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.
- d. **Separate posts of Chairperson and Chief Executive Officer:** Mr. Sanjay S. Lalbhai is the Chairman and Managing Director of the Company.
- e. **Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on 17th May 2019 and the same was approved.

For and on behalf of the Board



## CEO/CFO certification

The Board of Directors  
Arvind Limited  
Ahmedabad

### Re: Financial Statements for the year 2018-19 - Certification by CEO and CFO

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

- A. We have reviewed financial statements and the cash flow statement for the financial year ending 31st March, 2019 and that to the best of our knowledge and belief :
  1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee:
  1. significant changes in internal control over financial reporting during the year;
  2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Ahmedabad  
May 17, 2019

**Sanjay Lalbhai**  
Chairman & Managing Director

**Jayesh Shah**  
Whole time Director & CFO

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

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

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2019.

Ahmedabad  
May 17, 2019

**Sanjay Lalbhai**  
Chairman & Managing Director



TO  
THE MEMBERS OF  
ARVIND LIMITED

#### INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated October 24, 2018.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **ARVIND LIMITED** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

#### Managements' Responsibility

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

#### Auditor's Responsibility

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

#### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Kartikeya Raval**  
Partner  
(Membership No.106189)

Place: Ahmedabad  
Date: May 17, 2019



# Management Discussion and Analysis

## Disclaimer

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

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

## Market context – Global and Indian economy and T&A export situation

2018 started with the expectation of a bumper growth of around 4% in global real GDP growth. However, by second half of the year, several factors collectively impacted the outlook and the year closed at about 3.6% growth. US-China trade tensions, weak macroeconomic situation in countries like Argentina and Turkey, auto sector issues in Germany and tighter monetary policy in China – all contributed to slowing of growth. Most of these factors are still playing out in the first part of 2019, though recovery is expected later in the year and expectations are that 2019 will clock 3.3% growth in global GDP.

India closed fiscal year 2018-19 with a real GDP growth of 7.2% - highest in past 3 years. However, quarterly data indicates that the year started at 8%+ growth in Q1 and has seen growth rate slowing down in successive quarters with Q3 delivering only 6.6%. All eyes are on the election results at this point, which will give direction to the next phase of infrastructure spending, farm support and taxation policies. Jury is still out on the likely economic growth in FY 2019-20 – with estimates ranging from 6.8% to 7.5% by different agencies.

In FY 2018-19, the Indian economy saw several interesting milestones being achieved. Exports are estimated to hit \$330 billion – surpassing the earlier record of \$314 billion in FY 2013-14. GST collections hit rupees 1 lakh crore per month mark, consistently for many months in the later part of the year. Village electrification got completed in April 2018 and we are now nearing universal household electrification. The stock market ended the fiscal on a strong upward momentum towards historic highs. Rupee depreciated sharply in the beginning of the year, but recovered a portion of lost ground by end of March. Inflation remained low, largely aided by low food prices. Government set export targets for agricultural products for the first time in history.

2018 saw modest single digit growth in overall apparel and textile consumption globally. China continued to shed its market share, but India has been clearly missing the bus – most of the gains have been captured by Bangladesh and Vietnam – clearly the 2nd and 3rd largest exports after China, respectively. Bangladesh clearly accounts for over 6% of the global apparel exports while Indian exports continue to de-grow for a second year in a row. Other than cotton yarn exports, most

other categories – especially Indian apparel exports are clearly seeing de-growth. Early part of the year, the competitiveness was hampered by a strong rupee. While it got corrected as the year progressed, the lag effect and other factors, including mixed government support for T&A exports resulted in an overall lack-lustre performance of the sector.

Indian textile industry continues to be dominated by cotton, accounting for nearly 3/4th of the total fibre consumption in the country. Globally fibre consumption is dominated by manmade fibres having 70 per cent of share in total fibre consumption. Contrary to the global trend, fibre consumption in India is skewed towards natural fibres with around 65% share, especially cotton.

Area under Cotton cultivation in India in 2018-19 remained almost the same as previous season at 122 lakh hectares. Cotton production in India is estimated at 330 +/- lakh bales of 170 kg each in 2018-19, down from 360+ lakh bales produced in 2017-18. Reduced production in 2018-19 is primarily due to weaker rainfall pattern compared to the previous year. In 2018-19, total supply of cotton including carry forward inventory from previous year and imports in the current year is likely to be 395 lakhs bales vis-à-vis 410 lakhs bales in 2017-18. Reduced supply in the current year has led to prices remaining firm in the India compared to other Cotton producing countries.

In fact for most of the season, Indian Cotton price traded well above the new MSP level, announced by Government of India based on the recommendation by Commission for Agricultural Costs & Prices (CACP). International Cotton prices remained volatile throughout the year mainly influenced by trade related developments between US and China. Such global volatility also imparted volatility to the Cotton prices in India. Considering the price disparity between India and rest of the world, India is likely to import around 30 lakh bales, which if realised will be the highest volume of imported Cotton by India.

## Arvind’s business performance summary

2018 was a momentous year in the history of Arvind. The company demerged two of its businesses into separately listed entities – Arvind Fashions (which was hitherto being reported as Branded Apparel in the past disclosures) and Anup Engineering (the heavy fabrication business, which has been a division of Arvind). As such, the remaining portfolio of Arvind Limited is focused around the key textile businesses – Denim, Wovens, Knits and Voiles. In addition, it also includes Advanced Materials, Envisol, Internet and few other smaller businesses.

During this year, Arvind’s core textile and apparel business continued implementing its stated strategy of growing around four clear pillars – verticalization, innovation, advanced materials and B2C business growth.

In terms of vertical business growth, the year saw expansion of our factories in and around Bangalore, opening up of new plants in Ranchi and Ahmedabad and scaling-up of our Ethiopia operations. As a result, the proportion of fabrics that we sell as full vertical apparel solution increased to about 9% and is poised to grow rapidly in the coming financial year. The company continued to introduce new innovative products, including knitted indigo dyed apparel – which promises to bring denim like aesthetic in the comfort of a knitwear apparel. On woven products side, the focus of innovation was around experimentation with new sustainable fibres, creative blends and significant reduction in use of dyes, chemicals and in turn, water. The B2C business was re-structured in this year and all channels were



brought under one common leadership to drive a concerted and integrated strategy.

Arvind's Advanced Material Division primarily consists of three business clusters: Human Protection (fire resistant fabrics and garments, work wear etc), Industrial products (Filtration, Conveyor Belt Fabric, Coated Products, auto-interiors etc) and Advance Composites. This business delivered strong growth across all the clusters through improvement of share-of-wallet, distribution expansion and enhanced product range. Several new tie-ups were culminated during the year – the impact of these will be visible over next few quarters.

Arvind Envisol – the Company's water and waste-water treatment division – saw historic growth driven by follow-up orders from Ethiopia and significantly improved traction in India. This business is focused on expanding its foot-print in other international markets, as well as growing its consumables and O&M business across all segments.

### Result Review

Overall revenues of the Company grew 5% in FY19 primarily driven by 25% growth in Advanced Materials and sharp expansion in garmenting volumes. Operating Earnings (excluding other income) before Interest Depreciation and Taxes (EBITDA) increased by 6% - erosion in Textile margins was compensated by turnaround of Advanced Materials from negative to +10% EBITDA. Also, there was a strong positive contribution from our fledgling water and waste water solutions business that formed a part of 'Others' segment. Consolidated PBT was down 9% at ₹ 300 crores. Profit after Tax stood at ₹ 239 crores, which was down 8% as compared to previous year.

₹ in Crores

Particulars	For the year ended			
	March 31, 2019		March 31, 2018	
	Amount	% of sales	Amount	% of sales
Revenue from Operations	7,142		6,794	
Other Income	84		74	
<b>Total Revenue</b>	<b>7,226</b>		<b>6,868</b>	
Cost of Material Consumed	2,915	40%	2,696	39%
Purchase of Stock in Trade	387	5%	480	7%
Change in inventory	-41	-1%	-1	0%
Project Expenses	103	1%	13	0%
Employee	900	12%	875	13%
Power & Fuel	510	7%	504	7%
Stores Consumption	538	7%	483	7%
Other Expenses	1,114	15%	1,069	16%
<b>EBITDA</b>	<b>800</b>	<b>11%</b>	<b>748</b>	<b>11%</b>
<b>EBITDA w/o Other Income</b>	<b>717</b>	<b>10%</b>	<b>674</b>	<b>10%</b>
Depreciation	235	3%	222	3%
Finance Cost	220	3%	176	3%
Share of profit/(loss) of Joint Venture	1		3	
<b>Profit before Exceptional Items and Tax</b>	<b>346</b>	<b>5%</b>	<b>353</b>	<b>5%</b>
Exceptional Items	-46		-23	
<b>Profit before Taxes</b>	<b>300</b>	<b>4%</b>	<b>330</b>	<b>5%</b>

₹ in Crores

Particulars	For the year ended			
	March 31, 2019		March 31, 2018	
	Amount	% of sales	Amount	% of sales
Tax Expenses	62		69	
<b>Profit after Tax</b>	<b>239</b>	<b>3%</b>	<b>261</b>	<b>4%</b>
Minority Interest	2		6	
<b>Net Profit</b>	<b>237</b>	<b>3%</b>	<b>254</b>	<b>4%</b>
Profit/(loss) from discontinued operations	-10		55	
<b>Profit for the Period</b>	<b>226</b>	<b>3%</b>	<b>309</b>	<b>5%</b>
Other Comprehensive Income (net of tax)	-15		-22	
<b>Total Comprehensive Income after Tax</b>	<b>211</b>	<b>3%</b>	<b>288</b>	<b>4%</b>

Note: These numbers are rounded off to nearest rupee.

**Revenue:** Total revenue of the company grew by 5% in FY19 primarily on the back of solid double digit growth in garmenting volumes, as well as Advanced Materials. Denim continued to be under pressure given over-capacity in domestic market and new capacity additions in Bangladesh which traditionally absorbs significant textile volumes. Also demand from some of our key export customers continued to be muted as they come out of inventory correction cycle. Denim volumes recovered substantially in the 4th quarter, but the overall volume for the year was down to 85 million meters compared to 100 million meters in the previous year. This drove down Denim revenues by 12%. Woven volumes grew from 130 to 138 million meters, leading to revenue growth of 9%. Garmenting volumes started to move up as our factory expansion in Bangalore area started delivering increased output. Also, some of our new garmenting facilities in Ethiopia, Ranchi and Ahmedabad area have started delivering customer shipments. Overall garment volumes stood at 34 million pieces for the year and revenues grew by 13% from garmenting. Among 'other businesses', our fledgling water and waste-water treatment business made strong contribution to the overall revenues given billing done for few large projects. Other Income aggregating to ₹ 84 crores mainly consist of interest income, sale of scrap and rent income.

**Cost of Material consumed:** Average cotton prices for the full year were similar to previous year (higher by less than 1%).

Other direct materials costs which largely consists of cost of Dyes & Chemicals and Spare parts consumed increased by ~11% to ₹ 538 crores. Power & Fuel cost for the year was also up by ~1% and stood at ₹ 510 crores. Our employee cost increased by ~3% to ₹ 900 crores in the year under review, primarily due to labour intensive nature of our fast growing garmenting business. As a proportion to revenue, employee costs were down 20 bps. Other expenses for the year was up ~4% and stood at ₹ 1,114 crores. As a percentage of revenue, the other expenses were at 15.4%, a fall of 15 bps vis-à-vis the previous year.

**Operating Margin:** For the year under review, EBITDA margins were up 20 bps, primarily due to scale up of our garmenting business and continued strengthening of Indian rupee against US Dollar. Reduction in export incentives for our garmenting business also impacted margins negatively. In absolute terms, our EBITDA was up 7% y-o-y to ₹ 800 crores.



**Finance Cost:** Finance cost for the year stood at ₹ 220 crores, a ~25% increase from the previous year. Finance cost came down as we reduced our debt post stake dilution in our brands business. Lower average interest rates vis-à-vis previous year also impacted our finance cost positively.

**Depreciation:** Depreciation for the year was up 6% as we capitalised more units under our garmenting business. As a percentage of revenue depreciation was at 3.3%, in line with last year.

**Profit before Taxes:** While our absolute EBITDA was up marginally, Profit before taxes and exceptional for FY19 fell by 2% and stood at ₹ 346 crores due to higher finance costs in the year under review. Our PBT margin for the year was 4.8%, a fall of 35 bps from the previous year.

**Net Profit:** Profit after taxes and minority interest for the year stood at ₹ 237 crores, down 7% vis-à-vis the previous year. Our net margin for the year stood at 3.3%.

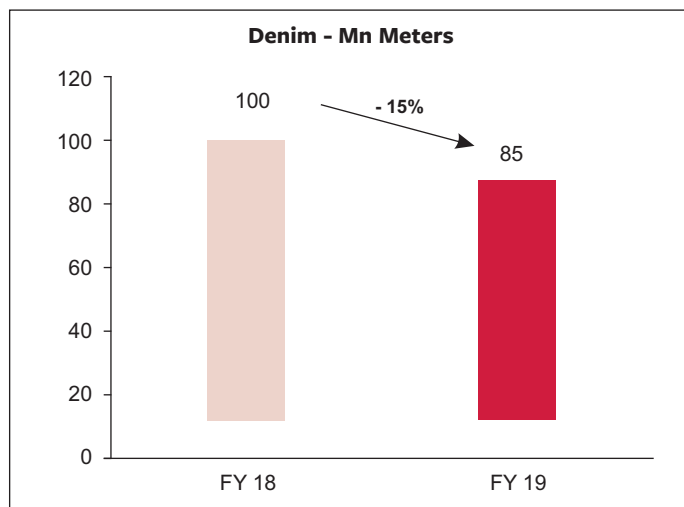
**Working Capital:** Current assets at the end of the year were down by 39% while the current liabilities were lower by 33%. Working capital requirements in the business went up post GST implementation as trade channel struggled to cope up with new tax regime.

**Debt:** Our total borrowings (long & short term) at the end of FY19 stood at ₹ 2,700 crores. Our debt went up during the year by 0.8% in line with the increase in the working capital requirements in the business and delayed GST refunds.

## Business Review and Developments

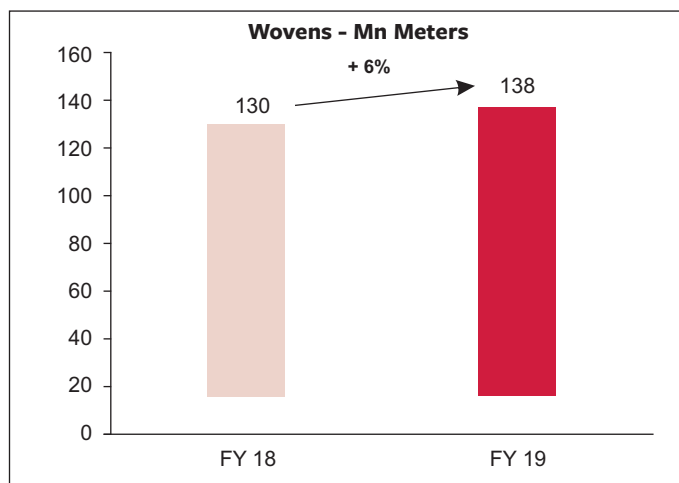
### Denim

Denim fabric business saw a decrease in volume to 85 Mn meters from 100 Mn meters. Over-capacity in domestic market became worse as recently added capacities started producing new volumes and new capacity additions in Bangladesh made imports from India less attractive to Bangladesh garmenters. Also demand from some of our key export customers continued to be muted as they come out of inventory correction cycle. Denim volumes saw a sharp decline in the 3rd quarter, recovered to a degree in the 4th quarter, but closed the year at 15% lower than previous year. This drove down Denim revenues by 12% to ₹ 1,701 crores, even though the price realization was broadly stable.



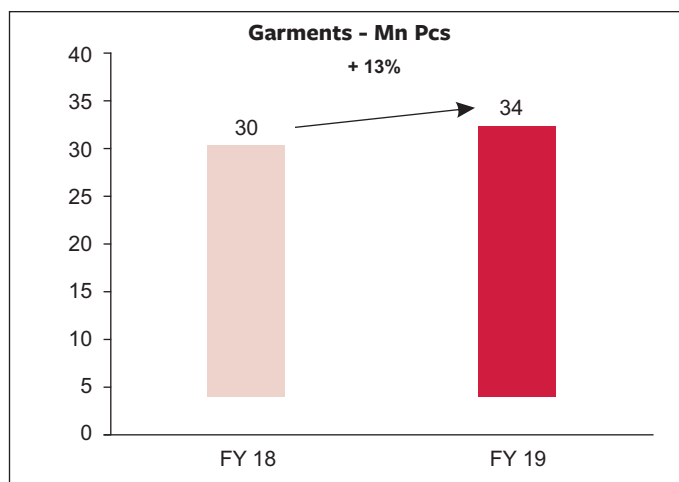
### Woven

Woven volumes were up +6% to 138 mn meter with strong growth in our export business. We consolidated our position in our top export accounts that gave us a double digit growth in our export business. Among domestic segments as well our key brands accounts fared well, though trade channel was relatively softer. Revenue grew in line with volumes to reach ₹ 2,490 crores (incl retail) as average realisation per meter remained largely stable. During the year, we completed restructuring of our B2C business – which is now aligned along clear segments of Shirting and Suiting, across all 3 channels – EBO, MBO and Direct To Retail. The Shirting retail market was challenging, but our Suiting range got very strong market reception and helped us reinforce our presence as a serious player in the overall fabric retail market.



### Garment

Garmenting is an integral part of our verticalisation strategy and continues to grow strongly. During the year under review, garment volumes were up 13% to 34 Mn pieces. Modernization and capacity expansion at our Bangalore/Karnataka plants got completed this year. Our recently established facilities in Ethiopia delivered 2.4 million pieces. Our greenfield factory in Ranchi started small customer shipments towards the second half of the year and is gearing up for sizable numbers in FY20. Of the two new facilities in Ahmedabad area, the sports-wear lines started delivering customer shipments. The Indigo knit factory is under commissioning.





**Advanced Materials**

Advanced Materials Division (AMD) delivered a strong performance in FY19. This business grew its top-line almost 30% from ₹ 486 crores in FY18 to ₹ 630 crores in FY19. EBITDA, which was negative in previous year became +10% in this year, clearly reflecting the maturing of some of the AMD businesses which have started having operating leverage. Human Protection segment, that makes and sells specialty functional apparel such as Fire Retardant, Work Wear, Abrasion Resistant suits, Low temperature clothing etc., signed up several large international customers. Composites business consolidated its global position at a major supplier of cooling tower sections, radomes and other glass-reinforced-composite products. During the year, AMD also started producing sports goods made with carbon-fibre-reinforced composites.

**Other businesses**

Among other businesses that the Company deals in, Arvind Envisol is a specialized Company for the supply of water and waste water treatment plants for Industrial process, Waste water & Zero Liquid Discharge Solutions. It provides world's most cost-effective environmental solutions to protect our scarce natural resources. The Company registered a sharply increased revenue of ₹ 326 crores – this was a result of some large overseas projects executed by this business.

**Outlook**

Arvind Limited will continue to scale-up and solidify its core textiles business on four large pillars of growth as shared earlier. We will

continue to grow our asset light garment business model as part of our vertical integration strategy. Our first round of expansion of garmenting facilities will conclude in this year and enable us to enhance our position as key supply partner in our top customer accounts globally. We expect new product lines such as sportswear and indigo knits to gain market traction and volumes during the year. Advanced materials will continue to expand its product portfolio and generate robust double digit growth in top-line, while maintaining its margin model.

**Financial Ratios:**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Company has identified the following ratios as key financial ratios:

Ratio	2019	2018
Debtors Turnover	8.0	7.6
Inventory Turnover	4.5	4.5
Interest coverage ratio	2.6	3.0
Current Ratio	1.0	1.0
Debt Equity Ratio	1.0	1.0
Operating Profit Margin%	10%	10%
Net Profit Margin%	4%	4%
Return on Net Worth	10%	11%

Note : Exceptional items are excluded from Net Profit.



# Business Responsibility Report

## Introduction

Arvind Limited, established in the year 1931, is the flagship Company of the Lalbhai Group is one of the largest textiles manufacturer and exporter in India. The Company's principal businesses are manufacturing and marketing of denim fabric, shirting fabric, woven and knitted fabric, voiles and garments. The production units are located in Gujarat, Maharashtra, Jharkhand and Karnataka.

This report conforms to the Business Responsibility Reporting (BRR) requirement of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') and the National Voluntary guidelines on the Social, Environmental and Economic Responsibilities of Business (NVEs) released in 2011. Furthermore, Arvind publishes its sustainability performance in a Sustainability Report in accordance with Global Reporting Initiative (GRI) standards. The Sustainability Report can be accessed at <http://arvind.com/sustainability>.

## Section A: General Information about the Company

**Corporate Identity Number (CIN) of the Company:** L17119GJ1931PLC000093

**Name of the Company:** Arvind Limited

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

**Website:** [www.arvind.com](http://www.arvind.com)

**E-mail id:** [sustainability@arvind.in](mailto:sustainability@arvind.in)

**Financial Year reported:** FY 2018-19

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

**Code :** 131

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

Fabrics and Apparel manufacturing and Retail activities

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

Business activity is undertaken by the Company out of two locations; India & Ethiopia. For details regarding other locations, refer Page No. 250.

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

## Section B: Financial details of the Company

**Paid up Capital (INR):** ₹ 258.62 Crores

**Total Turnover (INR) :** ₹ 6435.96 Crores

**Total profit after taxes (INR) :** ₹ 199.44 Crores

**Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :** 2% of the average net profit of the company made during the three immediately preceding Financial Years. The Company's total spending on CSR for the year ended March 31, 2019 was ₹ 7.30 Crores which is 2% of the PAT.

**List of activities in which expenditure in 4 above has been incurred:** Refer Section 5 of Annexure B to the Directors' Report on Page No. 33

## Section C: Other Details

**Any Subsidiary Company/ Companies:**

Yes. Refer to Annexure-E to the Director's Report in the Annual Report, page no. 46

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

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

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

## Section D: BR Information

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

Name: Mr. Jayesh Shah

DIN: 00008349

Designation: CFO & Whole time Director

Telephone Number: 079-68268000

Email id: [jayesh.shah@arvind.in](mailto:jayesh.shah@arvind.in)

### (b) Details of the BR head

Name: Mr. Abhishek Bansal

Designation: Head of Sustainability

Telephone Number: 9712909648

Email id: [abhishek.bansal@arvind.in](mailto:abhishek.bansal@arvind.in)



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

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

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



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

### 3. Governance related to BR

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

The Board of Directors meet every quarter to discuss applicable BR issues and assess the BR performance of the Company.

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

The second Corporate Sustainability Report of Arvind Limited had been published in the year 2016 and uploaded on the website. This report is available at: <http://www.arvind.com/pdf/ArvindSR.pdf>

The third Sustainability report is in progress.

### Section E: Principle-wise Performance

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

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

Our Corporate Governance practices apply across Arvind Ltd. Group and extend to our value-chain partners like suppliers and service providers, distributors, sales representatives, contractors, channel partners, consultants, intermediaries and agents; joint-venture partners or other business associates; financial stakeholders; governments of the countries in which we operate.

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

Arvind Ltd.'s stakeholder includes Investors, clients, employees, vendors/ partners, government and local communities. For details on Investor complaints and resolutions, refer to the 'Investor Grievance' in General Shareholder Information Section of Annual Report.

For details on employee grievances and resolutions, the Company has a robust system of Complaints Handling. The complaints are received through a third-party service agency. Such complaints are routed to the Whistle Blower Committee appointed by the Audit Committee. Its members include the Executive Director and Head of Internal Audit. The complaints are investigated and the investigation results are reported to the Audit Committee, along with action taken. The Company has received 15 complaints from employees and business partners during the year, out of which 14 have been addressed.

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

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

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

- Waterless Wash in Denim Laundry process
- Products made with BCI and Organic cotton
- Dynamic Rinsing
- Water recycling and Zero Liquid discharge

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

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

- Organic cotton primarily reduces the impacts during the farming stage of cotton. Organic cotton is farmed using zero chemical pesticides and fertilizers which has a huge positive impact on the environment.
- Waterless wash reduces the water consumption in denim manufacturing process to almost half over the baseline.



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

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

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

Total 24% BCI has been used in the production in the financial year.

**Neo Dyeing:**

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

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

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

Among the mentioned step Remove desize step, Low liquor ratio for stone wash, Combine fixing and Softener are widely practiced. Around 5000 kiloliters of water saved due to waterless wash.

**Few other projects:**

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

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

We have a Responsible Supply Chain Mechanism. We are sourcing sustainable cotton from the farms to produce fabric. Around 26% of our cotton is sustainable and we are scaling this up now.



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

Being one of the largest producers of textiles and garments in India, cotton continues to remain a key input material for us. Arvind therefore has been working with farmers to promote Sustainable Cotton for over a decade.

Arvind was also the first textile major to partner with Better Cotton Initiatives (BCI). We engage with farmers to produce BCI cotton through contract farming at Maharashtra and Gujarat to procure raw material from them. We ensure an uninterrupted supply chain, while remaining watchful that the cotton farmers, the community and the mother Earth reap the benefits as well. To make cotton farming sustainable and responsible, we need to understand and address the challenges across all three bottom lines:

Economic

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

Social

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

Environmental

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

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

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

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

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

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

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

	UOM	FY18-19
Total Soft waste	tonne	10001.22
Total hard waste	tonne	5973.4179
Chindi	tonne	2361.46



**Principle 3 - Businesses should promote the well-being of all employees****1. Total number of employees**

Staff: 4160

Workers: 26294 (Excluding contractual workers)

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

Contractual workers: 3326

Total contractual workers here include Lump sum, Man days based and Production based workers.

**3. Number of permanent women employees**

Staff: 385

Worker: 11742

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

Total physically challenged Staff employees: 2

Male: 1

Female: 1

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

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

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

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

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

There were no complaints against child and forced labour as well as for discriminatory employment during the last financial year.

Arvind Internal Complaints Committee (AICCC) conducts the proceeding regarding sexual harassment as defined in the Policy. The case is dealt as per the policy guidelines and ICC recommendations in a fair and just manner. During the financial year 2018-19, the Company has not received any complaint on sexual harassment.

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

Around 8846 workers and 658 employees were given safety and skill up-gradation training in the FY 2018-19. Moreover, 173 employees were given External Training as well.

**Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized****1. Has the Company mapped its internal and external stakeholders?**

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

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

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



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

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

No.

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

No.

**Principle 5 - Businesses should respect and promote human rights**

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

Yes, all Companies in the Arvind Ltd. Group including employees and contractors are covered by CoC standards. Not only our intentions, but also our actions are compliant with all statutory laws and regulations.

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

Our stakeholder engagement processes are robust and have strong listening mechanisms. In the financial year, there were no human rights violation complaints relating either to child, forced and involuntary labor, discriminatory employment against the Company.

Additionally, all our stakeholders have access to the Whistleblower Policy of Arvind Ltd. at [http://arvind.com/sites/default/files/field\\_policy\\_file/Whistle%20Blower%20Policy\\_n.pdf](http://arvind.com/sites/default/files/field_policy_file/Whistle%20Blower%20Policy_n.pdf)



**Principle 6 - Business should respect, protect and make efforts to restore the environment****1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

Yes, the Company's Environment and Chemical policy is made available to all our employees. Also, posters and instructions are physically displayed across our premises. We are certified to ISO 14001:2015 at all major manufacturing locations.

Additionally, we encourage our suppliers and contractors to adopt similar policies and practices.

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

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

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

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

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

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

Currently we do not have any project related to Clean Development Mechanism.

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

The initiatives on clean technology, energy efficiency and renewable energy can be found in our Sustainability Report available at [www.arvind.com](http://www.arvind.com).

We have implemented 20 MW rooftop solar in last one year and we are targeting to add another 10 MW of solar rooftop capacity during next year.

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

Yes, we comply with all applicable environmental legislations in the locations we operate from. We monitor and track all parameters as defined by CPCB or SPCBs and ensure that they are maintained within norms.

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

We did not have any monetary or non-monetary sanctions imposed on us for non-compliance with environmental laws and regulations during FY 2018-19.

**Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner****1. Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

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

**Sustainable Apparel Coalition**

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

**Better Cotton Initiative**

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

**Social Accountability International – SA8000 Standard**

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

**International Organization for Standardization – ISO 9001, ISO 14001**

Our operations are ISO 9001: 2008 (Quality Management Systems) and ISO 14001: 2004 (Environmental Management Systems) certified.



### Global Organic Textile Standard

We have received the GOTS Standard 3.0 certification for our fabrics, fibers and yarns products. Our manufacturing activities covered within the scope of this certification includes dyeing, exporting, finishing, knitting, printing, sizing, spinning, storing, trading, weaving, wet processing and yarn dyeing.

### Global Reporting Initiative

This Report represents our first attempt at presenting sustainability disclosures, using the GRI G4 Sustainability Reporting Guidelines. As we continue to integrate sustainability within our business in the future, we remain committed to publicly disclosing our sustainability performance through publishing such reports on a periodic basis.

### Occupational Health and Safety Assessment Series (OHSAS 18001:2007 Certifications)

Our emphasis on continual improvement in health and safety of our workers continues to remain strong as ever. All hazards and its associated risk identified across the Santej Facility. Any risk that deems to be high in the Hazard Identification and Risk Analysis (HIRA) are prioritized and taken in to management plan. Various control measures adopted to oversee safe functioning of scores of activities. This is a recognition of our adherence to health and safety by an independent agency.

### Water Resources Group

Arvind is a part of the WRG, funded and founded by IFC and UN and is engaged with them in improving the livelihood of cotton farmers in Maharashtra.

### CDP

Arvind Ltd. has reported at CDP (Carbon Disclosure Project) for last three years in row now.

## 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No. If yes, specify the broad areas.

We work through above bodies for advancement of Sustainability agenda across the global textile and apparel supply chain. The areas include environmental improvements in manufacturing sector.

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

## 1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

At Arvind Limited the underlying value system has a firm belief that only in a healthy society healthy businesses flourish. We have well planned, tested and acclaimed initiatives under CSR. The **Arvind Limited Policy on Corporate Social Responsibility (ALPCSR)** has been put in place to facilitate and formalize the CSR processes, set up a guiding structure and define broader thematic areas for projects and programs. A close look at our CSR Policy ascertains it's deep connect to Principle 8 that the Businesses should support inclusive growth and equitable development. For more details, refer to <http://arvind.com/corporate-social-responsibility>.

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

Section 5.04 of our policy specifically mentions about this aspect – our approach to partnerships.

The Company undertakes initiatives for social advancement through specific institutions promoted by the Company. SHARDA Trust & NLRDF, the public charitable Trusts having credible history of over two and four decades respectively, are actively working in the urban and rural landscape. In 2015, Arvind Foundation was created as an umbrella organisation for CSR initiatives.

The Company always partners with like-minded Individuals, Organisations, Government, Corporate, Academic Institutions, Research Development and Training bodies and NGOs which **bring specific expertise** in accomplishment of our CSR vision. Our initiative on Health is in partnership with Swasth Foundation and initiative on Heritage is in partnership with Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) as they possess specific expertise to carry out these initiatives. Many of our study and training initiatives are conducted by associations that bring special expertise.

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

The management of Arvind Limited is convinced that the impact assessment is an important tool to judge the efficacy and the effectiveness of the programme. Continuous monitoring and evaluation are a part of our program planning and implementation mechanism, which ensures that the programs' achieve the expected impact. However, in the year 2018-19, we got 3rd party Impact Assessment conducted for our flagship program - Gyanda. The study was conducted by a CSR Consultancy Firm (Inverted Comma). The study gave us qualitative and quantitative data on the impact the education program has created and the areas that we should work on strengthening the initiative.

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

The focus of CSR initiatives is on Education, Health and Heritage. We have supported other initiatives too.

### Direct Contribution:

- ₹ 7.30 Crores (Rupees Seven Crores and Thirty Lacs) as statutory requirement of 2% CSR expense.



In addition, ₹ 3.80 Crores (Rupees Three Crores and Eighty Lacs) through funds of SHARDA and NLRDF.

Total CSR spending: ₹ 11.10 Crores (Rupees Eleven Crores and Ten Lacs).

#### Projects Undertaken:

**The brief account of CSR Initiatives is given in the following paragraphs:** For the details of the projects undertaken, refer Section 5 of Annexure B to the Directors' Report.

- **Educational Support Program Gyanda** is a unique supplementary education model designed for primary, secondary and higher secondary school going children studying in Municipal Schools. It prevents these children from dropping out and helps them to complete their basic education from standard V to XII. At present, there are around 1000 students in our system. This program is being managed by SHARDA Trust.
- **Teachers' Training Program:** To support the planned expansion of this after-school initiative Gyanda, a Teachers' Training Program was undertaken by Riverside Learning Centre Ahmedabad. This training will continue in the year 2019-20 too.
- **Promotion of Indology:** A project titled "Promotion of Indology" was undertaken to preserve a repository of rare art, manuscripts and archaeological objects of India. The project is being implemented by Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV). As project is for Digital Archival of Manuscripts and setting up Library Automation work at the Institute.
- **Arvind Medical Centers (a Primary Health Centre)** provides credible, affordable and quality primary healthcare to the people and specifically benefitting the economically disadvantaged section of the society. Four Arvind centers are operational at present providing medical services under one roof in partnership with Swasth Foundation.
- **Rural development initiatives** undertaken by NLRDF in 3 districts of Gujarat are reaching out to around 35,000 people. NLRDF provides transformative solutions and links to Government programs with the rural poor thereby improving the delivery mechanism.
- **Arvind Rural Transformation Initiative (ARTI)** is a new program initiated to work on the all-round development of villages in Santej region.
- **Enabling Sanitation Ecosystem (Project Asmita)** is an endeavor to contribute towards making India open defecation free. Towards this end, we have created Asmita toilet design that is cost effective and easy to install. We are promoting the installation and use of these toilets in rural areas through like-minded partners.
- **Promoting Inner Well Being through meditation programs among masses.** People are exposed to the techniques and benefits of relaxation and meditation and are encouraged to make it a part of their daily routine.
- **Skill development program for tribal girls** (CSR in spirit) encompasses training of tribal girls in Apparel Manufacturing and employing the girls to work in our manufacturing unit, thereby providing them employment, opportunity to upgrade their qualification and skills and seek better white-collar jobs ahead.

#### 5. Have you taken steps to ensure that the community successfully adopts this community development initiative? Please explain in 50 words or so.

Our program philosophy follows a participative approach from all the stakeholders including the community. Community dialogue and engagement is a continuous process. Feedback from the community is incorporated for making the program more community need oriented and increase the efficacy of our efforts. Need assessments, focus group discussions, formation of community groups, continuous monitoring ensure that the community successfully adopts the program and becomes an active participant and not just a beneficiary. However, some programs like our Educational initiative Gyanda, though have been very well adopted by parents and students, require continuous support as the students complete their education and go out and new set of students join. Such projects which are continuous in nature (we are managing this programme for last 12 years), will continue to seek support and adoption by stakeholder also is a continuous process.

#### Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

##### 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

We resolve all the customer queries and complaints in timely and efficient manner. There are no long-standing complaints that are pending resolution.

##### 2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

We display the information on products as mandated by law or by customer requirements.

##### 3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

Not applicable.

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

Not during recently concluded financial year.



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ARVIND LIMITED

### Opinion

We have audited the accompanying standalone financial statements of Arvind Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Demerger of Brands and Engineering divisions from the Company

#### Key Audit Matter Description

During the year a Scheme of arrangement was approved between the company and its subsidiary companies, Arvind Fashions Limited ("AFL") and The Anup Engineering Limited ("AEL") whereby it has proposed to demerge "Branded Apparel Undertaking" to AFL with effective date of the Scheme i.e. November 29, 2018, and "Engineering undertaking" to AEL with effect from January 01, 2018.

Accounting treatment is provided by the management for transferring of assets and liabilities of the Brand Apparel and Engineering undertaking to subsidiary companies and accordingly the impact is given in the financial statement for year ended on March 31, 2019.

Thus it is considered to be key audit matter as this is significant event which has happened during the year and it required compliance of scheme and applicable Ind AS.

#### How the Key Audit Matter Was Addressed in the Audit

Our audit procedures includes obtaining an understanding of the transaction. We have read the approved scheme of arrangement related to demerger and identified pertinent terms relevant to the accounting for the transaction. We assessed the Company's conclusion as regard business combination accounting in accordance with Appendix C to IND AS 103 with respect to Demerger scheme.

#### These conclusion included:

- the transfer of assets and liabilities at cost to the demerged entity as the entity were under common control.
- Impact in reserves and surplus on book value of net assets transferred to the demerged entity.

#### In determining the treatment of the demerger we tested following:

- the arithmetic accuracy of management's calculations for giving effect of the scheme in standalone financial statements,
- tested the bifurcation of profit and loss into continued and discontinued business having engineering and brand division,
- tested the adjustment given in the reserves and surplus for net assets transferred to the demerged entity,
- tested the inter business transaction between demerged business and continued business.

#### Upgradation of Accounting software

##### Key Audit Matter Description

During the year, Company has upgraded its accounting software to SAP HANA with effect from October 1, 2018 and other erstwhile systems have been discontinued.

Migration to S/4 HANA is a major upgrade to the existing core enterprise application system resulting into a significant change to the financial accounting configuration which is the core for financial reporting including preparation of standalone financial statements.

Risks identified as emanating from the aforesaid change were (i) Inappropriate changes made to the application systems or programs that contain relevant automated controls (i.e., configurable settings, automated algorithms, automated calculations, and automated data extraction) and/or report logic and (ii) Systems not adequately configured or updated to restrict system access to authorized users.



**How the Key Audit Matter Was Addressed in the Audit**

Our audit procedures included obtaining detailed project plan and SAP Governance framework for transition to new SAP landscape. We involved Information Technology (IT) Specialists as part of the audit team to perform audit procedures in respect of this upgradation.

Considering upgradation stabilization period, we have planned to test it predominantly with transaction level manual controls followed by the entity.

We have reviewed manual controls implemented and tested its effectiveness to ensure integrity of data processed and used in preparation of financial statements.

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, based on our audit we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

- With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

Year for which the amount pertains	Amount involved (₹ In crores)	Number of days delay in depositing the amount	Date of deposit
1986-87	(₹ 40,539)*	616	15-06-2018
1995-96	(₹ 50,500)*	607	06-06-2018
1996-97	₹ 0.02	607	06-06-2018

\*Amount in bracket represents absolute Rupees

- As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)

**Kartikeya Raval**

Partner

(Membership no. 106189)

Ahmedabad,  
May 17, 2019



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Arvind Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor’s Responsibility

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

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

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

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm’s Registration No: 117366W/W-100018)

**Kartikeya Raval**

Partner

(Membership no. 106189)

Ahmedabad,

May 17, 2019



## ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” section of our report of even date)

- (i) In respect of its Property, plant and equipment (including Capital work in progress):
- The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
  - Some of the Property, plant and equipment were physically verified by the management in accordance with a programme of verification which in our opinion provides for physical verification of the Property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
  - According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following::

Particulars	Total No. of Cases	Area	Amount (Gross Carrying amount as at the balance sheet date)	Amount (Net Carrying amount as at the balance sheet date)	Remarks
Freehold land	53	6,77,317 Sq. Mtr.	₹ 151.95 crore	₹ 151.95 crore	The Company is in process to register title deed in its name.
Freehold Acquired Building	6	9,056 Sq. Mtr.	₹ 12.82 crore	₹ 8.44 crore	The Company is in process to register title deed in its name.
Freehold Land	40	4,13,895 Sq. Mtr.	₹ 39.80 Crores	₹ 39.80 crores	The title deeds are in the name of Arvind Brands and Retail Limited, Dholka Textile Park Private Limited and Arvind Garment Park Private Limited (erstwhile companies) which were merged with the Company under scheme of amalgamation sanctioned by National Company Law Tribunal vide its order dated 24th August 2017, with effect from 1st April 2016. The Company is in process to register title deed in its name.
Freehold Acquired Building	9	1,329 Sq. Mtr.	₹ 1.66 Crores	₹ 1.53 Crores	

Immovable properties of land whose title deeds have been pledged as security for loans, guarantees, etc. are held in the name of the Company based on the confirmations directly received by us from lenders / parties except for the freehold land of the Khatraj amounting to ₹ 44.72 crores admeasuring 1,27,784 sq. meter which are pledged with banks and are not available with the company and have not been independently confirmed by the bank.

In respect of immovable properties of land that have been taken on lease and disclosed as Property, plant and equipment in the Standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreements.

- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to other parties covered in the register maintained under section 189 of the Act, in respect of which:
  - The terms and condition of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - The schedule of repayment of principle and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayment or receipts of principle amounts and interest or whether there is an overdue amount remaining outstanding at year end.

The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnership or Companies covered in the register maintained under section 189 of the Act.

- In our opinion and according to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of the Act in respect of grant of loans, making investment and providing guarantees and securities, as applicable.



- (v) According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, would apply. Accordingly, the provisions of Clause 3(v) of the Order are not applicable to the Company.
- (vi) The maintenance of cost records have been specified by the central government under section 148(1) of the act. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Sales Tax, Excise Duty, Service Tax, Value Added Tax, Goods and Service Tax, Custom Duty, Income tax, Cess and other material statutory dues applicable to the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Sales Tax, Goods and Service Tax, Service Tax, Income tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - Details of Income Tax, Excise Duty, Custom Duty, Service Tax, Sales Tax and Value Added Tax dues which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Amount involved and Unpaid (₹ in crores)	Period to which the Amount Relates	Forum where Dispute is pending
The Income Tax Act, 1961	Income Tax	₹ 7.78	2004-05, 2008-09 20014-15, 2015-16	Commissioner of Income Tax Appeal
		₹ 3.02	2005-06, 2008-09, 2009-10, 2010-11, 2011-12, 2012-13	Income Tax Appellate Tribunal
	Fringe Benefit Tax	₹ 0.01	2005-06	Income Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	₹ 9.17	1999-00, 2000-01	Supreme Court
		₹ 10.97	2000-01, 2001-02, 2002-03, 2003-04	High Court
		₹ 0.47	2008-09	Assistant Commissioner
The Customs Act, 1962	Custom Duty	₹ 2.88	2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Finance Act, 1994	Service Tax	₹ 2.96	2004-05, 2005-06, 2006-07, 2007-08, 2012-13, 2013-14 2014-15, 2015-16, 2016-17	Assistant Commissioner
		₹ 0.77	2013-14, 2014-15	Principal Commissioner
		₹ 1.27	2004-05, 2005-06, 2006-07, 2007-08, 2012-13	Commissioner
		₹ 0.44	2003-04, 2004-05, 2005-06, 2006-07, 2007-08, 2012-13, 2013-14	Customs, Excise and Service Tax Appellate Tribunal
Gujarat Value Added Tax Act, 2003	Value Added Tax	₹ 3.87	2006-07, 2007-08	Joint Commissioner (Appeal)
Central Sales Tax Act, 1956	Central Sales Tax	₹ 0.60	2005-06	Deputy Commissioner
		₹ 1.61	2006-07, 2007-08	Joint Commissioner (Appeal)



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues as at March 31, 2019 to financial institutions, banks and debenture holders. The Company has not borrowed money from Government.
- (ix) The Company has not raised money by way of initial public offer/ further public offer (including debt instruments). In our opinion and according to the information and explanation given to us, money raised by way of term loans during the year have been applied by the Company for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)

**Kartikeya Raval**

Partner

(Membership no. 106189)

Ahmedabad,  
May 17, 2019



## Standalone Balance Sheet as at March 31, 2019

₹ in Crores

Particulars	Notes	As at March 31, 2019 (Refer 45 (II))	As at March 31, 2018 (Refer 45 (I))
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	3,027.31	3,013.27
(b) Capital work-in-progress		187.92	33.31
(c) Investment properties	6	35.65	43.13
(d) Intangible assets	7	109.35	91.50
(e) Intangible assets under development		1.66	26.34
(f) Financial assets			
(i) Investments	8 (a)	516.53	883.25
(ii) Loans	8 (c)	1.34	1.86
(iii) Other financial assets	8 (f)	33.11	30.63
(g) Other non-current assets	9	21.55	68.83
<b>Total non-current assets (A)</b>		<b>3,934.42</b>	<b>4,192.12</b>
<b>Current assets</b>			
(a) Inventories	10	1,364.93	1,303.45
(b) Financial assets			
(i) Trade receivables	8 (b)	714.38	736.61
(ii) Cash and cash equivalents	8 (d)	23.12	7.36
(iii) Bank balance other than (ii) above	8 (e)	8.07	7.00
(iv) Loans	8 (c)	255.11	219.39
(v) Other financial assets	8 (f)	182.05	96.35
(c) Current tax assets (net)	11	76.46	101.91
(d) Other current assets	9	366.31	379.88
<b>Total current assets (B)</b>		<b>2,990.43</b>	<b>2,851.95</b>
<b>Assets classified as Held for Sale</b>		<b>89.03</b>	<b>-</b>
<b>TOTAL ASSETS (A) + (B) + (C)</b>		<b>7,013.88</b>	<b>7,044.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	12	258.62	258.62
(b) Other equity	13	2,557.50	2,899.61
<b>Total equity (A)</b>		<b>2,816.12</b>	<b>3,158.23</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14 (a)	969.15	775.98
(ii) Other financial liabilities	14 (c)	1.67	0.54
(b) Long-term provisions	15	44.76	37.29
(c) Deferred tax liabilities (net)	28	39.31	91.77
(d) Government grants	16	59.94	34.13
<b>Total non-current liabilities (B)</b>		<b>1,114.83</b>	<b>939.71</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	14 (a)	1,536.34	1,661.43
(ii) Trade payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	14 (b)	-	-
- Total Outstanding dues other than Micro Enterprises and Small Enterprises	14 (b)	1,194.45	948.94
(iii) Other financial liabilities	14 (c)	295.13	276.87
(b) Short-term provisions	15	9.96	7.88
(c) Government grants	16	4.60	5.59
(d) Other current liabilities	17	42.45	45.42
<b>Total current liabilities (C)</b>		<b>3,082.93</b>	<b>2,946.13</b>
<b>TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)</b>		<b>7,013.88</b>	<b>7,044.07</b>

See accompanying notes forming part of the standalone financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants**Kartikeya Raval**  
Partner**Place:** Ahmedabad  
**Date:** May 17, 2019

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

**Sanjay S. Lalbhai**  
Chairman & Managing Director  
DIN: 00008329**R. V. Bhimani**  
Company Secretary**Place:** Ahmedabad  
**Date:** May 17, 2019**Jayesh K. Shah**  
Director & Chief Financial Officer  
DIN: 00008349



# Standalone Statement of profit and loss for the year ended March 31, 2019

₹ in Crores

Particulars	Notes	Year ended March 31, 2019 (Refer 45 (II))	Year ended March 31, 2018 (Refer 45 (I))
<b>CONTINUING OPERATION</b>			
<b>I. INCOME</b>			
(a) Revenue from operations	18	<b>6,435.96</b>	6,332.13
(b) Other income	19	<b>103.85</b>	74.46
<b>TOTAL INCOME</b>		<b>6,539.81</b>	6,406.59
<b>II. EXPENSES</b>			
(a) Cost of raw materials and accessories consumed	20	<b>2,822.50</b>	2,596.60
(b) Purchase of stock-in-trade	21	<b>154.70</b>	284.28
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	<b>3.27</b>	54.27
(d) Project expenses		<b>4.44</b>	8.45
(e) Employee benefits expense	23	<b>779.19</b>	768.65
(f) Finance costs	24	<b>213.38</b>	174.61
(g) Depreciation and amortisation expense	25	<b>209.75</b>	201.47
(h) Other expenses	26	<b>2,038.73</b>	1,981.62
<b>TOTAL EXPENSES</b>		<b>6,225.96</b>	6,069.95
<b>III. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)</b>		<b>313.85</b>	336.64
<b>IV. Exceptional items</b>	27	<b>70.85</b>	22.72
<b>V. PROFIT BEFORE TAX (III-IV)</b>		<b>243.00</b>	313.92
<b>VI. Tax expense</b>	28		
(a) Current tax		<b>53.56</b>	60.93
(b) Short provision related to earlier years		<b>31.97</b>	1.26
(c) Deferred tax (Credit)/charge		<b>(56.00)</b>	(12.85)
<b>Total tax expense</b>		<b>29.53</b>	49.34
<b>VII. PROFIT FOR THE YEAR FROM CONTINUING OPERATION (V-VI)</b>		<b>213.47</b>	264.58
<b>VIII. PROFIT/(LOSS) BEFORE TAX FOR THE YEAR FROM DISCONTINUED OPERATIONS</b>	45	<b>(20.70)</b>	(22.31)
<b>IX. Tax Expense of Discontinued Operations</b>		<b>(6.67)</b>	(7.77)
<b>X PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS(VIII-IX)</b>		<b>(14.03)</b>	(14.54)
<b>XI PROFIT/(LOSS) BEFORE TAX FOR THE YEAR FROM CONTINUING AND DISCONTINUED OPERATIONS (V+VIII)</b>		<b>222.30</b>	291.61
<b>XII Tax Expense of Continuing And Discontinued Operations (VI+IX)</b>		<b>22.86</b>	41.57
<b>XIII. PROFIT FOR THE YEAR (XI-XII)</b>		<b>199.44</b>	250.04
<b>XIV. Other comprehensive income/(Loss)</b>			
<b>A. Items that will not be reclassified to Profit and Loss</b>			
(i) Equity Instruments through Other Comprehensive Income (FVOCI)		<b>0.07</b>	0.42
(ii) Remeasurement gain/(loss) of defined benefit plans		<b>(17.12)</b>	(13.64)
(iii) Income tax related to items no (ii) above		<b>5.98</b>	4.73
<b>Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>(11.07)</b>	(8.49)
<b>B. Items that will be reclassified to Profit &amp; Loss</b>			
(i) Effective portion of gain/(loss) on cash flow hedges		<b>31.53</b>	(43.90)
(ii) Income tax related to items no (i) above		<b>(11.02)</b>	15.18
<b>Net other comprehensive income/(loss) that will be reclassified to profit or loss in subsequent periods</b>		<b>20.51</b>	(28.72)
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX (XIV) = (A+B)</b>		<b>9.44</b>	(37.21)
<b>XV. TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (XIII+XIV)</b>		<b>208.88</b>	212.83
<b>XVI. Earning per equity share [nominal value per share ₹ 10]</b>	36		
<b>Continuing Operations :</b>			
- Basic		<b>8.25</b>	10.23
- Diluted		<b>8.25</b>	10.21
<b>Discontinued Operations :</b>			
- Basic		<b>(0.54)</b>	(0.56)
- Diluted		<b>(0.54)</b>	(0.56)
<b>Continuing and Discontinued Operations :</b>			
- Basic		<b>7.71</b>	9.67
- Diluted		<b>7.71</b>	9.65

See accompanying notes forming part of the standalone financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**Kartikeya Raval**  
Partner

**Place:** Ahmedabad  
**Date:** May 17, 2019

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

**Sanjay S. Lalbhai**  
Chairman & Managing Director  
DIN: 00008329

**R. V. Bhimani**  
Company Secretary

**Place:** Ahmedabad  
**Date:** May 17, 2019

**Jayesh K. Shah**  
Director & Chief Financial Officer  
DIN: 00008349



## Standalone Statement of cash flows for the year ended March 31, 2019

₹ in Crores

Particulars	Year ended March 31, 2019 (Refer 45(II))	Year ended March 31, 2018 (Refer 45(I))
<b>A Cash Flow from Operating activities</b>		
Profit after taxation	199.44	250.04
<b>Adjustments to reconcile profit after tax to net cash flows:</b>		
Depreciation and Amortization expense	214.54	208.85
Interest Income	(39.92)	(32.07)
Tax Expense	22.86	41.57
Finance Costs	215.12	177.68
Dividend Income	(2.20)	(5.71)
Allowances for doubtful debts	1.93	0.12
Sundry Debit Written off	0.33	1.93
Sundry Credit Balances written back	(3.79)	(4.50)
Provision for Non moving inventory	26.34	27.70
Foreign Exchange Loss/(Gain)	5.31	(8.20)
Fixed Assets written off	0.41	1.40
Profit on Sale of Property, plant and equipment	(10.54)	(31.06)
Excess Provision written back	(3.45)	(10.20)
Share based payment expense	1.28	4.98
Government grant income	(4.03)	(4.88)
Provision for Diminution in Value of Investments	16.07	-
Allowances for doubtful loan	8.80	-
Reversal of GST Credit	27.55	-
Loss on Sale of Investments	-	9.48
Financial guarantee commission income	(4.85)	(3.49)
	471.76	373.60
<b>Operating Profit before Working Capital Changes</b>	671.20	623.64
<b>Adjustments for changes in working capital :</b>		
(Increase)/Decrease in Inventories	(87.82)	(36.18)
(Increase)/Decrease in trade receivables	13.49	(259.20)
(Increase)/Decrease in other current assets	(13.84)	(83.46)
(Increase)/Decrease in other financial assets	(24.56)	31.16
Increase/(Decrease) in trade payables	250.80	337.43
Increase/(Decrease) in other financial liabilities	(18.66)	18.26
Increase/(Decrease) in other current liabilities	(2.97)	(13.60)
Increase/(Decrease) in provisions	(7.57)	(2.03)
<b>Net Changes in Working Capital</b>	108.87	(7.62)
<b>Cash Generated from Operations</b>	780.07	616.02
Direct Taxes paid (Net of Tax refund)	(54.91)	(62.18)
<b>Net Cash Flow from Operating Activities (A)</b>	725.16	553.84
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, plant and equipment and intangible assets	(410.92)	(273.34)
Proceeds from disposal of Property, plant and equipment	39.94	66.82
Disposal of Property, plant and equipment due to Demerger (Refer note 45 (II))	18.49	-
Purchase of Investments	(76.16)	(387.04)
Disposal of Investments due to Demerger (Refer note 45 (II))	430.92	-
Proceeds from disposal of Investments	-	20.37
Changes in other bank balances not considered as cash and cash equivalents	(0.41)	2.57
Loans repaid (net)	(44.00)	92.40
Dividend Received	2.20	5.00
Interest Received	7.98	32.19
<b>Net Cash Flow from/(used in) Investing Activities (B)</b>	(31.96)	(441.03)



# Standalone Statement of cash flows for the year ended March 31, 2019 (Contd.)

₹ in Crores

Particulars	Year ended March 31, 2019 (Refer 45(II))	Year ended March 31, 2018 (Refer 45(I))
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	-	3.00
Dividend Paid (including Dividend Distribution Tax)	(74.41)	(73.65)
Proceeds from long term Borrowings	591.69	524.26
Amount recovered for long term Borrowings due to Demerger (Refer note 45 (II))	(5.38)	-
Repayment of long term borrowings	(371.85)	(333.00)
Proceeds from short term Borrowings	2,378.36	2,517.05
Amount recovered for short term Borrowings due to Demerger (Refer note 45 (II))	(17.77)	-
Repayment of short term borrowings	(2,485.68)	(2,574.31)
Interest Paid	(214.72)	(171.45)
<b>Net Cash Flow used in Financing Activities (C)</b>	<b>(199.76)</b>	<b>(108.10)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C)</b>	<b>493.44</b>	<b>4.71</b>
<b>Cash and Cash equivalent at the beginning of the year</b>	<b>7.26</b>	<b>2.55</b>
Add: Adjustment due to Demerger (Refer note 45 (II))	(477.86)	-
<b>Cash and Cash equivalent at the end of the year</b>	<b>22.84</b>	<b>7.26</b>

## Reconciliation of cash and cash equivalents

Particulars	Year ended March 31, 2019 (Refer 45(II))	Year ended March 31, 2018 (Refer 45(I))
<b>Cash and cash equivalents :</b>		
Cash on Hand	0.01	0.39
Cheques on hand	-	0.31
Balances with Banks	23.11	6.66
<b>Cash and cash equivalents as per Balance Sheet (Refer Note 8 (d))</b>	<b>23.12</b>	<b>7.36</b>
Less: Book Overdrafts (Refer Note 14 (c))	(0.28)	(0.10)
<b>Cash and cash equivalents as per Cash flow Statement</b>	<b>22.84</b>	<b>7.26</b>

See accompanying notes forming part of the financial statements

Disclosure under Para 44A as set out in Ind As 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at March 31, 2018	Net cash flows	Non Cash Changes		As at March 31, 2019
				Other changes *	Fair value adjustment on interest free inter corporate deposits	
<b>Borrowings :</b>						
Long term borrowings	14 (a)	900.71	214.46	-	-	1,115.17
Short term borrowings	14 (a)	1,661.43	(125.09)	-	-	1,536.34
Interest accrued on borrowings	14 (c)	11.38	(11.38)	11.78	-	11.78
<b>Total</b>		<b>2,573.52</b>	<b>77.99</b>	<b>11.78</b>	<b>-</b>	<b>2,663.29</b>

\* The same relates to amount charged in statement of profit and loss.

### Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
**Kartikeya Raval**  
Partner

**For and on behalf of the board of directors of Arvind Limited**  
**Sanjay S. Lalbhai**  
Chairman & Managing Director  
DIN: 00008329

**Jayesh K. Shah**  
Director & Chief Financial Officer  
DIN: 00008349

**R. V. Bhimani**  
Company Secretary  
**Place:** Ahmedabad  
**Date:** May 17, 2019

**Place:** Ahmedabad  
**Date:** May 17, 2019



## Standalone Statement of changes in equity for the year ended March 31, 2019

₹ in Crores

## A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2018	258.36	0.26	258.62
For the year ended March 31, 2019	258.62	-	258.62

## B. Other equity

Particulars	Share Application Money Pending Allotment	Reserves and Surplus					Items of Other Comprehensive Income			Total other equity
		Capital Reserve	Share based payment reserve	Capital Redemption Reserve	Securities premium	Amalgamation Reserve	Debt Redemption Reserve	General Reserve	Retained Earnings	
<b>Balance as at April 1, 2017</b>	<b>2.17</b>	<b>26.71</b>	<b>9.95</b>	<b>69.50</b>	<b>556.73</b>	<b>34.20</b>	-	<b>35.65</b>	<b>1,986.52</b>	<b>2,753.42</b>
Profit for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-	-	-
Add: Addition during the year	1.00	-	-	-	4.91	-	-	-	-	5.91
Less: Utilized during the year	(3.17)	-	-	-	-	-	-	-	-	(3.17)
Add: Issue of Shares under Employee Stock Option Plan	-	-	4.27	-	-	-	-	-	-	4.27
Add/(Less): Transfer from share based payment reserve	-	-	-	-	-	-	-	-	-	-
Add/(Less): Transfer within other equity	-	-	(3.13)	-	-	-	50.00	-	(50.00)	3.13
Add/(Less): Transfer to securities premium	-	-	-	-	-	-	-	-	-	-
Less: Dividend Paid during the year	-	-	-	-	-	-	-	-	(62.04)	(62.04)
Less: Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	(11.61)	(11.61)
<b>Balance as at March 31, 2018</b>	-	<b>26.71</b>	<b>11.09</b>	<b>69.50</b>	<b>564.77</b>	<b>34.20</b>	<b>50.00</b>	<b>35.65</b>	<b>2,104.00</b>	<b>2,899.61</b>
<b>Balance as at April 1, 2018</b>	-	<b>26.71</b>	<b>11.09</b>	<b>69.50</b>	<b>564.77</b>	<b>34.20</b>	<b>50.00</b>	<b>35.65</b>	<b>2,104.00</b>	<b>2,899.61</b>
Profit for the year	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	-	-	-	-	-	-	-	-	-
Add: Issue of Shares under Employee Stock Option Plan	-	-	1.28	-	-	-	-	-	-	1.28
Less: Adjustment due to demerger (refer note 45 (ii))	-	-	-	-	-	-	-	-	(477.86)	(477.86)
Less: Dividend Paid during the year	-	-	-	-	-	-	-	-	(62.07)	(62.07)
Less: Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	(12.34)	(12.34)
<b>Balance as at March 31, 2019</b>	-	<b>26.71</b>	<b>12.37</b>	<b>69.50</b>	<b>564.77</b>	<b>34.20</b>	<b>50.00</b>	<b>35.65</b>	<b>1,740.03</b>	<b>2,557.50</b>

See accompanying notes forming part of the financial statements  
In terms of our report attached

For Deloitte Haskins &amp; Sells LLP

Chartered Accountants

Kartikaya Raval

Partner

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

Sanjay S. Lalbhai

Chairman &amp; Managing Director

DIN: 00008329

Jayesh K. Shah

Director &amp; Chief Financial Officer

DIN: 00008349

R. V. Bhimani

Company Secretary

Place: Ahmedabad

Date: May 17, 2019



# Notes to the Financial Statement for the year ended March 31, 2019

## 1. Corporate Information

Arvind Limited ('the Company') is one of India's leading vertically integrated textile company with the presence of almost eight decades in this industry. It is among the largest denim manufacturers in the world. It also manufactures a range of cotton shirting, denim, knits and bottom weights (Khakis) fabrics and Jeans and Shirts Garments. The Company through its subsidiary company, Arvind Fashions Limited (till November 29, 2018) and its subsidiaries is marketing in India the branded apparel under various brands. The brands portfolio includes Domestic and International brands like Flying Machine, Arrow, US Polo, Izod, Elle, Cherokee etc. It also operates apparel value retail stores UNLIMITED. The Company also has the presence in Telecom business directly and through its subsidiaries and joint venture companies. Recently, The Company has made foray in to Technical Textiles on its own and in joint venture with leading global players.

The Company is a Public Limited Company domiciled in India and incorporated under the provisions of the Companies Act, 2013 ("the Act" erstwhile Companies Act, 1956) applicable in India. Its equity shares are listed on the National Stock Exchange ("NSE") and the BSE Limited. The registered office of the Company is located at Naroda Road, Ahmedabad - 380025.

The financial statements have been considered and approved by the Board of Directors at their meeting held on May 17, 2019.

## 2. Statement of Compliance and Basis of Preparation:

The financial statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified ("the Act").

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

These financial statements comprising of Balance Sheet, Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### Rounding of amounts

The financial statements are presented in Indian Rupee ("INR") and all values are rounded to the nearest crore as per the requirement of Schedule III, except when otherwise indicated. Figures less than ₹ 50,000 which are required to be shown separately, have been shown actual in brackets.

## 3. Summary of Significant Accounting Policies

### 3.1. Application of New Accounting Pronouncements

The Company has applied following new accounting standards that were issued and were effective during the year. The effect of these accounting standards is described below:

## 1. Revenue Recognition

### Ind AS 115 - Revenue from Contracts with Customers

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition : Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

- The Company has adopted Ind AS 115, Revenue from Contract with Customers with effect from 1st April 2018 and it is detailed in note 3.14.
- The Company has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at 1st April 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at 1st April 2018 and on the Statement of Profit and Loss for the year ended 31st March, 2019.

## 2. Restatement of Foreign Currency Transactions

The Company has adopted Appendix B to Ind AS 21, foreign current transactions and advance considerations, with effect from April 1, 2018. The standard has been applied prospectively to all assets, expenses, and income initially recognised on or after April 1, 2018. The impact of the adoption of Appendix B is immaterial.

## 3. Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. These amendments do not have any impact on the financial statements.

## 4. Amendment to Ind AS 12, Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the



## Notes to Standalone Financial Statement

amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the financial statement of Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

### 5. Amendment to Ind AS 40, Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. These amendments do not have any impact on the Company's financial statements.

### 6. Ind AS 112, Disclosure of Interest in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

### 3.2. Current versus non-current classification and discontinued operation

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Operating cycle

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

### Non-Current Assets classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

### Discontinued operation

A discontinued operation is a business of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

### 3.3. Use of estimates and judgements

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

Following are significant estimate (for details Refer note 4.1)

- Taxes
- Useful life of Property, plant and equipment and Intangible Assets
- Provisions and contingencies
- Defined benefit plans



## Notes to Standalone Financial Statement

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

### 3.4. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial

Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit and loss statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that



## Notes to Standalone Financial Statement

existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

### Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Appendix C of Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Company's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Company's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

### 3.5. Foreign currencies

The Company's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

### 3.6. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.



# Notes to Standalone Financial Statement

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (including those carried at amortised cost)

## 3.7. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Company adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2016, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

## De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is de-recognised.

## Depreciation

The carrying value of the property, plant and equipment as on April 1, 2014 are depreciated over remaining useful life of the assets based on independent technical evaluation carried out by external valuer.

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments which are depreciated as per schedule II of the Companies act, 2013) and Leasehold Improvements.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation on Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments) and Leasehold Improvements are provided on straight-line basis over the useful lives of the assets as estimated by management based on technical assessment of the assets, the estimated usage of the assets, nature of assets, operating condition of the assets, maintenance supports and anticipated technological changes required in the assets. The management estimates the useful lives as follows:

Particulars	Useful Life
Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments)	20 Years
Leasehold Improvements	6 Years

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



## Notes to Standalone Financial Statement

### 3.8. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

#### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

### 3.9. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the company during the year. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

### 3.10. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories are at carrying amount of the property transferred.

Depreciation on Investment property is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Companies Act 2013.

### 3.11. Intangible Assets

Intangible Assets that the Company controls and from which it expects future economic benefits are capitalised upon



# Notes to Standalone Financial Statement

acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition
- for separately acquired assets, at cost comprising the purchase price and directly attributable costs to prepare the asset for its intended use.

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are charged to the Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

## Amortisation

Software is amortized over management estimate of its useful life of 5 years or License Period whichever is lower and Patent/Knowhow is amortized over its useful validity period. Website is amortized over 5 years.

## 3.12. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and accessories: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Finished goods and work in progress: cost includes cost of

direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.

- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## 3.13. Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company



## Notes to Standalone Financial Statement

estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

### 3.14. Revenue Recognition

Effective April 1, 2018, the Company has adopted Ind AS 115 – 'Revenue from contracts with customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Company earns revenue primarily from sale of manufactured goods (fabrics, garments and other textile derivatives). It has applied the principles laid down in Ind AS 115 and determined that there is no change required in the existing revenue recognition methodology. In case of sale to domestic customers, most of the sale is made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates. In case of export sales, revenue is recognised on shipment date, when performance obligation is met. The company has considered specific criteria which have been met for each of company's activities as described below while recognising revenue:

#### **Sale of goods – customer loyalty programme (deferred revenue)**

The Company operates a loyalty points programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

#### **Export Incentive**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

#### **Interest Income**

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for

example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

#### **Dividend Income**

Dividend income from investments is recognised when the Company's right to receive is established which generally occurs when the shareholders approve the dividend.

#### **Profit or loss on sale of Investments**

Profit or Loss on sale of investments are recorded on transfer of title from the Company, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

#### **Rental income**

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

#### **Insurance claims**

Insurance claims are accounted for to the extent the Company is reasonably certain of their ultimate collection.

### 3.15 Financial instruments – initial recognition and subsequent measurement

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of financial instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

#### **Initial recognition of financial assets and financial liabilities:**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **Subsequent measurement of financial assets:**

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

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

#### **(a) Financial assets at amortised cost:**

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified



# Notes to Standalone Financial Statement

dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss..

## **(b) Financial assets at fair value through other comprehensive income**

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

## **(c) Financial assets at fair value through profit or loss**

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL..

## **(d) Equity instruments:**

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

## **Impairment of financial assets**

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

## **Derecognition of financial assets**

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

## **Reclassification**

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

## **Financial liabilities and equity instruments**

### **Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of



## Notes to Standalone Financial Statement

a financial liability and an equity instrument.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

### Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial

liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

The Company complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Company documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

#### (i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in the Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### (ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in the Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects the Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity



## Notes to Standalone Financial Statement

(but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in the Statement of Profit and Loss.

### 3.16. Cash and cash equivalent

Cash and cash equivalent in the balance sheet includes cash on hand, at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Company's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

### 3.17. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in Statement of Profit or Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

### 3.18. Taxes

Tax expense comprises of current income tax and deferred tax.

#### Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation

authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates



## Notes to Standalone Financial Statement

that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Company recognizes tax credits as an asset, the said asset is created by way of tax credit to the Statement of profit and loss. The Company reviews such tax credit asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.

### 3.19. Employee Benefits

#### (a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

#### (b) Post-Employment Benefits

##### (i) Defined contribution plan

The Company's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Company has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

##### (ii) Defined benefit plan:

The employee's gratuity fund scheme, Compensatory Pension Scheme and post-retirement medical benefit schemes are Company's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the

Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

#### (c) Other long term employment benefits:

The employee's long term compensated absences are Company's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

#### (d) Termination Benefits :

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

### 3.20. Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.



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When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## **Cash-settled transactions:**

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

### **3.21. Earnings per share (EPS)**

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the standalone financial statements by the Board of Directors.

### **3.22. Dividend**

The Company recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the Statement of Profit and Loss.

### **3.23. Provisions and Contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Company expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

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

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,



## Notes to Standalone Financial Statement

- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised. A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

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

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

### 3.25. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 3.26. Research and Development

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands and customer lists are not recognised as intangible assets.

### 4. Critical accounting estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require

a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### 4.1 Estimates and assumptions

#### (a) Taxes

The Company has ₹ 187.50 crores (March 31, 2018: ₹ 152.38 crores) of tax credits carried forward. These credits expire in 15 years from the date of initial recognition. The Company has taxable temporary difference and tax planning opportunities available that could partly support the recognition of these credits as deferred tax assets. On this basis, the Company has determined that it can recognise deferred tax assets on the tax credits carried forward.

Further details on taxes are disclosed in Note 28.

#### (b) Useful life of Property, plant and equipment and Intangible Assets

Property, plant and equipment represent a significant proportion of the asset base of the Company. The depreciation charge with respect to such assets is derived based on the estimated useful life of the asset and its residual value. The useful life and residual value of an asset is reviewed at the end of each reporting period.

#### (c) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Company has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 15 and 30).

#### (d) Defined benefit plans

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

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



# Notes to Standalone Financial Statement

₹ in Crores

## Note 5 : Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Furniture & fixture	Vehicles	Leasehold Improve-ments	Office Equipment	Computer, server & network	Total
<b>Gross Carrying Amount</b>										
<b>As at April 1, 2017</b>	<b>1,081.18</b>	<b>263.34</b>	<b>490.87</b>	<b>1,246.15</b>	<b>71.42</b>	<b>35.41</b>	<b>45.29</b>	<b>25.66</b>	<b>25.82</b>	<b>3,285.14</b>
Additions	37.07	-	12.95	143.17	4.56	10.22	1.21	3.39	6.26	218.83
Additions due to Business Combination (refer note 4 below)	-	-	13.74	22.34	-	-	-	-	-	36.08
Deductions	18.15	1.15	0.90	11.76	3.76	4.85	8.54	1.01	0.26	50.38
<b>As at April 1, 2018</b>	<b>1,100.10</b>	<b>262.19</b>	<b>516.66</b>	<b>1,399.90</b>	<b>72.22</b>	<b>40.78</b>	<b>37.96</b>	<b>28.04</b>	<b>31.82</b>	<b>3,489.67</b>
Additions	44.94	-	19.39	227.76	8.76	11.67	0.01	3.19	10.70	326.42
Transfer	22.15	(22.15)	-	-	-	-	-	-	-	-
Transferr to Assets Held for Sale (Refer note 7 below)	31.65	57.38	-	-	-	-	-	-	-	89.03
Deductions due to Demerger (refer note 8 below)	-	-	1.09	2.12	5.26	0.18	3.45	1.11	0.81	14.02
Deductions	3.67	-	0.17	25.73	0.81	6.28	1.14	0.14	0.11	38.05
<b>As at March 31, 2019</b>	<b>1,131.87</b>	<b>182.66</b>	<b>534.79</b>	<b>1,599.81</b>	<b>74.91</b>	<b>45.99</b>	<b>33.38</b>	<b>29.98</b>	<b>41.60</b>	<b>3,674.99</b>
<b>Accumulated Depreciation and Impairment</b>										
<b>As at April 1, 2017</b>	<b>-</b>	<b>-</b>	<b>40.82</b>	<b>215.03</b>	<b>13.96</b>	<b>6.65</b>	<b>12.82</b>	<b>9.11</b>	<b>11.17</b>	<b>309.56</b>
Depreciation for the year	-	-	22.40	124.08	8.48	4.82	11.29	5.62	6.14	182.83
Deductions	-	-	-	3.29	2.70	1.37	7.68	0.82	0.13	15.99
<b>As at April 1, 2018</b>	<b>-</b>	<b>-</b>	<b>63.22</b>	<b>335.82</b>	<b>19.74</b>	<b>10.10</b>	<b>16.43</b>	<b>13.91</b>	<b>17.18</b>	<b>476.40</b>
Depreciation for the year	-	-	22.47	131.85	7.82	5.35	6.03	4.82	6.68	185.02
Deductions due to Demerger (refer note 8 below)	-	-	0.13	0.18	2.12	0.10	1.93	0.81	0.74	6.01
Deductions	-	-	0.04	4.55	0.38	2.29	0.39	0.01	0.07	7.73
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>85.52</b>	<b>462.94</b>	<b>25.06</b>	<b>13.06</b>	<b>20.14</b>	<b>17.91</b>	<b>23.05</b>	<b>647.68</b>
<b>Net Carrying Amount</b>										
<b>As at March 31, 2019</b>	<b>1,131.87</b>	<b>182.66</b>	<b>449.27</b>	<b>1,136.87</b>	<b>49.85</b>	<b>32.93</b>	<b>13.24</b>	<b>12.07</b>	<b>18.55</b>	<b>3,027.31</b>
As at April 01, 2018	1,100.10	262.19	453.44	1,064.08	52.48	30.68	21.53	14.13	14.64	3,013.27

### Notes :

- Freehold Land amounting to ₹ 96.51 crores in respect of which registration are pending in the favour of the Company and Land amounting to ₹ 39.80 crores in respect of which title deeds are in the name of merged companies. For Capital Work-in Progress, the Company is in process to execute deeds of ₹ 55.44 crores for land.
- Buildings includes ₹ 2.45 crores (Previous year ₹ 2.45 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.
- Details of Borrowing Cost and Exchange Differences Capitalised:

Particulars	Other Adjustments			
	For the year		Transfer from Capital Work in Progress	
	2018-19	2017-18	2018-19	2017-18
Borrowing Cost	0.59	-	-	-
Exchange Differences	-	-	-	-
<b>Total</b>	<b>0.59</b>	<b>-</b>	<b>-</b>	<b>-</b>

- Refer note 45 (I) for the Scheme of Business Combination.
- Additions in Plant and Machinery includes ₹ 8.02 Crores ( Previous Year ₹ 3.07 Crores ) which are purchased for the Research and Development purpose. For details refer note 46.
- For Properties pledged as security, refer Note 14 (a).
- During the year Freehold Land of ₹ 31.65 Crores & Leasehold Land of ₹ 57.38 Crores are transferred to Assets Held for Sale. As at March 31, 2019, the Company intended to dispose off freehold land as it no longer had plans to utilise the same in the next 12 months. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land as held for sale.
- Please refer note 45 ( II ) for the scheme of Demerger of the Companies.



## Notes to Standalone Financial Statements

₹ in Crores

## Note 6 : Investment Properties

Investment property	Land	Building	Total
<b>Gross Carrying Amount</b>			
<b>As at April 1, 2017</b>	21.44	23.56	45.00
<b>As at April 1, 2018</b>	<b>21.44</b>	<b>23.56</b>	<b>45.00</b>
Additions	-	0.02	0.02
Deductions due to Demerger (refer note 4 below)	-	7.57	7.57
<b>As at March 31, 2019</b>	<b>21.44</b>	<b>16.01</b>	<b>37.45</b>
<b>Accumulated Depreciation</b>			
<b>As at April 1, 2017</b>	-	1.26	1.26
Depreciation for the year	-	0.61	0.61
<b>As at April 1, 2018</b>	-	<b>1.87</b>	<b>1.87</b>
Depreciation for the year	-	0.57	0.57
Deductions due to Demerger (refer note 4 below)	-	0.64	0.64
<b>As at March 31, 2019</b>	-	<b>1.80</b>	<b>1.80</b>
<b>Net Carrying Amount</b>			
<b>As at March 31, 2019</b>	<b>21.44</b>	<b>14.21</b>	<b>35.65</b>
As at April 01, 2018	21.44	21.69	43.13

## Notes:

- (1) Buildings of investment property includes ₹ 8.44 crores in respect of which registration are pending in the favour of the Company and ₹ 1.53 crores in respect of which title deeds are in the name of companies (Refer note 45 (I)) which are now merged with the company.

## (2) Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment properties	2.49	1.92
Less: Direct operating expenses (including repairs and maintenance)	0.02	0.01
<b>Profit arising from investment properties before depreciation</b>	<b>2.47</b>	1.91
Less: Depreciation	0.57	0.61
<b>Profit arising from investment properties</b>	<b>1.90</b>	1.30

## (3) Fair value of the Investment properties

Fair value of the Investment properties are as under

Fair value	Land	Building	Total
<b>Balance as at April 1, 2018</b>	24.78	27.13	51.91
Add: Fair value difference for the year	1.69	1.23	2.92
Less: Demerger (refer note 4 below)	-	9.25	9.25
<b>Balance as at March 31, 2019</b>	<b>26.47</b>	<b>19.11</b>	<b>45.58</b>

The fair value of the properties are based on internal evaluation by the management.

- (4.) Please refer note 45 (II) for the scheme of Demerger of the Companies.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 7 : Intangible assets

Particulars	Computer Software	Patent & Technical Know How	Website (Refer note (i))	Total
<b>Gross Carrying Amount</b>				
<b>As at April 1, 2017</b>	<b>43.19</b>	<b>24.80</b>	<b>47.72</b>	<b>115.71</b>
Additions	4.39	-	32.16	36.55
Deductions	0.36	-	-	0.36
<b>As at March 31, 2018</b>	<b>47.22</b>	<b>24.80</b>	<b>79.88</b>	<b>151.90</b>
Additions	49.51	-	-	49.51
Deductions	0.70	-	-	0.70
Deductions due to Demerger (refer note (ii) below)	1.05	-	8.52	9.57
<b>As at March 31, 2019</b>	<b>94.98</b>	<b>24.80</b>	<b>71.36</b>	<b>191.14</b>
<b>Accumulated Depreciation</b>				
<b>As at April 1, 2017</b>	<b>20.06</b>	<b>5.35</b>	<b>9.93</b>	<b>35.34</b>
Amortisation for the year	6.87	4.89	13.65	25.41
Deductions	0.35	-	-	0.35
<b>As at March 31, 2018</b>	<b>26.58</b>	<b>10.24</b>	<b>23.58</b>	<b>60.40</b>
Amortisation for the year	9.03	4.90	14.64	28.57
Deductions	0.46	-	-	0.46
Deductions due to Demerger (refer note (ii) below)	0.68	-	6.04	6.72
<b>As at March 31, 2019</b>	<b>34.47</b>	<b>15.14</b>	<b>32.18</b>	<b>81.79</b>
<b>Net Carrying Amount</b>				
<b>As at March 31, 2019</b>	<b>60.51</b>	<b>9.66</b>	<b>39.18</b>	<b>109.35</b>
As at April 1, 2018	20.64	14.56	56.30	91.50

Note : (i) Website consist of development cost capitalised being an internally generated intangible asset.

(ii) Please refer note 45 (II) for the scheme of Demerger of the Companies.



## Notes to Standalone Financial Statements

₹ in Crores

**Note 8 : Financial assets****8 (a) Investments**

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit		Amount	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>(a) Investment in equity shares (fully paid up):</b>					
<b>I. Subsidiaries - measured at cost (unquoted) :</b>					
The Anup Engineering Limited (Refer note 45 (II))	10	-	1,27,20,880	-	6.56
Syntel Telecom Limited	10	50,000	50,000	0.05	0.05
Arvind Envisol Limited (Formerly known as 'Arvind Accel Limited')*	10	2,10,000	2,10,000	9.28	8.20
Arvind Worldwide Inc., Delaware (Shares without par value)		502	502	0.08	0.08
Arvind Worldwide(M) Inc., Mauritius	100 USD	54,840	54,840	0.01	0.01
Less: Provision for Impairment				(0.01)	(0.01)
				-	-
Arvind Spinning Limited (Shares without par value)		8,24,099	8,24,099	0.08	0.08
Less: Provision for Impairment				(0.08)	(0.08)
				-	-
Arvind Overseas (M) Inc., Mauritius	100 Mau	23,85,171	23,85,171	0.24	0.24
Less: Provision for Impairment				(0.24)	(0.24)
				-	-
Arvind Textile Mills Limited	10 Taka	64,73,200	64,73,200	9.27	9.27
Less: Provision for Impairment (Refer note 27)				(9.27)	-
				-	9.27
Arvind Lifestyle Apparel Manufacturing Plc	1,000 ETB	7,18,676	5,91,117	242.61	168.13
Arvind Envisol Plc	1,000 ETB	46	46	0.01	0.01
Arvind Foundation	10	10,000	10,000	0.01	0.01
Arvind Fashions Limited (Refer note 45 (II))*	2	-	10,39,06,759	-	423.32
Arvind Internet Limited	10	3,30,55,600	3,30,55,600	33.48	33.48
Arvind Ruf and Tuf Limited	10	9,50,000	9,50,000	14.11	14.11
Arvind True Blue Limited	10	10,000	10,000	0.01	0.01
Arvind Premium Retail Limited	10	10,409	10,409	2.33	2.33
(Including Equity Component of Preference Shares ₹ 2.32 crores)					
Less: Provision for Impairment (Refer note 27)				(2.33)	-
				-	2.33
Arvind Transformatonal Solution Private Limited	10	10,000	10,000	0.01	0.01
Arvind Smart Textiles Limited*	10	1,10,000	10,000	5.81	0.01
Arvind Goodhill Suit Manufacturing Private Limited	10	5,45,700	4,94,700	26.79	24.24
Arvind OG Nonwoven Private Limited	10	23,14,710	23,14,710	23.05	23.05
Arvind PD Composites Private Limited	10	1,60,451	1,60,451	15.04	15.04
Arya Omnitalk Wireless Solutions Private Limited*	10	10,02,500	10,02,500	1.35	1.25
Arvind Niloy Exports Private Limited	100 Taka	1,61,265	63,000	1.24	0.46
Westech Advanced Materials Limited (Shares without par value)		28,28,363	28,28,363	18.13	18.13
Arvind Enterprise FZE	150000 AED	1	1	0.26	0.26
Arvind Polser Engineered Composite Panels Private Limited	10	10,000	-	0.01	-
<b>Total (I)</b>				<b>391.33</b>	<b>748.01</b>
<b>II. Joint Ventures - measured at cost (unquoted) :</b>					
Arya Omnitalk Radio Trunking Services Private Limited*	10	10,05,000	10,05,000	6.06	6.05
Adient Arvind Automotive Fabrics India Private Limited	10	81,42,750	-	8.14	-
Arvind Norm CBRN Systems Pvt. Ltd.	10	5,000	-	0.01	-
Arudrama Development Private Limited	100	50,000	50,000	2.05	2.05
<b>Total (II)</b>				<b>16.26</b>	<b>8.10</b>



# Notes to Standalone Financial Statements

₹ in Crores

## Note 8 : Financial assets

### 8 (a) Investments (Contd.)

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit		Amount	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>III. Limited Liability Partnerships:</b>					
<b>(a) Subsidiaries - measured at cost (unquoted)</b>					
Enkay Converged Technologies LLP				0.02	0.02
Maruti and Ornet Infrabuild LLP				26.77	26.78
<b>(b) Joint ventures - measured at cost (unquoted)</b>					
Arvind and Smart Value Homes LLP				64.02	64.18
<b>(c) Others - measured at amortised cost (unquoted)</b>					
637 Developers				0.01	0.01
<b>Total (III)</b>				<b>90.82</b>	<b>90.99</b>
<b>IV. Others - Fair value through Other Comprehensive Income:</b>					
<b>(i) Unquoted</b>					
Amazon Textile Private Limited**	10	1,18,000	1,18,000	0.01	0.01
Abeer Textiles Private Limited**	10	22,42,000	22,42,000	2.09	2.02
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited**	250	140	140	(₹35,000/-)	(₹35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited**	100	10	10	(₹1,000/-)	(₹1,000/-)
<b>Total (IV)</b>				<b>2.10</b>	<b>2.03</b>
<b>Total Equity Investments ((I) + (II) + (III) + (IV)) Total (a)</b>				<b>500.51</b>	<b>849.13</b>
<b>(b) Investments in Preference Shares of Subsidiaries - measured at amortised cost (Fully Paid up):</b>					
<b>Unquoted</b>					
9% Redeemable Non-Cumulative - Arvind Premium Retail Limited	10	60,000	60,000	4.47	4.06
Less: Provision for Impairment (Refer note 27)				(4.47)	-
				-	4.06
0.001% Compulsory Convertible Non-Cumulative - Arvind True Blue Limited	10	1,60,00,000	1,60,00,000	16.00	16.00
<b>Total (b)</b>				<b>16.00</b>	<b>20.06</b>
<b>(c) Investment in debentures - measured at amortised cost (Unquoted):</b>					
9% Optionally Convertible Debentures of Arya Omnitalk Radio Trunking Services Private Limited	10	2,500	2,500	0.02	0.02
<b>Total (c)</b>				<b>0.02</b>	<b>0.02</b>
<b>(d) Investment in government securities - measured at amortised cost:</b>					
National Saving Certificates (Lodged with Sales Tax and Government Authorities)				(₹ 23,000/-)	(₹ 23,000/-)
<b>Total (d)</b>				-	-
<b>(e) Others</b>				-	14.04
<b>Total (e)</b>				-	14.04
<b>Total Investments (a)+(b)+(c)+(d)+(e)</b>				<b>516.53</b>	<b>883.25</b>
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				516.53	883.25
Aggregate impairment in value of investment				16.40	0.33



## Notes to Standalone Financial Statements

₹ in Crores

**Note 8 : Financial assets****8 (a) Investments (Contd.)****Disclosure in respect of Partnership Firms**

Name of the Firm	Name of the Partner	Share in partnership	Capital as at	
			March 31, 2019	March 31, 2018
Arvind and Smart Value Homes LLP	Arvind Limited	50%	<b>64.02</b>	64.18
	Tata Value Homes Limited	50%	<b>63.77</b>	64.18
Enkay Converged Technologies LLP	Arvind Limited	1%	<b>0.02</b>	0.02
	Syntel Telecom Limited	99%	<b>1.48</b>	1.48
Maruti and Ornet Infrabuild LLP	Arvind Limited	99%	<b>26.78</b>	26.78
	Arvind Internet Limited	1%	<b>11.50</b>	11.50
637 Developers	Arvind Limited	35%	<b>0.01</b>	0.01
	Dahyabhai Maneklal Pvt. Ltd.	15%	<b>(₹ 75,876/-)</b>	0.31
	Jigen Shah	12%	<b>0.01</b>	0.01
	Darshan Jhaveri	7%	<b>(₹ 35,409/-)</b>	0.01
	Pankaj Shah	3%	<b>(₹ 15,175/-)</b>	0.01
	Chetas Shah	2%	<b>(₹ 10,117/-)</b>	0.01
	Shann Zevari	17.75%	<b>0.01</b>	0.01
	Mischa Gorchov	8.25%	<b>(₹ 41,732/-)</b>	0.01

\* Increase in the cost of investment during the period includes recognition of notional commission on fair valuation of financial guarantee provided for loan taken by direct and indirect subsidiaries and joint ventures. The same is detailed below :

Subsidiaries / Joint ventures	Nature of transaction	Impact of notional commission on fair valuation of financial guarantee	
		2018-19	2017-18
Arvind Fashions Limited	Financial guarantee given	-	2.56
Arya Omnitalk Wireless Solutions Private Limited	Financial guarantee given	<b>0.10</b>	0.10
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	<b>0.02</b>	0.02
Arvind Smart Textiles Limited	Financial guarantee given	<b>1.80</b>	-
Arvind Envisol Limited	Financial guarantee given	<b>1.08</b>	-

\*\* The management has assessed that carrying value of the investments approximate to their fair value.

**8 (b) Trade receivables ~ Current**

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	<b>714.38</b>	736.61
Unsecured, considered doubtful	<b>0.23</b>	2.83
Less : Allowance for doubtful debts	<b>(0.23)</b>	(2.83)
<b>Total Trade receivables</b>	<b>714.38</b>	736.61
Receivables from Directors or from firm / Private company where director is interested (Refer note 35 for further details)	<b>4.65</b>	3.89

Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days.  
Trade Receivables are given as security for borrowings as disclosed under note - 14(a).

**Allowance for doubtful debts**

The Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful debt are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Balance as per last financial statements</b>	<b>2.83</b>	4.03
Add : Allowance for the year (Refer note 26)	-	0.12
Add : Transfer due to Demerger (Refer note 45 (II))	<b>(2.60)</b>	-
Less : Write off of bad debts and other adjustment (net of recovery)	-	(1.32)
<b>Balance at the end of the year</b>	<b>0.23</b>	2.83



# Notes to Standalone Financial Statements

₹ in Crores

## 8 (c) Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Loans to employees	1.34	1.86
<b>Total Non-current Loans (A)</b>	<b>1.34</b>	<b>1.86</b>
<b>Current</b>		
Loans to		
- Related parties (Refer note 35)	121.24	122.13
- Employees	0.53	0.82
- Others	133.34	96.44
	<b>255.11</b>	<b>219.39</b>
Considered Doubtful		
Loans to related parties (Refer note 35)	14.03	5.23
Less: Allowance for doubtful loan	(14.03)	(5.23)
	<b>-</b>	<b>-</b>
<b>Total Current Loans (B)</b>	<b>255.11</b>	<b>219.39</b>
<b>Total (A) + (B)</b>	<b>256.45</b>	<b>221.25</b>
Loans to Directors or to firm/Private company where director is interested (Refer note 35 for further details)	-	22.47

## 8 (d) Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.01	0.39
Cheques on hand	-	0.31
Balance with Banks		
In Current accounts and debit balance in cash credit accounts	23.11	6.66
In Savings account	-	(₹ 60,223/-)
<b>Total cash and cash equivalents</b>	<b>23.12</b>	<b>7.36</b>

## 8 (e) Other bank balance

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividend accounts	3.71	3.05
Deposits held as Margin Money*	4.36	3.95
<b>Total other bank balances</b>	<b>8.07</b>	<b>7.00</b>

\* Under lien with bank as Security for Guarantee given by the bankers



## Notes to Standalone Financial Statements

## 8 (f) Other financial assets

₹ in Crores

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Security deposits	25.88	30.58
Bank deposits with maturity of more than 12 months	0.35	0.05
Share Application Money	6.88	-
<b>Total Other Non-current Financial Asset (A)</b>	<b>33.11</b>	<b>30.63</b>
<b>Current</b>		
Interest Subsidy Receivable	25.73	24.51
Receivable other than trade	30.00	47.00
Security deposits	3.29	4.91
Interest Accrued on financial assets measured at amortised cost	31.96	0.02
Foreign exchange forward contracts (Cash flow hedge)	37.03	5.02
Income receivable	8.55	0.97
Others	45.49	13.92
<b>Total Other Current Financial Asset (B)</b>	<b>182.05</b>	<b>96.35</b>
<b>Total (A) + (B)</b>	<b>215.16</b>	<b>126.98</b>

Other current financial assets are given as security for borrowings as disclosed under Note 14(a).

## Note 9 : Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Capital advances	21.38	68.52
Pre-paid expense	0.17	0.31
<b>Other than Capital Advances</b>		
Advances to suppliers, Doubtful	0.05	0.18
Less : Provision for doubtful advances	(0.05)	(0.18)
	-	-
<b>Total Other Non-current Other Asset (A)</b>	<b>21.55</b>	<b>68.83</b>
<b>Current</b>		
Advance to suppliers		
To Related Parties	18.50	22.33
To Others	64.80	39.76
Balance with Government Authorities (Refer Note below (i))	187.19	207.68
Export incentive receivable	60.15	73.79
Pre-paid expense	20.23	13.13
Pre-paid Gratuity (Refer Note 34)	11.99	16.23
Other Returnable Asset	-	4.27
Other Advances	3.45	2.69
<b>Total Other Current Asset (B)</b>	<b>366.31</b>	<b>379.88</b>
<b>Total (A) + (B)</b>	<b>387.86</b>	<b>448.71</b>
Advance to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	1.60	0.55

(i) Balance with Government Authorities mainly consists of input credit availed.

Other current assets are given as security for borrowings as disclosed under Note 14(a).



# Notes to Standalone Financial Statements

₹ in Crores

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw materials</b>		
Raw materials and components	453.65	370.68
Raw materials in transit	0.10	4.63
Fuel	3.58	2.55
Material at site for project in progress	10.11	11.97
Stores and spares	84.66	82.49
Stores and spares in transit	-	2.99
Work-in-progress	446.80	443.21
Finished goods	338.00	307.29
Waste	1.91	4.44
Stock-in-trade	26.12	72.57
Stock-in-trade in transit	-	0.63
<b>Total</b>	<b>1,364.93</b>	<b>1,303.45</b>

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 26.34 Crores (March, 2018 ₹ 27.70 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

Inventories are hypothecated as security for borrowings as disclosed under Note 14(a).

## Note 11 : Current Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Paid in Advance (Net of Provision)	76.46	101.91
<b>Total</b>	<b>76.46</b>	<b>101.91</b>

## Note 12 : Equity share capital:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	57,45,00,000	574.50	67,45,00,000	674.50
Preference shares of ₹ 100 each	1,00,00,000	100.00	1,00,00,000	100.00
<b>Issued, subscribed and paid-up share capital</b>				
Equity shares of ₹ 10 each	25,86,17,069	258.62	25,86,17,069	258.62
Add : Forfeited shares	900	(₹ 4,500/-)	900	(₹ 4,500/-)
<b>Total</b>	<b>25,86,17,969</b>	<b>258.62</b>	<b>25,86,17,969</b>	<b>258.62</b>

### (i) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Outstanding at the beginning of the year	25,86,17,069	258.62	25,83,59,069	258.36
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan	-	-	2,58,000	0.26
<b>Outstanding at the end of the year</b>	<b>25,86,17,069</b>	<b>258.62</b>	<b>25,86,17,069</b>	<b>258.62</b>

### (ii) Rights, Preferences and Restrictions attached to equity shares:

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



## Notes to Standalone Financial Statements

## Note 12 : Equity share capital: (Contd.)

₹ in Crores

## (iii) Details of shareholder holding more than 5% Shares in the Company:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities Private Limited	9,55,61,810	36.95	9,55,61,810	36.95

## (iv) Shares reserved for issue under options and contracts:

Refer Note 37 for details of shares to be issued under employee stock option Scheme (ESOP 2008).

## (v) In the period of five years immediately preceding March 31, 2019:

- The Company has not allotted any equity shares as fully paid up without payment being received in cash.
- The Company has not allotted any equity shares by way of bonus issue.
- The Company has not bought back any equity shares.

## Note 13 : Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Share Application Money Pending Allotment</b>		
Balance as per last financial statements	-	2.17
Add: Additions during the year	-	1.00
Add: Adjusted against share issues during the year	-	(3.17)
Balance at the end of the year	-	-
<b>(b) Capital reserve</b>		
Balance as per last financial statements	26.71	26.71
Balance at the end of the year	26.71	26.71
<b>(c) General reserve</b>		
Balance as per last financial statements	35.65	35.65
Balance at the end of the year	35.65	35.65
<b>(d) Amalgamation reserve</b>		
Balance as per last financial statements	34.20	34.20
Balance at the end of the year	34.20	34.20
<b>(e) Securities premium account</b>		
Balance as per last financial statements	564.77	556.73
Add: Received during the year	-	4.91
Add: Transfer from share based payment reserve	-	3.13
Balance at the end of the year	564.77	564.77
<b>(f) Capital redemption reserve</b>		
Balance as per last financial statements	69.50	69.50
Balance at the end of the year	69.50	69.50
<b>(g) Debenture Redemption Reserve</b>		
Balance as per last financial statements	50.00	-
Add: Transfer from retained earnings	-	50.00
Balance at the end of the year	50.00	50.00
<b>(h) Share based payment reserve (Refer Note 37)</b>		
Balance as per last financial statements	11.09	9.95
Add: Addition during the year	1.28	4.27
Add: Transfer to Securities Premium Account	-	(3.13)
Balance at the end of the year	12.37	11.09



# Notes to Standalone Financial Statements

## Note 13 : Other Equity (Contd.)

₹ in Crores

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(i) Retained earnings</b>		
<b>Balance as per last financial statements</b>	<b>2,104.00</b>	1,986.52
Add: Profit for the year	<b>199.44</b>	250.04
Add: Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation (net of tax)	<b>(11.14)</b>	(8.91)
Add: Adjustment due to demerger (Refer note 45 (II))	<b>(477.86)</b>	-
Add: Transfer to Debenture Redemption Reserve	<b>-</b>	(50.00)
	<b>1,814.44</b>	2,177.65
Add: Payment of dividend on equity shares	<b>(62.07)</b>	(62.04)
Add: Dividend distribution tax on dividend	<b>(12.34)</b>	(11.61)
<b>Balance at the end of the year</b>	<b>1,740.03</b>	2,104.00
<b>(j) Items of Other comprehensive income</b>		
<b>(i) Equity Instruments through OCI (net of tax)</b>		
<b>Balance as per last financial statements</b>	<b>0.42</b>	-
Add: Addition during the year	<b>0.07</b>	0.42
<b>Balance at the end of the year</b>	<b>0.49</b>	0.42
<b>(ii) Cash Flow hedge reserve</b>		
<b>Balance as per last financial statements</b>	<b>3.27</b>	31.99
Add/(Less): Addition during the year	<b>31.53</b>	(43.90)
Add/(Less): Tax impact on additions	<b>(11.02)</b>	15.18
<b>Balance at the end of the year</b>	<b>23.78</b>	3.27
<b>Total Other equity</b>	<b>2,557.50</b>	2,899.61

The description of the nature and purpose of each reserve within equity is as follows

**a. Capital reserve**

Capital Reserve includes forfeiture of application money received on issue of share warrants and Capital Reserves on amalgamation/Business Combinations.

**b. General reserve**

General Reserve is a free reserve created by the Company by transfer from Retained earnings for appropriation purposes.

**c. Amalgamation reserve**

The reserve was created pursuant to scheme of amalgamation in earlier years Amalgamation Reserve is a reserve which arose pursuant to the scheme of amalgamation and shall not be considered to be a reserve created by the Company.

**d. Securities premium account**

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

**e. Capital redemption reserve**

Capital Redemption Reserve is created for redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed. Capital Redemption Reserve may be applied by the Company in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares.

**f. Debenture redemption reserve**

The Company is required to create a debenture redemption reserve out of the profits which is available for purpose of redemption of debentures. This reserve will not be utilised by the Company except to redeem debentures.

**g. Share based payment reserve**

This reserve relates to share options granted by the Company to its employee share option plan. Further information about share-based payments to employees is set out in Note 37.



## Notes to Standalone Financial Statements

₹ in Crores

**Note 13 : Other Equity (Contd.)****h. Equity instruments through OCI**

The Company has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

**i. Cash flow hedge reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

**Note 14 : Financial liabilities****14 (a) Long-term Borrowings**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A. Non-current portion (Secured)(at amortised cost)</b>		
<b>(ai) Term loan</b>		
- from Banks	<b>647.73</b>	415.51
- from others	<b>2.49</b>	18.47
<b>(Unsecured)(at amortised cost)</b>		
<b>(aai) Term loan</b>		
- from Banks	-	100.08
- from Related parties (Refer note 35)	<b>119.36</b>	40.00
- from others	-	2.58
<b>(aiii) Non-convertible Debentures</b>	<b>199.57</b>	199.34
	<b>969.15</b>	775.98
<b>B. Current maturities (Refer note I below) (Secured)(at amortised cost)</b>		
<b>(bi) Term loan</b>		
- from Banks	<b>130.02</b>	95.48
- from others	<b>16.00</b>	29.25
	<b>146.02</b>	124.73
<b>Total long-term borrowings (i)</b>	<b>1,115.17</b>	900.71
<b>C. Short-term Borrowings (Secured)(at amortised cost)</b>		
<b>(ci) Working Capital Loans repayable on demand from Banks</b>	<b>1,108.06</b>	1,123.83
<b>(Unsecured)(at amortised cost)</b>		
<b>(cii) Under Buyer's Credit Arrangement</b>	<b>163.95</b>	131.80
<b>(ciii) Intercompany Deposits</b>		
From Related Parties (Refer note 35)	-	5.27
From Others	-	0.53
<b>(civ) Commercial Papers</b>	<b>250.00</b>	400.00
<b>(cv) Discounted Trade Receivable (Refer note II below)</b>	<b>14.33</b>	-
<b>Total short-term borrowings (ii)</b>	<b>1,536.34</b>	1,661.43
<b>Total borrowings (i + ii)</b>	<b>2,651.51</b>	2,562.14

**Notes:**

- I) Installments falling due within a year in respect of all the above Loans aggregating ₹ 146.02 crore (March 31, 2018 : ₹ 124.73 crore) have been grouped under "Current maturities of long-term debt" (Refer Note 14(c)).
- II) As the company has not transferred the significant risks and rewards relating to these trade receivables, it continue to recognize the full carrying amount of trade receivables and has recognized the cash received as a unsecured borrowing.

**III) Nature of security:****Term loan of ₹ 796.24 Crores**

Loans amounting to ₹ 425.60 Crores (March 31, 2018 ₹ 543.23 Crores) are secured by (a) first pari passu charge on all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants and Garment Division at Bangalore; and all Immovable Properties, Movable Properties, Intangible Properties and General Assets acquired by the Company at any time after execution of and during the continuance of the Indenture of Mortgage; (b) charge on the Company's



# Notes to Standalone Financial Statements

₹ in Crores

## Note 14 : Financial liabilities

### 14 (a) Long-term Borrowings (Contd.)

Trademarks; (c) Secured by second pari passu charge on all the Company's Current Assets presently relating to the Textile Plants and Garment Division and all the current assets acquired by the Company at any time in future .

Loans amounting to ₹ 180.83 Crores (March 31, 2018 ₹ NIL) are secured by (a) first pari passu charge on all the Movable Properties, Intangible Properties and General Assets of the Company presently relating to the Textile Plants and Garment Division at Bangalore; and all Immovable Properties, Movable Properties, Intangible Properties and General Assets acquired by the Company at any time after execution of and during the continuance of the Indenture of Mortgage; (b) charge on the Company's Trademarks; (c) Secured by second pari passu charge on all the Company's Current Assets presently relating to the Textile Plants and Garment Division and all the current assets acquired by the Company at any time in future . Process for creation of securities of Immovable Properties for these loans has been initiated.

Loans amounting to ₹ 100.69 Crores (March 31, 2018 ₹ NIL) are secured by (a) first pari passu charge on all the Movable fixed assets, present and future, of the Company.

Process for creation of securities for Loans amounting to ₹ 79.94 Crores (March 31, 2018 ₹ NIL) have been initiated.

Loans of ₹ 9.18 Crores (March 31, 2018 ₹ 15.48 Crores) are secured by hypothecation of related vehicles..

### Rate of Interest and Terms of Repayment

Particulars	₹ in Crores	Range of Interest (%)	Terms of Repayment from Balance sheet date
<b>From Banks</b>			
<b>(a) Term Loan</b>			
(I) Secured Rupee Loans	768.57	8.65% to 10.00%	For one Loan - Repayable on June 27, 2020 (₹ 40 crores) and for other loans Repayable in quarterly instalments ranging between 2 to 26
(II) Secured Vehicle Loan	9.18	8.00% to 10.25%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
<b>(b) Non-Convertible Debentures</b>	199.57	7.79% to 8.00%	Repayable in Sep 2020 (50%), Sep 2021 (25%) and Sep 2022 (25%)
<b>From Others</b>			
(I) Secured Rupee Loans	18.50	9.45%	Repayable in 5 unequal quarterly instalments
(II) Unsecured Loans from Related Party	119.36	8.75% to 8.80%	September 30, 2025 (₹ 44.36 Crores), and September 30, 2026 (₹ 75 Crores)

### Nature of Security

#### Cash Credit and Other Facilities from Banks

- (a) Secured by first pari passu charge on all the Company's Current Assets presently relating to the Manufacturing Locations and all the Current Assets acquired by the Company at any time after the execution of and during the continuance of the Indenture of Mortgage. (b) Secured by a second pari passu charge over all the Immovable Properties relating to Textile Plants, Movable Properties presently relating to the Company and all the movable properties acquired by the Company at any time in future after execution of and during the continuance of the Indenture of Mortgage.

### Rate of Interest

- Working Capital Loans from banks carry interest rates ranging from 5.15% to 9.75% per annum.
- Inter Corporate Deposit carries interest rate of 8.75% per annum.
- Commercial Papers carry interest rates ranging from 7.95% to 8.10% per annum.
- Buyer's credit arrangements carry interest rates ranging from 0.65% to 4.37%

### 14 (b) Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current</b>		
Acceptances	258.81	233.69
<b>Other trade payables (Refer note below)</b>		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	-	-
- Total Outstanding dues other than Micro Enterprises and Small Enterprises	935.64	715.25
<b>Total</b>	<b>1,194.45</b>	<b>948.94</b>



## Notes to Standalone Financial Statements

₹ in Crores

**Note 14 : Financial liabilities****14 (b) Trade payables (Contd.)****Note**

- (i) Disclosure Under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2018-19, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.

Particulars	As at March 31, 2019*	As at March 31, 2018**
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
- Principal amount due to micro and small enterprise	-	-
- Interest due on above	-	-
(ii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along-with the amount of the payment made to the supplier beyond the appointed day during the period	-	-
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(v) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

\* The Company has not received any intimation from suppliers for the financial year ended March 31, 2019 regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006.

\*\* Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

(ii) For amount payable to related parties, refer Note 35.

**14 (c) Other financial liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Financial guarantee contract	1.67	0.54
<b>Total Other Non-current financial liabilities (A)</b>	<b>1.67</b>	<b>0.54</b>
<b>Current</b>		
Current maturity of long term borrowings (Refer note 14 (a))	146.02	124.73
Interest accrued but not due		
- On Borrowings	11.78	11.17
- On Others	-	0.21
Payable to employees	93.66	97.63
Deposits from customers and others	6.46	9.50
Financial guarantee contract	-	0.67
Mark to market of derivative financial instruments	0.46	-
Unpaid dividends	3.71	3.05
Book overdraft	0.28	0.10
Payable for Capital Goods	32.48	13.18
Other Payables	0.28	16.63
<b>Total Other Current financial liabilities (B)</b>	<b>295.13</b>	<b>276.87</b>
<b>Total (A) + (B)</b>	<b>296.80</b>	<b>277.41</b>

**Note:** As at March 31, 2019, there is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF), while there has been delay ranging from 607 to 646 days in transferring fund to Investor Education and Protection Fund amounting to ₹ 0.03 crore as of March 31, 2018.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 15 : Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Long-term</b>		
<b>Provision for employee benefits (Refer note 34)</b>		
Provision for leave encashment	27.35	22.92
Provision for compensatory pension*	2.38	2.17
Provision for Medical benefits	15.03	12.20
<b>Total Long term Provisions (A)</b>	<b>44.76</b>	<b>37.29</b>
<b>Short-term</b>		
<b>Provision for employee benefits (Refer note 34)</b>		
Provision for leave encashment	6.72	4.84
Provision for superannuation	2.07	2.13
Provision for compensatory pension*	0.15	0.13
Provision for Medical benefits	1.02	0.68
<b>Others</b>		
Provision for Wealth tax	-	0.10
<b>Total Short-term provisions (B)</b>	<b>9.96</b>	<b>7.88</b>
<b>Total (A) + (B)</b>	<b>54.72</b>	<b>45.17</b>

\* Including ₹ 0.43 Crores (March 31, 2018: ₹ 0.38 crores) pertaining to employees for which the liability of the Company is crystallised. Hence, it is a liability towards defined contribution plan.

## Note 16 : Government grants

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Deferred income	59.94	34.13
<b>Total Non-current Government Grants (A)</b>	<b>59.94</b>	<b>34.13</b>
<b>Current</b>		
Deferred income	4.60	5.59
<b>Total Current Government Grants (B)</b>	<b>4.60</b>	<b>5.59</b>
<b>Total (A) + (B)</b>	<b>64.54</b>	<b>39.72</b>

## Government grants

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balance at the beginning of the year	39.72	35.47
Received during the year (net)	28.85	9.13
Released to statement of profit and loss (net)(Refer note 19)	(4.03)	(4.88)
<b>Balance at the end of the year</b>	<b>64.54</b>	<b>39.72</b>



## Notes to Standalone Financial Statements

₹ in Crores

**Note 17 : Other current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	21.33	22.59
Statutory dues (provident fund and tax deducted at source etc.)	18.36	19.95
Deferred income of loyalty program reward points (Refer note (a) below)	0.09	0.34
Other liabilities	2.67	2.54
<b>Total</b>	<b>42.45</b>	<b>45.42</b>

**(a) Deferred income of Loyalty Program Reward Points**

The Company has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balance at the beginning of the year	0.34	0.45
Add : Deferment during the year (Net)	(0.25)	(0.11)
<b>Balance at the end of the year</b>	<b>0.09</b>	<b>0.34</b>

**Note 18 : Revenue from operations (Refer note (i) below)**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of products	6,222.78	5,924.79
Sale of services	20.14	20.86
<b>Other Operating income</b>		
Waste sale	98.60	107.28
Gain/(Loss) on forward contracts	(48.30)	77.18
Export incentives	134.78	171.03
Foreign exchange fluctuation on vendors and customers (Net)	(4.20)	8.23
Liabilities no longer required written back	3.18	9.61
Others	8.98	13.15
<b>Total</b>	<b>6,435.96</b>	<b>6,332.13</b>

**Note :** (i) Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, Revenue from operations is disclosed net off GST. Revenue from operations for the year ended March 31, 2018 includes excise duty amounting to ₹ 2.59 crore, which is now subsumed in the GST. Accordingly, Revenue from operations for the current year are not comparable with previous year.

**Disaggregation of Revenue from contracts with customers**  
**Revenue based on Geography**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Domestic	3,571.57	3,669.68
Export	2,864.39	2,662.45
<b>Revenue from Operations</b>	<b>6,435.96</b>	<b>6,332.13</b>

**Revenue based on business segment**

The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction period has been allocated.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Textile	5,795.19	5,828.92
Advanced Material	528.66	395.33
Others	112.11	107.88
<b>Revenue from Operations</b>	<b>6,435.96</b>	<b>6,332.13</b>



# Notes to Standalone Financial Statements

₹ in Crores

## Note 18 : Revenue from operations (Contd.)

### Reconciliation of revenue from operation with contract price

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from contract with customers as per the contract price	6,593.55	6,504.27
Less : Adjustment made to contract price on account of:		
a) Discounts and Rebates	57.09	79.72
b) Excise duty on sale of goods	-	(2.59)
c) Sales Return	75.13	67.65
d) Bonus / incentive	24.67	26.45
e) Customer loyalty programme	0.70	0.91
<b>Revenue from Operations</b>	<b>6,435.96</b>	<b>6,332.13</b>

## Note 19 : Other income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income on financial assets measured at amortized cost		
- Fixed Deposits	0.30	0.19
- Loans and Advances	36.18	27.15
- Others	3.43	4.72
Scrap income	16.56	13.14
Dividend income	2.20	5.71
Government grants (Refer note 16)	4.03	4.88
Financial guarantee commission	4.85	3.49
Rent (Refer Note 38)	2.28	1.55
Share of Profit/(Loss) from LLP	(0.17)	0.18
Profit on sale of Property, plant and equipment (Net)	10.54	7.76
Miscellaneous income	23.65	5.69
<b>Total</b>	<b>103.85</b>	<b>74.46</b>

## Note 20 : Cost of raw materials and accessories consumed

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventory at the beginning of the year	370.68	300.30
Add : Purchases during the year	2,909.58	2,667.85
	3,280.26	2,968.15
Less : Inventory at the end of the year	453.65	370.68
Adjustment due to Demerger (Refer note 45(II))	4.11	0.87
<b>Total</b>	<b>2,822.50</b>	<b>2,596.60</b>

## Note 21 : Purchases of stock-in-trade

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of stock-in-trade	154.70	284.28
<b>Total</b>	<b>154.70</b>	<b>284.28</b>



## Notes to Standalone Financial Statements

₹ in Crores

**Note 22 : Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Inventories at the end of the year</b>		
Finished goods	338.00	307.29
Inventories-in-trade	26.12	72.57
Work-in-Progress	446.80	443.21
Project work-in-progress	10.11	11.97
Waste	1.91	4.44
	<b>(A)</b>	
	<b>822.94</b>	<b>839.48</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	307.29	333.07
Inventories-in-trade	72.57	110.42
Work-in-Progress	443.21	460.77
Project work-in-progress	11.97	9.62
Waste	4.44	3.63
	<b>(B)</b>	
	<b>839.48</b>	<b>917.51</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(B-A)</b>	
Adjustment due to Demerger (Refer note 45(II))	16.54	78.03
Excise duty in value of Inventories increase/(decrease)	(13.27)	(23.61)
	-	(0.15)
<b>Total</b>	<b>3.27</b>	<b>54.27</b>

**Note 23 : Employee benefits expense**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, Wages, Gratuity, Bonus and Commission (Refer Note 34)	709.89	693.35
Contribution to provident and other funds (Refer Note 34)	49.07	50.64
Staff welfare and training expenses	18.75	19.68
Share based payment to employees (Refer Note 37)	1.48	4.98
<b>Total</b>	<b>779.19</b>	<b>768.65</b>

**Note 24 : Finance costs**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expense on Financial Liabilities measured at amortised cost		
- Loans	190.72	151.53
- Related Parties	5.48	8.38
- Debentures	16.02	8.48
- Others	1.08	4.04
Exchange differences regarded as an adjustment to borrowing costs	-	1.57
Other borrowing cost	0.08	0.61
<b>Total</b>	<b>213.38</b>	<b>174.61</b>

**Note 25 : Depreciation and amortization expense**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation on Property, plant and equipment (Refer Note 5)	185.02	177.45
Depreciation on Investment properties (Refer Note 6)	0.57	0.43
Amortization of Intangible assets (Refer Note 7)	28.57	23.59
Adjustment due to Demerger (Refer note 45(II))	(4.41)	-
<b>Total</b>	<b>209.75</b>	<b>201.47</b>



# Notes to Standalone Financial Statements

₹ in Crores

## Note 26 : Other expenses

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Power and fuel	503.26	497.69
Stores and spares consumed	532.97	478.66
Processing charges	349.54	303.06
Miscellaneous Labour charges	85.37	68.37
Rent (Refer note 38)	47.36	70.52
Insurance	5.99	8.45
Printing, stationery and communication	17.29	16.93
Commission and Brokerage	19.65	28.05
Rates and taxes	6.31	12.10
Repairs :		
To Building	2.98	1.74
To Machineries (including spares consumption)	135.14	153.31
To others	5.57	5.90
Freight, insurance and clearing charge	113.59	109.92
Advertisement and publicity	30.66	25.51
Software Expenses	8.94	19.28
Legal and Professional charges	38.72	30.34
Conveyance and Travelling expenses	33.64	31.15
Director's sitting fees	0.03	0.04
Allowances for doubtful debts (Refer note 8(b))	-	0.12
Sundry advances written off	0.33	1.93
Auditor's remuneration (Refer note (i) below)	1.22	1.11
Bank charges	13.96	14.80
Corporate Social Responsibility expenses (Refer note 39)	6.93	8.20
Property, plant and equipment written off	0.16	1.39
Miscellaneous expenses	79.12	93.05
<b>Total</b>	<b>2,038.73</b>	<b>1,981.62</b>
<b>(i) Break up of Auditor's remuneration</b>		
<b>Payment to Auditors as</b>		
Auditors	0.80	0.80
For Other Services	0.42	0.31
<b>Total</b>	<b>1.22</b>	<b>1.11</b>

## Note 27 : Exceptional items

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Retrenchment compensation	18.43	36.54
(b) (Profit) on Sale of Property, plant and equipment (Land)	-	(23.30)
(c) Loss on Sale of Investments	-	9.48
(d) Diminution in the Value of Investments	16.07	-
(e) Allowances for doubtful loan	8.80	-
(f) Reversal of GST credit due to change in rule of claiming refund of inverted duty and amendment in the Act with respect to Textile and Textile Article.	27.55	-
<b>Total</b>	<b>70.85</b>	<b>22.72</b>



## Notes to Standalone Financial Statements

₹ in Crores

**Note 28 : Income tax**

The major component of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Statement of Profit and Loss</b>		
Current income tax	53.56	60.93
Short provision related to earlier years	31.97	1.26
Deferred tax expense/(Credit)	(62.67)	(20.62)
<b>Income tax expense in the Statement of Profit and Loss</b>	<b>22.86</b>	<b>41.57</b>
<b>Statement of Other comprehensive income (OCI)</b>		
Current income tax	(5.17)	(3.49)
Deferred tax expense/(Credit)	10.21	(16.42)
<b>Income tax expense / (Credit) recognised in OCI</b>	<b>5.04</b>	<b>(19.91)</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018.

**A. Current tax**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Accounting profit before tax from continuing operations</b>	<b>243.00</b>	313.92
<b>Accounting profit before tax from discontinued operations</b>	<b>(20.70)</b>	(22.31)
Tax Rate	34.944%	34.608%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	77.68	100.92
Adjustment		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	(6.32)	(41.90)
Unused tax losses - Capital losses	(28.94)	-
Deferred tax assets not recognized as realization is not probable	-	(4.78)
Exempt income	(0.77)	(1.73)
Additional deduction for research and product development cost	(7.06)	(8.04)
Expenditure not deductible for tax/not liable to tax	2.80	3.58
Short Provision of the earlier years	31.97	1.26
MAT credit pertaining to earlier years	(46.46)	-
Other adjustments	(0.04)	(7.74)
<b>Total income tax expense</b>	<b>22.86</b>	<b>41.57</b>
Effective tax rate	10.29	14.26



# Notes to Standalone Financial Statements

₹ in Crores

## Note 28 : Income tax (Contd.)

### B. Deferred tax

The Company has accrued significant amounts of deferred tax. The majority of the deferred tax (assets) & liability represents accelerated tax relief for the depreciation of property, plant and equipment, unused long-term capital loss carried forward and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax (assets) & liabilities recognized in the financial statements of the Company are as follows:

Particulars	Balance Sheet as at		Statement of Profit and Loss and OCI for the year ended on	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Accelerated depreciation for tax purposes	196.72	176.35	20.37	9.94
Adjustment due to business combination (Note 45(I))	-	-	-	(0.52)
Impact of fair valuation of Land	114.41	120.73	(6.32)	(43.06)
Provision for doubtful debt	(5.00)	(3.38)	(1.62)	0.59
Expenditure allowable on payment basis	(15.18)	(12.39)	(2.79)	(3.71)
Expenditure allowable over the period (Section 35D/35DD)	(15.04)	(15.95)	0.91	(5.99)
Unused long-term capital loss	(28.94)	-	(28.94)	-
Unused tax credit available for offsetting against future taxable income (MAT Credit Entitlement)	(187.50)	(152.38)	(35.12)	28.00
Others	(20.16)	(21.21)	1.05	(22.29)
Deferred tax expense/(income)			(52.46)	(37.04)
Net deferred tax liabilities	39.31	91.77		
Reflected in the balance sheet as follows				
Deferred tax liabilities	311.13	297.08		
Deferred tax assets	(271.82)	(205.31)		
Deferred tax liabilities (net)	39.31	91.77		

There are certain income-tax related legal proceedings which are pending against the Company. Potential liabilities, if any have been adequately provided for, and the Company does not currently estimate any probable material incremental tax liabilities in respect of these matters. (Refer note 30).

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has unused tax capital losses amounting to ₹ 387.16 crores as at March 31, 2019 (March 31, 2018: ₹ 394.28 crores). Out of the same, tax credits on losses of ₹ 262.93 crores have not been recognised on the basis that recovery is not probable in the foreseeable future. Unrecognised tax capital losses will expire on March 31, 2025, if unutilized, based on the year of origination.

## Note 29 : Disclosure in respect of Construction / Job work Contracts

Particulars	As at March 31, 2019	As at March 31, 2018
Amount of Contract Revenue Recognized During the Year	2.88	4.41
<b>Contracts in progress at the end of the reporting period</b>		
Contract cost incurred and recognised profits less recognised losses	55.98	53.10
Less: Progress Billings	55.98	53.10
	-	-
<b>Recognized and included in the financial statements as amounts due:</b>		
-from customers under construction contracts	-	-
-to customers under construction contracts	-	-
	-	-
Amount of Advance Received from Customers	-	-
Amount of Retention from Customers	0.13	0.13



## Notes to Standalone Financial Statements

₹ in Crores

**Note 30 : Contingent liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent liabilities not provided for</b>		
(i) Claims against Company not acknowledged as debts	<b>7.59</b>	6.22
(ii) Guarantees given by the Company to Banks on behalf of Subsidiaries / Joint Ventures	<b>806.16</b>	583.45
(iii) Disputed demands in respect of		
Excise and Customs duty	<b>23.64</b>	23.83
Value added tax and Central sales tax	<b>17.71</b>	19.50
Income tax	<b>35.07</b>	20.08
Service tax	<b>5.54</b>	4.65

**Notes :**

- (a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

**Note 31 : Capital commitment and other commitments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Capital commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	<b>74.90</b>	74.67
<b>(b) Other commitments</b>		
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Company is unable to meet these obligations, its liability would be ₹30.19 crores (March 31, 2018: ₹11.09 crores) which will reduce in proportion to actual exports. The Company is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any provision in its financial statements.	<b>181.13</b>	77.74

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

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities depending upon the maturity of the derivatives.

The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

**Cash Flow Hedges**

The Company also enters into forward exchange contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the statement of profit or loss. These hedges have been effective for the year ended March 31, 2019 and March 31, 2018.

The Company uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions.

The cash flow hedges are taken out by the Company during the year for hedging the foreign exchange rate of highly probable forecast transactions. The cash flows related to above are expected to occur during the year ended March 31, 2019 and consequently may impact the statement of profit or loss for that year depending upon the change in the foreign exchange rates movements.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 32 : Foreign Exchange Derivatives and Exposures not hedged (Contd.)

A details of derivative contracts outstanding as at reporting date are as follows:

### A. Foreign Exchange Derivatives

Nature of instrument	Currency	As at March 31, 2019				As at March 31, 2018			
		Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Millions)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Millions)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
<b>Cash Flow Hedges (Routed through OCI)</b>									
<b>Forward Sales Contracts</b>									
Maturing less than 3 months	USD	70.59	71.05	501.50	6.46	66.01	84.31	556.53	3.62
Maturing between 3 to 6 months	USD	71.43	42.41	302.95	4.46	66.55	47.50	316.12	1.53
Maturing between 6 to 9 months	USD	72.13	11.50	82.96	1.35	66.91	23.80	159.25	0.03
Maturing between 9 to 12 months	USD	-	-	-	-	66.89	4.00	26.76	(0.17)
<b>Total</b>	USD		124.96	887.41	12.27		159.61	1,058.66	5.01
<b>Option contracts *</b>									
Maturing less than 3 months	USD	-	-	-	7.68	-	-	-	-
Maturing between 3 to 6 months	USD	-	-	-	6.57	-	-	-	-
Maturing between 6 to 9 months	USD	-	-	-	5.58	-	-	-	-
Maturing between 9 to 12 months	USD	-	-	-	4.47	-	-	-	-
<b>Total</b>	USD		-	-	24.30		-	-	-
<b>Other Hedges (Routed through Profit &amp; Loss)</b>									
<b>Forward Purchase Contracts</b>									
Maturing less than 3 months	USD	69.46	1.00	6.95	-	-	-	-	-
Maturing between 3 to 6 months	USD	-	-	-	-	-	-	-	-
Maturing between 6 to 9 months	USD	-	-	-	-	-	-	-	-
Maturing between 9 to 12 months	USD	-	-	-	-	-	-	-	-
<b>Total</b>	USD		1.00	6.95	-		-	-	-

\* Option contract are in the nature of zero premium option, hence nominal value as on the date of contract was Nil.

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

### B. Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2019		As at March 31, 2018	
		FC In Mn	₹ in Crores	FC In Mn	₹ in Crores
Receivables	USD	61.21	423.27	40.82	266.05
	EUR	0.93	7.20	1.32	10.67
	GBP	(GBP 4583)	0.04	0.01	0.07
	AUD	0.06	0.28	-	-
	ZAR	0.28	0.13	-	-
Payable towards borrowings	USD	18.54	128.20	13.74	89.54
	EUR	4.69	36.42	4.99	40.32
	JPY	-	-	38.46	2.67
Receivable towards loans	USD	2.80	19.38	2.45	15.97
Payable to creditors	USD	5.44	37.60	5.86	38.20
	EUR	1.26	9.80	0.28	2.26
	GBP	(GBP 186)	(₹16,838/-)	(GBP 2419)	0.02
	AUD	(AUD 11658)	0.06	-	-
	JPY	6.60	0.41	8.23	0.51
	CHF	0.03	0.21	-	-
	SGD	-	-	0.18	0.81
	HKD	(HKD 7264)	0.01	(HKD 3000)	(₹ 24,915/-)



# Notes to Standalone Financial Statements

## Note 33 : Segment Reporting

### Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company.

### Operating Segments:

- (a) **Textiles** : Fabrics, Garments and Fabric Retail.
- (b) **Advanced Material** : Technical Textiles
- (c) **Others** : Agriculture Produce, E-commerce, EPABX and One to Many Radio, Water Treatment, Other including newly commenced business.
- (d) **Branded Apparels** : Branded Garments, accessories and manufacturing & selling of customised clothing. Manufacturing and selling of branded accessories is reclassified and considered as branded apparels segment w.e.f. July 1,2017.
- (e) **Engineering** : Engineering

### Segment revenue and results:

Revenue and expenses directly attributable to segments are reported under each reportable segment. The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income). Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level.

### Segment assets and Liabilities:

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipment, trade receivables, Inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities excluding borrowings.

Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

### Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the company level.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in Note 3. The Company's financing (including finance costs and finance income) and income taxes are reviewed on an overall basis and are not allocated to operating segments.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 33 : Segment Reporting (Contd.)

### Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Summarised segment information for the years ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	For the Year ended / As at March 31, 2019						Total
	Textiles	Advanced Material	Other	Brand Apparels*	Engineering**	Elimination	
<b>REVENUE</b>							
External Revenue	5,795.19	528.66	112.11	52.53	-	-	<b>6,488.49</b>
Inter segment Revenue	5.57	0.06	-	-	-	(5.63)	-
<b>Enterprise revenue</b>	<b>5,800.76</b>	<b>528.72</b>	<b>112.11</b>	<b>52.53</b>	-	<b>(5.63)</b>	<b>6,488.49</b>
<b>RESULT</b>							
<b>Segment Result Before Finance cost</b>	509.04	40.64	(43.23)	(18.97)	-	-	<b>487.48</b>
Less: Finance Cost						-	<b>(215.11)</b>
Less: Unallocable expenses (net of income)						-	<b>(50.07)</b>
Less: Tax Expense						-	<b>(22.86)</b>
<b>Net profit/(loss) after tax</b>	<b>509.04</b>	<b>40.64</b>	<b>(43.23)</b>	<b>(18.97)</b>	-	-	<b>199.44</b>
Segment Assets	4,585.27	448.31	144.40	-	-	-	<b>5,177.98</b>
Unallocated Assets						-	<b>1,835.90</b>
<b>Total Assets</b>	<b>4,585.27</b>	<b>448.31</b>	<b>144.40</b>	<b>-</b>	-	-	<b>7,013.88</b>
Segment Liabilities	1,279.57	67.98	47.99	-	-	-	<b>1,395.54</b>
Unallocated Liabilities						-	<b>150.71</b>
<b>Total Liabilities</b>	<b>1,279.57</b>	<b>67.98</b>	<b>47.99</b>	<b>-</b>	-	-	<b>1,546.25</b>
Depreciation and amortisation expense	158.63	12.74	16.45	3.14	-	-	<b>190.96</b>
Unallocated Depreciation and amortisation expense						-	<b>21.94</b>
<b>Total Depreciation and amortisation expense</b>	<b>158.63</b>	<b>12.74</b>	<b>16.45</b>	<b>3.14</b>	-	-	<b>212.90</b>
Capital Expenditure	380.82	21.51	1.85	0.18	-	-	<b>404.36</b>
Unallocated Capital Expenditure						-	<b>54.20</b>
<b>Total Capital Expenditure (Refer Note (a))</b>	<b>380.82</b>	<b>21.51</b>	<b>1.85</b>	<b>0.18</b>	-	-	<b>458.56</b>
Material non-cash items other than Depreciation and amortisation	24.35	2.14	0.16	3.82	-	-	<b>30.47</b>
Unallocated Material non-cash items other than Depreciation and amortisation						-	<b>25.05</b>
<b>Total Material non-cash items other than Depreciation and amortisation</b>	<b>24.35</b>	<b>2.14</b>	<b>0.16</b>	<b>3.82</b>	-	-	<b>55.52</b>



## Notes to Standalone Financial Statements

₹ in Crores

## Note 33 : Segment Reporting (Contd.)

Particulars	For the Year ended / As at March 31, 2018						Total
	Textiles	Advanced Material	Other	Brand Apparels*	Engin-eering**	Elimin-ation	
<b>REVENUE</b>							
External Revenue	5,828.92	395.33	107.88	67.87	26.86	-	<b>6,426.86</b>
Inter segment Revenue	1.83	0.56	-	-	-	(2.39)	-
<b>Enterprise revenue</b>	<b>5,830.75</b>	<b>395.89</b>	<b>107.88</b>	<b>67.87</b>	<b>26.86</b>	<b>(2.39)</b>	<b>6,426.86</b>
<b>RESULT</b>							
<b>Segment Result Before Finance cost</b>	657.34	(26.92)	(76.16)	(20.10)	0.88	-	<b>535.04</b>
Less: Finance Cost						-	<b>(177.68)</b>
Less: Unallocable expenses (net of income)						-	<b>(65.75)</b>
Less: Tax Expense						-	<b>(41.57)</b>
<b>Net profit/(loss)</b>	<b>657.34</b>	<b>(26.92)</b>	<b>(76.16)</b>	<b>(20.10)</b>	<b>0.88</b>	-	<b>250.04</b>
Segment Assets	4,143.74	368.81	174.03	509.38	41.41	-	<b>5,237.37</b>
Unallocated Assets						-	<b>1,806.70</b>
<b>Total Assets</b>	<b>4,143.74</b>	<b>368.81</b>	<b>174.03</b>	<b>509.38</b>	<b>41.41</b>	-	<b>7,044.07</b>
Segment Liabilities	989.00	59.12	52.22	18.01	1.63	-	<b>1,119.98</b>
Unallocated Liabilities						-	<b>203.71</b>
<b>Total Liabilities</b>	<b>989.00</b>	<b>59.12</b>	<b>52.22</b>	<b>18.01</b>	<b>1.63</b>	-	<b>1,323.69</b>
Depreciation and amortisation expense	149.14	16.90	14.33	6.95	0.43	-	<b>187.75</b>
Unallocated Depreciation and amortisation expense						-	<b>21.10</b>
<b>Total Depreciation and amortisation expense</b>	<b>149.14</b>	<b>16.90</b>	<b>14.33</b>	<b>6.95</b>	<b>0.43</b>	-	<b>208.85</b>
Capital Expenditure	176.52	23.33	4.97	0.54	9.63	-	<b>214.99</b>
Unallocated Capital Expenditure						-	<b>60.67</b>
<b>Total Capital Expenditure (Refer Note (a))</b>	<b>176.52</b>	<b>23.33</b>	<b>4.97</b>	<b>0.54</b>	<b>9.63</b>	-	<b>275.66</b>
Material non-cash items other than Depreciation and amortisation	25.21	0.16	5.04	0.02	-	-	<b>30.43</b>
Unallocated Material non-cash items other than Depreciation and amortisation						-	<b>0.72</b>
<b>Total Material non-cash items other than Depreciation and amortisation</b>	<b>25.21</b>	<b>0.16</b>	<b>5.04</b>	<b>0.02</b>	<b>-</b>	<b>-</b>	<b>31.15</b>

\* Branded Apparels Business has been discontinued with effect from November 30, 2018. Refer Note 45 (II) for details of discontinued operations.

\*\*Engineering Business has been discontinued with effect from January 01, 2018. Pursuant to the Scheme, the carrying amount of all the assets, liabilities, income and expenses pertaining to the Engineering Business has been transferred to AHIL from April 01, 2018. Refer Note 45 (II) for details of discontinued operations.

(a) Capital expenditure consists of additions to property, plant and equipment, intangible assets, investment properties and capital work-in-progress.

(b)

Particulars	Year Ended / As at March 31, 2019	Year Ended / As at March 31, 2018
<b>Segment Revenue*</b>		
(a) In India	<b>3,624.00</b>	3,759.41
(b) Rest of the world	<b>2,864.49</b>	2,667.45
<b>Total</b>	<b>6,488.49</b>	6,426.86
<b>Carrying Cost of Segment Non Current Assets@</b>		
(a) In India	<b>3,472.47</b>	3,276.38
(b) Rest of the world	-	-
<b>Total</b>	<b>3,472.47</b>	3,276.38

\* Based on location of Customers

@ Other than financial assets.

(c) **Information about major customers:**

Considering the nature of business of company in which it operates, the company deals with various customers including multiple geographics. No single customer has accounted for more than 10% of the company's revenue for the years ended March 31, 2019 and 2018.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 34 : Disclosure pursuant to Employee benefits

### A. Defined contribution plans:

Amount of ₹ 32.63 Crores (March 31, 2018: ₹ 32.87 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense".

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	Continuing Business	Discontinued Business	Total	Continuing Business	Discontinued Business	Total
(i) Contribution to Provident Fund [Note (a)]	15.01	0.08	15.09	14.03	0.09	14.12
(ii) Contribution to Pension Fund [Note (a)]	15.38	0.03	15.41	16.49	0.07	16.56
(iii) Contribution to Superannuation Fund [Note (b)]	2.13	-	2.13	2.19	-	2.19
<b>Total</b>	<b>32.52</b>	<b>0.11</b>	<b>32.63</b>	<b>32.71</b>	<b>0.16</b>	<b>32.87</b>

### Note

(a) Employees of the Company, other than covered in Provident Fund Trust, receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Company, other than covered in Provident Fund Trust, receive benefits from a government administered provident fund, which is a defined contribution plan. The company has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

(b) The Company's Superannuation Fund is administered by approved Trust. The Company is required to contribute the specified amount to the Trust. The Company has no further obligations to the plan beyond its contribution to a Trust Fund.

### B. Defined benefit plans:

The Company has following post employment benefit plans which are in the nature of defined benefit plans:

#### (a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The Gratuity plan is a Funded plan administered by a Trust and the Company makes contributions to recognised Trust in India.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the Arvind Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme as permitted by Indian law.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

#### (b) Post-Retirement Medical Benefit

Under this Scheme, employees & their spouse are covered for hospitalisation benefits after the employee has retired from the company only on completion of specified number of years services. The cover is available to these beneficiaries until they are alive. These beneficiaries are covered under Company's general group hospitalisation cover from insurance company. Liabilities with regard to the Post- Retirement Medical Benefit Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.

#### (c) Compensatory Pension Scheme

The Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees who have joined before June 30, 1983 and who have rendered not less than 31 years of service before their retirement. The plan is unfunded. Employees do not contribute to the plan. Liabilities with regard to the Compensatory Pension Scheme are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.



## Notes to Standalone Financial Statements

₹ in Crores

**Note 34 : Disclosure pursuant to Employee benefits (Contd.)  
Changes in defined benefit obligation and plan assets as at March 31, 2019:**

Particulars	As at April 1, 2018	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 23)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial Experience adjustments	Sub-total included in OCI	As at March 31, 2019
<b>Gratuity</b>										
Defined benefit obligation	103.04	10.93	8.02	18.95	(20.17)	-	10.19	(15.45)	15.29	117.11
Fair value of plan assets	(119.27)	-	(9.28)	(9.28)	-	(0.54)	-	-	(0.54)	(129.09)
<b>Net Benefit liability/(asset)</b>	<b>(16.23)</b>	<b>10.93</b>	<b>(1.26)</b>	<b>9.67</b>	<b>(20.17)</b>	<b>(0.54)</b>	<b>10.19</b>	<b>(15.45)</b>	<b>14.75</b>	<b>(11.98)</b>
<b>Post employment Medical benefits</b>										
Defined benefit obligation	12.88	0.36	1.00	1.36	(0.49)	-	(2.79)	2.19	2.30	16.05
<b>Net Benefit liability/(asset)</b>	<b>12.88</b>	<b>0.36</b>	<b>1.00</b>	<b>1.36</b>	<b>(0.49)</b>	<b>-</b>	<b>(2.79)</b>	<b>2.19</b>	<b>2.30</b>	<b>16.05</b>
<b>Compensatory Pension Scheme</b>										
Defined benefit obligation	1.92	0.05	0.15	0.20	(0.10)	-	-	0.06	0.08	2.10
<b>Net Benefit liability/(asset)</b>	<b>1.92</b>	<b>0.05</b>	<b>0.15</b>	<b>0.20</b>	<b>(0.10)</b>	<b>-</b>	<b>-</b>	<b>0.06</b>	<b>0.08</b>	<b>2.10</b>
<b>Total benefit liability/(asset)</b>	<b>(1.43)</b>	<b>11.34</b>	<b>(0.11)</b>	<b>11.23</b>	<b>(20.76)</b>	<b>(0.54)</b>	<b>7.40</b>	<b>(13.20)</b>	<b>17.13</b>	<b>6.17</b>

**Changes in defined benefit obligation and plan assets as at March 31, 2018:**

Particulars	As at April 1, 2017	Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 23)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial Experience adjustments	Sub-total included in OCI	As at March 31, 2018
<b>Gratuity</b>										
Defined benefit obligation	94.04	11.38	7.12	18.50	(17.50)	-	7.68	(5.55)	8.00	103.04
Fair value of plan assets	(111.99)	-	(8.48)	(8.48)	-	1.20	-	-	1.20	(119.27)
<b>Net Benefit liability/(asset)</b>	<b>(17.95)</b>	<b>11.38</b>	<b>(1.36)</b>	<b>10.02</b>	<b>(17.50)</b>	<b>1.20</b>	<b>7.68</b>	<b>(5.55)</b>	<b>9.20</b>	<b>(16.23)</b>
<b>Post employment Medical benefits</b>										
Defined benefit obligation	7.88	0.35	0.60	0.95	(0.39)	-	(1.54)	0.88	4.44	12.88
<b>Net Benefit liability/(asset)</b>	<b>7.88</b>	<b>0.35</b>	<b>0.60</b>	<b>0.95</b>	<b>(0.39)</b>	<b>-</b>	<b>(1.54)</b>	<b>0.88</b>	<b>4.44</b>	<b>12.88</b>
<b>Compensatory Pension Scheme</b>										
Defined benefit obligation	1.72	0.04	0.23	0.27	(0.07)	-	-	-	-	1.92
<b>Net Benefit liability/(asset)</b>	<b>1.72</b>	<b>0.04</b>	<b>0.23</b>	<b>0.27</b>	<b>(0.07)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.92</b>
<b>Total benefit liability/(asset)</b>	<b>(8.35)</b>	<b>11.77</b>	<b>(0.53)</b>	<b>11.24</b>	<b>(17.96)</b>	<b>1.20</b>	<b>6.14</b>	<b>(4.67)</b>	<b>13.64</b>	<b>(1.43)</b>

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

Particulars	As at March 31, 2019 (%) of total plan assets	As at March 31, 2018 (%) of total plan assets
Central Government Securities	0.00%	0.21%
Public Sector/Financial Institutional Bonds	0.00%	0.25%
Portfolio with Mutual Fund	99.94%	99.47%
Others (including bank balances)	0.06%	0.07%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>



# Notes to Standalone Financial Statements

₹ in Crores

## Note 34 : Disclosure pursuant to Employee benefits (Contd.)

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

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.47%	7.78%
Future salary increase	6.00%	5.00%
Medical cost inflation	6.00%	5.00%
Expected rate of return on plan assets	7.47%	7.78%
Attrition rate	7.00%	5.00%
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below for the defined benefit plan:

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2019	Year ended March 31, 2018
<b>Gratuity</b>			
Discount rate	1% increase	(6.93)	(6.67)
	1% decrease	7.95	7.71
Salary increase	1% increase	7.99	7.85
	1% decrease	(7.08)	(6.89)
Attrition rate	1% increase	0.58	1.54
	1% decrease	(0.68)	(1.77)
<b>Post employment medical benefits</b>			
Discount rate	1% increase	(1.12)	(0.90)
	1% decrease	1.09	0.86
Medical cost inflation	1% increase	0.91	0.73
	1% decrease	(0.80)	(0.82)
Attrition rate	1% increase	(0.48)	(0.26)
	1% decrease	0.63	0.40
<b>Compensatory Pension Scheme</b>			
Discount rate	1% increase	(0.07)	(0.05)
	1% decrease	0.04	0.05

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period.

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Gratuity</b>		
Within the next 12 months	23.62	17.40
Between 2 to 5 years	38.82	34.80
Beyond 5 years	54.67	50.84
	<u>117.11</u>	<u>103.04</u>
<b>Post employment medical benefits</b>		
Within the next 12 months	1.01	0.67
Between 2 to 5 years	3.23	2.43
Beyond 5 years	11.81	9.78
	<u>16.05</u>	<u>12.88</u>
<b>Compensatory Pension Scheme</b>		
Within the next 12 months	0.51	0.58
Between 2 to 5 years	1.59	1.34
Beyond 5 years	-	-
	<u>2.10</u>	<u>1.92</u>
<b>Total expected payments</b>	<b>135.26</b>	<b>117.84</b>



## Notes to Standalone Financial Statements

₹ in Crores

**Note 34 : Disclosure pursuant to Employee benefits (Contd.)****Weighted average duration of defined plan obligation (based on discounted cash flows)**

Particulars	As at March 31, 2019 In Years	As at March 31, 2018 In Years
Gratuity	8	8
Post employment medical benefits	7	7
Compensatory Pension Scheme	2	3

The Company does not have any contributions expected towards planned assets for the next year.

**C. Other Long term employee benefit plans:****a) Leave encashment**

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Company has recognised following as expenses and included in Note No. 24 "Employee benefit expense".

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	Continuing Business	Discontinued Business	Total	Continuing Business	Discontinued Business	Total
Leave Encashment	15.88	0.08	15.96	14.21	0.06	14.27
<b>Total</b>	<b>15.88</b>	<b>0.08</b>	<b>15.96</b>	14.21	0.06	14.27

**b) Company administered Provident Fund**

In case of Employees of the Company covered in Provident Fund Trust, provident fund contributions are deposited to The Arvind Mills Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Contributions to such provident fund are recognised as employee benefits expenses when they are due in the Statement of profit and loss. The scheme is identified as a long term employee benefit as the company provides facility of pre-retirement withdrawal of provident fund balance.

The details of Fund and Plan Asset position are as under :

Particulars	As at March 31, 2019	As at March 31, 2018
Plan asset at period end, at fair value	418.07	394.79
Present Value of benefit obligation at period end	410.25	377.80
Asset recognised in Balance Sheet	-	-

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at March 31, 2019	As at March 31, 2018
Government of India (GOI) bond yeild	8.88%	8.96%
Remaining term to maturity of portfolio	5 Years	5 Years
Expected Guaranteed interest rate	8.65%	8.55%

The Company contributed ₹ 12.69 Crores and ₹ 12.26 Crores during the years ended on March 31, 2019 and March 31, 2018 respectively and the same has been recognized in the statement of Profit and Loss under the employee benefit expense.



# Notes to Standalone Financial Statements

## Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

### (a) Name of Related Parties and Nature of Relationship :

#### (I) Subsidiaries

1	Arvind Fashions Limited	Up to November 29, 2018
2	Arvind Lifestyle Brands Limited	Subsidiary of Arvind Fashions Limited, Up to November 29, 2018
3	Arvind Beauty Brands Retail Private Limited	Subsidiary of Arvind Fashions Limited, Up to November 29, 2018
4	Calvin Klein Arvind Fashion Private Limited	Subsidiary of Arvind Fashions Limited, Up to November 29, 2018
5	Tommy Hilfiger Arvind Fashions Private Limited	Subsidiary of Arvind Fashions Limited, Up to November 29, 2018
6	Westech Advance Materials Limited	
7	Brillaire Inc	Subsidiary of Westech Advance Materials Limited w.e.f. March 13, 2017
8	Syntel Telecom Limited	
9	Arvind Internet Limited	
10	Arvind Worldwide Inc., USA	
11	Arvind Worldwide(M) Inc., Mauritius	
12	Arvind Textile Mills Limited, Bangladesh	
13	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	
14	Arvind Envisol Limited	
15	Arvind Envisol PLC	Subsidiary of Arvind Envisol Limited w.e.f. July 28, 2017
16	The Anup Engineering Limited	Up to March 31, 2018
17	Arvind Ruf & Tuf Private Limited	
18	Arvind Smart Textiles Limited	w.e.f. December 29, 2017
19	Arvind Enterprise FZE	w.e.f. May 15, 2017
20	Arvind Transformational Solutions Private Limited	w.e.f. April 11, 2017
21	The Anup Engineering Limited (formerly known as Anveshan Heavy Engineering Limited)	
22	Arvind PD Composites Private Limited	From October 10, 2017 to October 25, 2017
23	Arvind Goodhill Suit Manufacturing Private Limited	
24	Arvind Niloy Exports Private Limited, Bangladesh	
25	Arvind OG Nonwovens Private Limited	
26	Arvind Premium Retail Limited	
27	Arvind True Blue Limited	
28	Arya Omnitalk Wireless Solutions Private Limited	w.e.f. July 01, 2017
29	Arvind Overseas (M) Inc., Mauritius	
30	Arvind Spinning Limited	
31	Maruti Ornet and Infrabuild LLP	
32	Enkay Converged Technologies LLP	w.e.f. July 01, 2017
33	Arvind Foundation	
34	Arvind Polser Engineered Composite Panels Private Limited	w.e.f. February 11, 2019

#### (II) Joint Ventures

1	Arya Omnitalk Radio Trunking Services Private Limited	up to June 30, 2017
2	Arya Omnitalk Wireless Solutions Private Limited	w.e.f. December 31, 2018
3	Arvind Norm CBRN Systems Private Limited	w.e.f. October 25, 2018
4	Adient Arvind Automotive Fabrics India Private Limited	
5	Arudrama Developers Private Limited	
6	Arvind and Smart Value Homes LLP	

#### (III) Key Management Personnel

1	Mr. Sanjay S. Lalbhai	Chairman and Managing Director
2	Mr. Jayesh K. Shah	Director & Chief Financial Officer
3	Mr. Punit S. Lalbhai	Executive Director
4	Mr. Kulin S. Lalbhai	Executive Director
5	Mr. Bakul Harshadrai Dholakia	Non-Executive Director
6	Mr. Dileep Chinubhai Choksi	Non-Executive Director
7	Mr. Samir Uttamlal Mehta	Non-Executive Director
8	Ms. Renuka Ramnath	Non-Executive Director
9	Mr. Vallabh Roopchand Bhansali	Non-Executive Director
10	Mr. Nilesh Dhirajlal Shah	Non-Executive Director



## Notes to Standalone Financial Statements

### Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

#### (a) Name of Related Parties and Nature of Relationship :

##### (IV) Relatives of Key Management Personnel

- 1 Mrs. Jayshree S Lalbhai
- 2 Mrs. Poorva P Lalbhai
- 3 Mrs. Jaina K Lalbhai

##### (V) Enterprise over which Key Management personnel are able to exercise significant influence

- 1 Aura Securities Private Limited
- 2 Amplus Capital Advisors Private Limited
- 3 Arvind Smartspaces Limited
- 4 The Anup Engineering Limited (formerly known as Anveshan Heavy Engineering Limited)
- 5 Arvind Fashions Limited
- 6 Arvind Lifestyle Brands Limited
- 7 Arvind Beauty Brands Retail Private Limited
- 8 Calvin Klein Arvind Fashion Private Limited
- 9 Tommy Hilfiger Arvind Fashions Private Limited
- 10 AML Employees Welfare Trust

##### (VI) Trusts and Others

- 1 Arvind Mills Employees' Provident Fund
- 2 Arvind Mills Employees' Gratuity Fund
- 3 Lalbhai Group of Companies Officers' Superannuation Fund

w.e.f. October 26, 2017  
w.e.f. November 30, 2018  
w.e.f. November 30, 2018  
w.e.f. November 30, 2018  
w.e.f. November 30, 2018  
w.e.f. November 30, 2018  
Up to October 21, 2018



# Notes to Standalone Financial Statements

₹ in Crores

## Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

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

Particulars	Subsidiaries		Joint Ventures		Key Management Personnel and relatives		Trusts		Company under the control of Key Managerial Personnel		Total	
	Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>(i) Transactions during the year</b>												
Purchase of Goods	51.75	65.71	-	-	-	-	-	-	(3.89)	-	47.86	65.71
Purchase of Property, plant and equipment	9.22	12.12	-	-	-	-	-	-	-	-	9.22	12.12
Sales of Goods	108.37	90.28	0.80	-	-	-	-	-	7.30	0.04	116.47	90.32
Sale of Property, plant and equipment	0.41	0.14	2.64	-	-	-	-	-	-	42.92	3.05	43.06
Services Rendered	28.28	10.73	-	-	-	-	-	-	4.74	-	33.02	10.73
Rent Income	1.56	1.91	0.35	-	-	-	-	-	-	-	1.91	1.91
Expenses Recovered	2.47	4.06	3.95	-	-	-	-	-	1.62	-	8.04	5.73
Remuneration	-	-	-	1.67	16.94	19.02	-	-	-	-	16.94	19.02
Sitting Fees paid to Non-Executive Directors	-	-	-	-	0.03	0.04	-	-	-	-	0.03	0.04
Commission to Non-Executive Directors	-	-	-	-	0.40	0.40	-	-	-	-	0.40	0.40
Services Received	15.96	15.55	-	-	-	-	-	-	-	-	15.96	15.55
Rent Expenses	-	0.11	-	-	-	-	-	-	0.20	-	0.20	0.11
Reimbursement of expenses	1.85	15.09	-	-	-	-	-	-	6.19	-	8.04	15.09
Interest Expenses	1.13	8.38	-	-	-	-	-	-	4.34	-	5.47	8.38
Donation Given	3.50	5.80	-	-	-	-	-	-	-	-	3.50	5.80
Contribution Given for Employee Benefit Plans	-	-	-	-	-	-	39.24	33.67	-	-	39.24	33.67
Share of Profit from LLP	(0.01)	-	(0.16)	0.33	-	-	-	-	-	-	(0.17)	0.33
Dividend Income	2.00	5.71	-	-	-	-	-	-	0.20	-	2.20	5.71
Interest Income	22.85	17.66	-	-	-	-	-	-	-	-	22.85	17.66
Guarantee Commission Income	1.32	3.47	0.02	0.02	-	-	-	-	3.51	-	4.85	3.49
Impairment in value of Shares	16.07	-	-	-	-	-	-	-	-	-	16.07	-
Impairment in value of Loan	8.80	-	-	-	-	-	-	-	-	-	8.80	-
Loan Given	1,613.01	749.08	-	-	-	-	-	-	-	-	1,613.01	749.08
Receipt towards Loan Given	1,582.63	873.69	-	-	-	-	-	-	-	-	1,582.63	873.69
Loan Taken	249.47	374.66	-	-	-	-	-	-	186.66	-	436.13	374.66
Repayment of Loan	174.47	388.68	-	-	-	-	-	-	187.56	-	362.03	388.68
Share Application Money Given	(₹ 1,690/-)	6.45	-	-	-	-	-	-	-	-	(₹ 1,690/-)	6.45
Investment made	85.22	444.19	8.17	0.37	-	0.05	-	-	-	-	93.39	444.56
Sale of Investment	-	-	-	-	-	-	-	-	-	-	-	0.05
Withdrawal of capital Contribution	-	-	0.16	-	-	-	-	-	-	-	0.16	-
<b>(ii) Balances as at year end</b>												
Guarantees	121.61	572.85	-	10.60	-	-	-	-	684.55	-	806.16	583.45
Trade Receivables	54.75	74.54	1.24	0.41	-	-	-	-	7.57	0.05	63.56	75.00
Investments	450.53	795.20	80.29	72.29	-	-	-	-	-	-	530.82	867.49
Provision for Impairment of Investment	(16.40)	(0.33)	-	-	-	-	-	-	-	-	(16.40)	(0.33)
Loan Given	135.26	104.89	-	-	-	-	-	-	-	22.47	135.26	127.36
Allowance for Doubtful Loan	(14.03)	(5.23)	-	-	-	-	-	-	-	-	(14.03)	(5.23)
Other Current Assets	12.12	22.27	1.04	-	-	-	11.99	16.23	6.48	0.06	31.63	38.56
Other Current Financial Assets	46.34	13.92	-	-	-	-	-	-	18.72	-	65.06	13.92
Other Non Current Assets	-	-	-	-	-	-	-	-	0.25	-	0.25	-
Long Term Borrowings	75.00	40.00	-	-	-	-	-	-	44.36	-	119.36	40.00
Short Term Borrowings	-	-	-	-	-	-	-	-	-	-	-	5.27
Trade Payable	11.87	37.73	-	-	-	-	-	-	8.07	-	19.94	37.73
Other Current Financial Liabilities	0.96	-	-	-	-	-	-	-	-	-	0.96	-



## Notes to Standalone Financial Statements

₹ in Crores

**Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)**

(c) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013.

**Loans and Advances in the nature of loans**

List of Related Parties	Purpose	Balance as at March 31, 2019	Balance as at March 31, 2018
<b>Loans and Advances</b>			
Arvind Worldwide (M) Inc. Less : Allowance for doubtful loan	General Business Purpose	5.23 (5.23) -	5.23 (5.23) -
Arvind Premium Retail Limited Less : Allowance for doubtful loan	General Business Purpose	8.80 (8.80) -	5.90 - 5.90
Arvind Worldwide Inc. USA	General Business Purpose	18.67	15.97
Arvind Lifestyle Brands Limited	General Business Purpose	-	1.02
Arvind Envisol Limited	General Business Purpose	-	38.67
Syntel Telecom Limited	General Business Purpose	14.58	6.54
Arvind Internet Limited	General Business Purpose	0.21	0.04
Arvind Ruf & Tuf Private Limited	General Business Purpose	16.14	12.69
Arvind True Blue Limited	General Business Purpose	39.39	18.83
Arvind Smart Textiles Limited	General Business Purpose	28.68	-
Arvind Transformational Solutions Private Limited	General Business Purpose	(₹ 10,000/-)	-
Arvind Polser Engineered Composite Panels Private Limited	General Business Purpose	3.56	-
<b>Total(A)</b>		<b>121.23</b>	<b>99.66</b>
<b>Corporate Guarantee given on behalf of</b>			
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	606.62	509.55
Arvind Fashions Limited	Facilitate Trade Finance	77.93	63.30
Arvind Envisol Limited	Facilitate Trade Finance	96.99	-
Arvind Smart Textiles Limited	Facilitate Trade Finance	24.62	-
Arya Omnitalk Wireless Solutions Private Limited	Facilitate Trade Finance	-	9.71
Arya Omnitalk Radio Trunking Services Private Limited	Facilitate Trade Finance	-	0.89
<b>Total(B)</b>		<b>806.16</b>	<b>583.45</b>
<b>Total(A+B)</b>		<b>927.39</b>	<b>683.11</b>

List of Related Parties	Purpose	Maximum Outstanding During March 31, 2019	March 31, 2018
<b>Loans and Advances</b>			
Arvind Worldwide (M) Inc.	General Business Purpose	5.23	5.23
Arvind Worldwide Inc. USA	General Business Purpose	18.67	22.84
Arvind Lifestyle Brands Limited	General Business Purpose	1.02	205.86
Arvind Envisol Limited	General Business Purpose	329.96	97.35
Syntel Telecom Limited	General Business Purpose	17.07	6.54
Arvind Internet Limited	General Business Purpose	0.21	0.04
Arvind Beauty Brands Retail Private Limited	General Business Purpose	-	11.72
Arvind Fashions Limited	General Business Purpose	-	8.15
Arvind Ruf & Tuf Private Limited	General Business Purpose	119.15	209.03
Arvind Premium Retail Limited	General Business Purpose	8.80	6.09
Arvind True Blue Limited	General Business Purpose	39.50	26.01
Arvind Polser Engineered Composite Panels Private Limited	General Business Purpose	3.56	-
Arvind Smart Textiles Limited	General Business Purpose	29.10	-
Arvind Transformational Solutions Private Limited	General Business Purpose	(₹ 10,000/-)	-



# Notes to Standalone Financial Statements

₹ in Crores

## Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

### (d) Terms and conditions of transactions with related parties

- (1) Outstanding balances other than loan given and taken and fair value of financial guarantee contract, at the year-end are unsecured and interest free and settlement occurs in cash.
- (2) Loans in INR given to the related party carries interest rate of 8.75% (March 31, 2018: 8.00% - 8.15%). Loans in USD given to the related party carries an interest rate of 3.90% (March 31, 2018 : 3.90%).
- (3) Loans in INR taken from the related party carries an interest rate 8.00% - 8.80% (March 31, 2018 : 8.00%)
- (4) Financial guarantee given to Bank on behalf of subsidiaries and joint ventures carries no charge and are unsecured.
- (5) No repayment schedule has been fixed in case of above mentioned Loans in the nature of loans given to Subsidiary Companies and are repayable on demand.

### (e) Commitments with related parties

The Company has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: ₹ Nil)

### (f) Transactions with key management personnel

The remuneration of key management personnel during the year was as follows :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	16.61	18.77
Post employment benefits	0.33	0.28
Other long-term employment benefits	0.43	0.41
<b>Total compensation paid to key management personnel</b>	<b>17.37</b>	<b>19.46</b>

The amounts disclosed in the table are the amounts recognised as an expense during the year excluding expense of share based payment of ₹ NIL (March 31, 2018 ₹ 1.85 crores) in respect of Director & Chief Financial Officer. The remuneration of key management personnel is determined by the Remuneration committee.

## Note 36 : Earning per share:

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
<b>Continuing Operation</b>			
Profit attributable to ordinary equity holders	₹ in Crores	213.47	264.58
Weighted average number of equity shares for basic EPS (a)	No.	25,86,17,069	25,85,51,491
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	2,47,073	5,25,832
<b>Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)</b>	No.	25,88,64,142	25,90,77,323
Nominal value of equity shares	₹	10	10
Basic earning per share	₹	8.25	10.23
Diluted earning per share	₹	8.25	10.21
<b>Discontinued Operation</b>			
Profit attributable to ordinary equity holders	₹ in Crores	(14.03)	(14.54)
Weighted average number of equity shares for basic EPS (a)	No.	25,86,17,069	25,85,51,491
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	2,47,073	5,25,832
<b>Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)</b>	No.	25,88,64,142	25,90,77,323
Nominal value of equity shares	₹	10	10
Basic earning per share	₹	(0.54)	(0.56)
Diluted earning per share	₹	(0.54)	(0.56)
<b>Continuing and Discontinued Operation</b>			
Profit attributable to ordinary equity holders	₹ in Crores	199.44	250.04
Weighted average number of equity shares for basic EPS (a)	No.	25,86,17,069	25,85,51,491
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	2,47,073	5,25,832
<b>Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)</b>	No.	25,88,64,142	25,90,77,323
Nominal value of equity shares	₹	10	10
Basic earning per share	₹	7.71	9.67
Diluted earning per share	₹	7.71	9.65



## Notes to Standalone Financial Statements

### Note 37 : Share based payments

- A. The Company has instituted Employee Stock Option Scheme 2008 (ESOP 2008), pursuant to the approval of the shareholders of the company at their extra ordinary general meeting held on October 23, 2007. Under ESOP 2008, the Company has granted options convertible into equal number of equity shares of the face value of ₹ 10 each to its certain employees.

Scheme	ESOS 2008	
Date of grant	May 23, 2014	August 22, 2016
Expiry Date	April 30, 2019	August 22, 2017
Number of options granted	10,50,000	9,00,000
Exercise price per option*	₹ 57.51	₹ 90.81
Fair Value of option on Grant date*	₹ 36.65	₹ 14.00
Vesting period	Over a period of 1 to 5 years from the date of grant	
Vesting requirements	On continued employment with the company and fulfilment of performance parameters.	
Exercise period	3 to 5 years from the date of vesting	
Method of settlement	Through allotment of one equity share for each option granted.	

### B. Movement in Stock Options during the year :

The following reconciles the share option outstanding at the beginning and at the end of the year :

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	15,76,000	266.72	18,34,000	254.01
Exercised during the year	-	-	2,58,000	200.05
Outstanding at the end of the year*	15,76,000	76.53	15,76,000	266.72

### C. Share Options Exercised during the year:

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
No Options exercised during the year	-	-	-

### D. Share Options Outstanding at the end of the year:

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 76.53 (as at March 31, 2018: ₹ 266.72), and a weighted average remaining contractual life of 3.26 Years (as at March 31, 2018: 4.25 years). The range of exercise price is from ₹ 57.51 to ₹ 90.81.

### E. Assumptions of Valuation on Modification:

Exercise Price of ₹ 316.50 was reduced to ₹ 90.81 and from ₹ 200.45 to ₹ 57.51 in lieu of Demerger of Branded Apparel Undertaking and Engineering undertaking from Arvind Limited to Arvind Fashions Limited and The Anup Engineering Limited. Post modification fair value was calculated as below:

(i) Share price (₹)	89.65
(ii) Exercise price (₹)	76.53
(iii) Expected volatility	34.51%
(iv) Risk-free interest rate	6.93%
(v) Any other inputs to the model	None
(vi) Method used and the assumptions made to incorporate effects of expected early exercise	Binomial Option Pricing Model
(vii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility	The daily volatility of the Company's stock price on NSE over the expected life of the options has been considered.
(viii) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.	None



# Notes to Standalone Financial Statements

₹ in Crores

## Note 37 : Share based payments (Contd.)

### E. Expense arising from share- based payment transactions

Total expenses arising from share- based payment transactions recognised in profit or loss as part of employee benefit expense were as follows :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Share Based Payment to Employees (Original Charge on Grant)	1.46	4.98
Share Based Payment to Employees (Charge on Modification)	0.02	-
<b>Total</b>	<b>1.48*</b>	<b>4.98</b>

\* Pursuant to the Composite Scheme of Arrangement involving De-merger, amalgamation and restructure of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and creditors, the ESOP holders of Arvind Limited were issued ESOPs of Arvind Fashions Limited and The Anup Engineering Limited in the ratio of 1:5 and 1:27 respectively in lieu of Demerger of Branded Apparel Undertaking and Engineering undertaking from Arvind Limited to Arvind Fashions Limited and The Anup Engineering Limited. Accordingly, the Exercise Price of unexercised Arvind Limited ESOPs has been split between Arvind Limited, Arvind Fashions Limited and The Anup Engineering Limited leading to a reduction of exercise price to ₹ 90.81 from ₹ 316.50 and to ₹ 57.51 from ₹ 200.45. Due to this split, charge to Statement of Profit & Loss pursuant to the original grant and modification of Arvind Limited ESOPs stood split between the three entities from the effective date of demerger.

## Note 38 : Lease Rent

### A. Where company as a lessee in case of Operating Lease

The Company has various cancellable and non-cancellable operating leases for Buildings, Plant and Machineries and various residential and office premises. The lease has varying terms, escalation clauses and renewal rights. On renewal, terms of the leases are renegotiated. These leasing arrangements are ranging in between 11 months and 10 years generally. The Company has not given any property on sub-lease which is taken under operating lease contracts. Future minimum lease payments in respect of which are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Future Minimum lease rental payments on non-cancellable operating leases:	45.45	49.32
Not later than one year	15.46	13.17
Later than one year and not later than five years	29.63	33.41
Later than five years	0.36	2.74
Lease payment recognised in Statement of Profit and Loss	47.36	77.51

### B. Where company as a lessor in case of Operating Lease

The Company has given Land and Buildings under non-cancellable operating lease, the future minimum lease payments receivables in respect of which are as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Future Minimum lease rental receivables on non-cancellable operating leases:	17.35	19.11
Not later than one year	2.02	1.76
Later than one year and not later than five years	8.64	8.44
Later than five years	6.69	8.91
Lease income recognised in Statement of Profit and Loss	2.28	2.03

## Note 39 : Corporate Social Responsibility (CSR) Activities:

(a) The Company is required to spend ₹ 7.24 Crores (March 31, 2018 : ₹ 8.50 Crores) on CSR activities under section 135 of the Act.

(b) Amount spent during the year towards CSR activities are as follows:

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) Contribution to various Trusts/NGOs/Societies/ Agencies and utilization thereon	6.93	-	6.93	8.20	-	8.20
(iii) Expenditure on Administrative Overheads for CSR	0.37	-	0.37	0.43	-	0.43



## Notes to Standalone Financial Statements

₹ in Crores

**Note 40 : Financial Instruments by category****(i) Financial assets by category**

Particulars	As at March 31, 2019					As at March 31, 2018				
	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	Amortised cost	Total
Investments										
- Equity shares (including share application money pending allotment)	407.59	-	2.10	-	409.69	770.15	-	2.03	-	772.18
- Preference Shares	16.00	-	-	-	16.00	20.06	-	-	-	20.06
- Debentures	-	-	-	0.02	0.02	-	-	-	0.02	0.02
- Government securities	-	-	-	(₹ 23,000/-)	(₹ 23,000/-)	-	-	-	(₹ 23,000/-)	(₹ 23,000/-)
- Limited liability partnership	90.82	-	-	-	90.82	90.99	-	-	-	90.99
Trade receivables	-	-	-	714.38	714.38	-	-	-	736.61	736.61
Loans	-	-	-	256.45	256.45	-	-	-	221.25	221.25
Cash and cash equivalents	-	-	-	23.12	23.12	-	-	-	7.36	7.36
Other bank balances	-	-	-	8.07	8.07	-	-	-	7.00	7.00
Other financial assets	-	-	37.03	178.13	215.16	-	-	5.02	121.96	126.98
<b>Total Financial assets</b>	<b>514.41</b>	<b>-</b>	<b>39.13</b>	<b>1,180.17</b>	<b>1,733.71</b>	<b>881.20</b>	<b>-</b>	<b>7.05</b>	<b>1,094.20</b>	<b>1,982.45</b>

**(ii) Financial liabilities by category**

Particulars	As at March 31, 2019			As at March 31, 2018		
	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	-	2,505.49	2,505.49	-	2,437.41	2,437.41
Trade payable	-	1,194.45	1,194.45	-	948.94	948.94
Other Financial Liabilities	1.67	295.13	296.80	1.21	276.20	277.41
<b>Total Financial liabilities</b>	<b>1.67</b>	<b>3,995.07</b>	<b>3,996.74</b>	<b>1.21</b>	<b>3,662.55</b>	<b>3,663.76</b>

For Financial instruments risk management objectives and policies, refer Note 42.

**Note 41 : Fair value disclosures for financial assets and financial liabilities:**

(a) Set out below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>				
<b>Amortised Cost</b>				
Investment in Debentures	0.02	0.02	0.02	0.02
Investment in Government Securities	(₹ 23,000/-)	(₹ 23,000/-)	(₹ 23,000/-)	(₹ 23,000/-)
<b>Total</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>
<b>Financial liabilities</b>				
<b>Amortised Cost</b>				
Borrowings at amortised cost	2651.51	2562.14	2649.09	2562.13
<b>Total</b>	<b>2651.51</b>	<b>2562.14</b>	<b>2649.09</b>	<b>2562.13</b>

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values.

The fair value of borrowings is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 41 : Fair value disclosures for financial assets and financial liabilities: (Contd.)

### (b) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

#### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019 and March 31, 2018

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2019</b>				
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares	2.10	-	-	2.10
Foreign exchange forward contracts (Cash flow hedge)	37.03	-	37.03	-
<b>As at March 31, 2018</b>				
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares	2.03	-	-	2.03
Foreign exchange forward contracts (Cash flow hedge)	5.02	-	5.02	-

#### Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2019 and March 31, 2018

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2019</b>				
<b>Liabilities measured at fair value</b>				
Financial guarantee contract	1.67	-	-	1.67
<b>As at March 31, 2018</b>				
<b>Liabilities measured at fair value</b>				
Financial guarantee contract	1.21	-	-	1.21

### Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## Note 42 : Financial instruments risk management objectives and policies

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's risk management is carried out by a Treasury department under policies approved by the Board of directors. The Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk.

### (a) Market risk

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates, interest rates, underlying equity prices, liquidity and other market changes.

Future specific market movements cannot be normally predicted with reasonable accuracy.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 42 : Financial instruments risk management objectives and policies: (Contd.)

### (a1) Interest rate risk

Interest rate risk refers to the possibility that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company is exposed to interest rate risk of short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Company's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Company are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

As at March 31, 2019, approximately 29% of the Company's Borrowings are at fixed rate of interest (March 31, 2018 : 33%).

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings as follows:

Particulars	Effect on profit before tax	
	March 31, 2019	March 31, 2018
Increase in 50 basis points	(9.45)	(8.60)
Decrease in 50 basis points	9.45	8.60

### (a2) Foreign currency risk

The Company's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The major foreign currency exposures for the Company are denominated in USD and EURO.

Since a significant part of the Company's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Exposures on foreign currency sales are managed through the Company's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Company strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance. The Company may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company. Hedge effectiveness is assessed on a regular basis.

### Foreign currency sensitivity

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure in USD and EURO with a simultaneous parallel foreign exchange rates shift in the currencies by 2% against the functional currency of the respective entities. The company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in Currency rate	Effect on profit before tax	
		in USD rate	in EURO rate
March 31, 2019	+2%	5.15	(0.78)
	-2%	(5.15)	0.78
March 31, 2018	+2%	2.77	(0.64)
	-2%	(2.77)	0.64

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship. Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

### (b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

The Company is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Company does not expect any material risk on



# Notes to Standalone Financial Statements

₹ in Crores

## Note 42 : Financial instruments risk management objectives and policies: (Contd.)

account of non-performance by any of the Company's counterparties. The Company does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable (excluding outstanding from subsidiaries) as of March 31, 2019 and March 31, 2018.

Trade receivables are non-interest bearing and are generally on 7 days to 180 days credit term.

With respect to derivatives, the Company's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

### (c) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system.

During the year, the Company has been regular in repayment of principal and interest on borrowings on or before due dates. The Company did not have defaults of principal and interest as on reporting date.

The Company requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	< 1 year	>1 year but < 3 years	>3 year but < 5 years	more than 5 years	Total
<b>Year ended March 31, 2019</b>					
Interest bearing borrowings*	1,627.36	706.84	243.06	238.64	2,815.90
Trade payables	1,194.45	-	-	-	1,194.45
Other financial liabilities#	295.13	0.97	-	0.70	296.80
	<b>3,116.94</b>	<b>707.81</b>	<b>243.06</b>	<b>239.34</b>	<b>4,307.15</b>
<b>Year ended March 31, 2018</b>					
Interest bearing borrowings*	1,724.22	517.79	350.15	43.84	2,636.00
Trade payables	948.94	-	-	-	948.94
Other financial liabilities#	276.87	0.54	-	-	277.41
	<b>2,950.03</b>	<b>518.33</b>	<b>350.15</b>	<b>43.84</b>	<b>3,862.35</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

# Other financial liabilities includes interest accrued but not due of ₹ 11.78 Crores (March 31, 2018 : ₹ 11.38 Crores).

## Note 43 : Capital management:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Company is not subject to any externally imposed capital requirements.

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Interest bearing loans and borrowings (Note 14)	<b>2,651.51</b>	2,562.14
(b) Less: cash and bank balance (including other bank balance and book overdraft)	<b>(30.91)</b>	(14.26)
<b>(c) Net debt (a) - (b)</b>	<b>2,620.60</b>	2,547.88
(d) Equity share capital (Note 12)	<b>258.62</b>	258.62
(e) Other equity (Note 13)	<b>2,557.50</b>	2,899.61
<b>(f) Total capital (d) + (e)</b>	<b>2,816.12</b>	3,158.23
<b>(g) Total capital and net debt (c) + (f)</b>	<b>5,436.72</b>	5,706.11
<b>(h) Gearing ratio (c)/(g)</b>	<b>48.20%</b>	44.65%



## Notes to Standalone Financial Statements

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any long term borrowing in the current period except for two loans. The Company has obtained letter from the lender before the date of adoption of financial statements for not accelerating the payment of these loans within one year from the balance sheet date subject to regularisation of the breach by end of March 31, 2019. Accordingly, the management has considered the classification of loan based upon the original repayment schedule.

No changes were made in the objectives, policies or processes for managing capital during the current period.

### Note 44 : Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Company from April 1, 2019. The Company will be adopting the below stated new standards and applicable amendments from their respective effective date.

#### a) Ind AS 116 Lease Accounting:

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases less than 12 months and leases for which the underlying asset is of low value. The standard also contains enhanced disclosure requirements for the lessees. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact of the adoption of Ind AS 116 and shall accordingly determine the most suitable transition approach.

#### b) Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Company needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on April 1, 2019. The Company is in the process of evaluating the impact of the adoption of Appendix C of Ind AS 12 and shall accordingly determine the most suitable transition approach.

#### c) Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The Company will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The impact on the Standalone Financial Statements is yet to be evaluated. The Company is in the process of evaluating the impact of the adoption of Amendment to Ind AS 12 and shall accordingly determine the most suitable transition approach.

#### d) Amendment to Ind AS 23, Borrowing Costs:

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale.

The Company will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The impact on the Standalone Financial Statements is yet to be evaluated. The Company is in the process of evaluating the impact of the adoption of Amendment to Ind AS 23 and shall accordingly determine the most suitable transition approach.

### Note 45 : Business Combinations

(I). The company has acquired the business of "Aditexfab LLP" w.e.f June 1, 2017 at a consideration of ₹ 34.50 crores. Value of net assets acquired is determined at ₹ 34.50 crores, consequently no goodwill has been recognized. The management believes that the fair value of the net assets acquired is not likely to remain significantly different from the book value of the net assets acquired. Accordingly, Management has exercised the option to measure the business purchase on provisional basis for a period of 12 months in accordance with Ind AS 103 – "Business Combination".

Aditexfab LLP was engaged in the business of the giving looms for Spinning and Weaving to Arvind Limited on lease basis.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 45 : Business Combinations (Contd.)

Based on the fair value of the assets acquired the purchase price paid has been allocated among various assets as below:

Particulars	₹ in Crores
<b>Assets:</b>	
Property, plant and equipment	36.08
Current Assets	1.42
<b>Total Assets acquired (A)</b>	<b>37.50</b>
<b>Liabilities:</b>	
Current Liabilities	3.00
<b>Total Liabilities assumed (B)</b>	<b>3.00</b>
<b>Net Identifiable Assets Acquired (A - B)</b>	<b>34.50</b>

## (II). Demerger

### (A) Impact of Scheme

- (i) The National Company Law Tribunal, Ahmedabad Bench vide its order dated October 26, 2018 has approved the scheme of arrangement for demerger of Engineering undertaking of the Company with Anveshan Heavy Engineering Limited ("AHEL") with effect from January 01, 2018 (the appointed date). Pursuant to the Scheme, the carrying amount of all the assets, liabilities, income and expenses pertaining to the Engineering business undertaking has been transferred to AHEL from April 01, 2018. To the extent year ended on March 31, 2019 is not comparable with year ended on March 31, 2018.
- (ii) The National Company Law Tribunal, Ahmedabad Bench vide its order dated October 26, 2018 has approved the scheme of arrangement for demerger of Branded Apparel undertaking of the Company to Arvind Fashions Limited ("AFL") with effect from November 30, 2018 (the appointed date). The Scheme became effective from November 30, 2018. Pursuant to the Scheme, all the assets, liabilities, income and expenses of the Branded Apparel undertaking has been transferred to AFL from the appointed date. To the extent year ended March 31, 2019 is not comparable with previous periods presented.

### (B) Financial information relating to the Discontinued Business is set out below :

#### Engineering Business

Particulars	For the period April 01, 2018 to November 29, 2018	For the period January 01, 2018 to March 31, 2018	For the period April 01, 2017 to December 31, 2017
<b>1 Income</b>			
(a) Revenue from Operations	8.44	21.56	5.30
(b) Other Income	-	-	-
<b>Total Income</b>	<b>8.44</b>	<b>21.56</b>	<b>5.30</b>
<b>2 Expenses</b>			
(a) Cost of materials consumed	-	-	-
(b) Purchase of stock-in-trade	4.48	-	20.64
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	18.23	(18.23)
(d) Project Expenses	1.25	0.66	0.11
(e) Employee benefits expense	0.54	0.22	0.41
(f) Finance Costs	0.41	0.22	0.59
(g) Depreciation and amortisation expense	0.55	0.24	0.18
(h) Other Expenses	1.90	1.82	1.69
<b>Total Expenses</b>	<b>9.13</b>	<b>21.39</b>	<b>5.39</b>
<b>3 Profit before tax (1-2)</b>	<b>(0.69)</b>	<b>0.17</b>	<b>(0.09)</b>
<b>4 Tax Expense:</b>			
- Current Tax	-	0.01	-
- Deferred Tax charge/(credit)	-	0.05	(0.03)
<b>Total Tax Expense / (credit)</b>	<b>-</b>	<b>0.06</b>	<b>(0.03)</b>
<b>5 Profit after tax (3-4)</b>	<b>(0.69)</b>	<b>0.11</b>	<b>(0.06)</b>



## Notes to Standalone Financial Statements

₹ in Crores

## Note 45 : Business Combinations (Contd.)

## Branded Business

Particulars	For the period April 01, 2018 to November 29, 2018	Year Ended March 31, 2018
<b>1 Income</b>		
(a) Revenue from Operations	52.54	67.86
(b) Other Income	-	0.50
<b>Total Income</b>	<b>52.54</b>	<b>68.36</b>
<b>2 Expenses</b>		
(a) Cost of materials consumed	3.60	4.15
(b) Purchase of stock-in-trade	25.24	21.28
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	9.41	19.34
(d) Project Expenses	-	-
(e) Employee benefits expense	6.66	15.26
(f) Finance Costs	1.73	2.26
(g) Depreciation and amortisation expense	4.41	6.95
(h) Other Expenses	22.19	21.51
<b>Total Expenses</b>	<b>73.24</b>	<b>90.75</b>
<b>3 Profit before tax (1-2)</b>	<b>(20.70)</b>	<b>(22.39)</b>
<b>4 Tax Expense:</b>		
- Current Tax	-	-
- Deferred Tax charge/(credit)	(6.67)	(7.80)
<b>Total Tax Expense / (credit)</b>	<b>(6.67)</b>	<b>(7.80)</b>
<b>5 Profit after tax (3-4)</b>	<b>(14.03)</b>	<b>(14.59)</b>

## Total Discontinued Business

Particulars	For the period April 01, 2018 to November 29, 2018*	Year Ended March 31, 2018
<b>1 Income from operations</b>		
(a) Revenue from Operations	52.54	94.72
(b) Other Income	-	0.50
<b>Total Income</b>	<b>52.54</b>	<b>95.22</b>
<b>2 Expenses</b>		
(a) Cost of materials consumed	3.60	4.15
(b) Purchase of stock-in-trade	25.24	41.92
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	9.41	19.34
(d) Project Expenses	-	0.77
(e) Employee benefits expense	6.66	15.89
(f) Finance Costs	1.73	3.07
(g) Depreciation and amortisation expense	4.41	7.37
(h) Other Expenses	22.19	25.02
<b>Total Expenses</b>	<b>73.24</b>	<b>117.53</b>
<b>3 Profit before tax (1-2)</b>	<b>(20.70)</b>	<b>(22.31)</b>
<b>4 Tax Expense:</b>		
- Current Tax	-	0.01
- Deferred Tax charge/(credit)	(6.67)	(7.78)
<b>Total Tax Expense / (credit)</b>	<b>(6.67)</b>	<b>(7.77)</b>
<b>5 Profit after tax (3-4)</b>	<b>(14.03)</b>	<b>(14.54)</b>

\* For Brand division only as Engineering business is demerged from April 1, 2018.



# Notes to Standalone Financial Statements

₹ in Crores

## Note 45 : Business Combinations (Contd.)

(C) The carrying amount of the assets and liabilities of Engineering divisions as at appointed date and as at balance sheet date were as follows:

Particulars	As at November 29, 2018	As at March 31, 2018	As at January 01, 2018
<b>ASSETS</b>			
<b>Non-current Assets</b>			
(a) Property, plant and equipment	1.41	9.39	8.79
(b) Capital work-in-progress	-	-	0.33
(c) Investment Property	-	-	-
(d) Intangible Assets	-	-	-
(e) Intangible Assets under development	-	-	-
(f) Financial Assets			
(i) Investments	6.56	6.56	6.56
(ii) Loans	-	-	-
(iii) Other Financial Assets	-	-	-
(g) Other Non-current Assets	-	-	0.42
<b>Sub-Total - Non-current Assets</b>	<b>7.97</b>	<b>15.95</b>	<b>16.10</b>
<b>Current Assets</b>			
(a) Inventories	-	0.31	18.54
(b) Financial Assets			
(i) Trade Receivables	10.71	23.82	1.15
(ii) Cash & cash equivalents	-	-	0.01
(iii) Bank balances other than(ii) above	-	-	-
(iv) Loans	-	-	-
(v) Other Financial Assets	-	-	-
(c) Current Tax Assets (Net)	0.09	0.07	0.04
(d) Other Current Assets	0.10	1.44	4.74
<b>Sub-Total - Current Assets</b>	<b>10.90</b>	<b>25.64</b>	<b>24.48</b>
<b>TOTAL - ASSETS</b>	<b>18.87</b>	<b>41.59</b>	<b>40.58</b>
<b>Liabilities</b>			
<b>Non - Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	3.41	1.06	2.28
(ii) Other Financial Liabilities	-	-	-
(b) Provisions	0.03	0.02	-
(c) Deferred Tax Liabilities (Net)	-	0.01	(0.03)
(d) Government Grants	-	-	-
<b>Sub-Total - Non-current Liabilities</b>	<b>3.44</b>	<b>1.09</b>	<b>2.25</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1.03	1.89	29.49
(ii) Trade Payables			
- total outstanding dues of micro enterprises and small enterprises	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	6.30	1.31	0.65
(iii) Other Financial Liabilities	0.06	0.04	0.09
(b) Other Current Liabilities	0.15	0.14	0.01
(c) Provisions	-	-	-
(d) Government Grants	-	-	-
<b>Sub-Total - Current Liabilities</b>	<b>7.54</b>	<b>3.38</b>	<b>30.24</b>
<b>TOTAL LIABILITIES</b>	<b>10.98</b>	<b>4.47</b>	<b>32.49</b>
Net assets transferred through corresponding debit to the General Reserve (i)	-	-	8.09
Profit/(Loss) from the Engineering divisions For the period January 01, 2018 to November 29, 2018 (ii)	(0.69)	(0.06)	-
Net assets transferred through corresponding receivable from the Anveshan Heavy Engineering Limited (ii)	(29.23)	29.03	-



## Notes to Standalone Financial Statements

₹ in Crores

**Note 45 : Business Combinations (Contd.)****Notes :**

- (i) The National Company Law Tribunal, Ahmedabad Bench vide its order dated October 26, 2018 has approved the scheme of arrangement for demerger of Engineering undertaking of the Company with Anveshan Heavy Engineering Limited ("AHEL") with effect from January 01, 2018 (the appointed date). Pursuant to the scheme, the carrying amount of all the assets, liabilities, income and expenses pertaining to the Engineering business undertaking has been transferred to AHEL from the appointed date.
- (ii) The Company transferred its assets and liabilities to AHEL pursuant to scheme of arrangement. The appointed date of the scheme is January 01, 2018 as approved by the NCLT, though it has become effective on November 30, 2018. Therefore, all transactions from January 01, 2018 to March 31, 2018 of the Engineering divisions were carried on behalf AHEL and the same is recorded as receivable or payable on account of demerger from the AHEL as at March 31, 2018.

**(D) The carrying amount of the assets and liabilities of Branded Apparel divisions as at appointed date was as follows:**

Particulars	As at November 29, 2018
<b>ASSETS</b>	
<b>Non-current Assets</b>	
(a) Property, plant and equipment	6.60
(b) Capital work-in-progress	0.15
(c) Investment Property	6.93
(d) Intangible Assets	2.85
(e) Intangible Assets under development	-
(f) Financial Assets	
(i) Investments	424.36
(ii) Loans	-
(iii) Other Financial Assets	-
(g) Other Non-current Assets	-
<b>Sub-Total - Non-current Assets</b>	<b>440.89</b>
<b>Current Assets</b>	
(a) Inventories	8.07
(b) Financial Assets	
(i) Trade Receivables	34.67
(ii) Cash & cash equivalents	18.06
(iii) Bank balances other than (ii) above	-
(iv) Loans	-
(v) Other Financial Assets	3.63
(c) Current Tax Assets (Net)	0.01
(d) Other Current Assets	11.71
<b>Sub-Total - Current Assets</b>	<b>76.15</b>
<b>TOTAL - ASSETS</b>	<b>517.04</b>
<b>Liabilities</b>	
<b>Non - Current Liabilities</b>	
(a) Financial Liabilities	
(i) Borrowings	4.35
(ii) Other Financial Liabilities	-
(b) Provisions	0.51
(c) Deferred Tax Liabilities (Net)	-
(d) Government Grants	-
<b>Sub-Total - Non-current Liabilities</b>	<b>4.86</b>
<b>Current Liabilities</b>	
(a) Financial Liabilities	
(i) Borrowings	14.36
(ii) Trade Payables	27.21
- total outstanding dues of micro enterprises and small enterprises	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	0.33
(iii) Other Financial Liabilities	-
(b) Other Current Liabilities	0.62
(c) Provisions	-
(d) Government Grants	-
<b>Sub-Total - Current Liabilities</b>	<b>42.52</b>
<b>TOTAL LIABILITIES</b>	<b>47.38</b>
Net assets transferred through corresponding debit to the General Reserve (i)	<b>469.66</b>
Profit from the Branded Apparel divisions For the period (ii)	-
Net assets transferred through corresponding receivable from Arvind Fashions Limited (ii)	-



# Notes to Standalone Financial Statements

₹ in Crores

## Note 46 :Expenditure on Research and Development

The Company has separate in-house Research and Development Centre at Naroda, Santej, Khatraj and Pune locations. From the four locations, Naroda, Santej and Khatraj are duly recognized and approved by Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. The details of Capital and Revenue expenditure incurred on Research and Development by all Centres are as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Naroda Centre</b>		
Capital expenditure	-	0.03
Revenue expenditure	4.43	5.53
<b>Total expenditure at Naroda Centre</b>	<b>4.43</b>	<b>5.56</b>
<b>Santej Centre</b>		
Capital expenditure	7.61	1.40
Revenue expenditure	25.73	29.11
<b>Total expenditure at Santej Centre</b>	<b>33.34</b>	<b>30.51</b>
<b>Khatraj Centre</b>		
Capital expenditure	0.41	1.64
Revenue expenditure	3.44	3.58
<b>Total expenditure at Khatraj Centre</b>	<b>3.85</b>	<b>5.22</b>
<b>Pune Centre</b>		
Capital expenditure	-	-
Revenue expenditure	2.23	1.60
<b>Total expenditure at Pune Centre</b>	<b>2.23</b>	<b>1.60</b>
<b>Total</b>	<b>43.85</b>	<b>42.89</b>

## Note 47 : Regrouped, Recast, Reclassified

Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/classification.

## Note 48 : Events occurring after the reporting period

The Board of Directors recommended dividend of ₹ 2.20 per equity share (March 31, 2018 : ₹ 2.40 per equity share) of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

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

### Sanjay S. Lalbhai

Chairman & Managing Director  
DIN: 00008329

### Jayesh K. Shah

Director & Chief Financial Officer  
DIN: 00008349

### R. V. Bhimani

Company Secretary

**Place:** Ahmedabad

**Date:** May 17, 2019



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# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF ARVIND LIMITED

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Arvind Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Demerger of Brands and Engineering subsidiaries from the Group

#### Key Audit Matter Description

During the year a Scheme of arrangement was approved between the company and its subsidiary companies, Arvind Fashions Limited ("AFL") and The Anup Engineering Limited ("AEL") whereby it has proposed to demerge "Branded Apparel Undertaking" to AFL with effective date of the Scheme i.e. November 29, 2018, and "Engineering undertaking" to AEL with effect from January 01, 2018. As per scheme, The Anup Engineering limited has been demerged with effect from January 1, 2018 and Arvind Fashions Limited along with subsidiaries has been demerged with effect from November 29, 2018.

Accounting treatment is provided by the management for demerging of Anup engineering Limited and Arvind Fashions Limited (along with its subsidiaries) and accordingly the impact is given in the financial statement for year ended on March 31, 2019.

Thus it is considered to be key audit matter as this is significant event which has happened during the year and it required compliance of scheme and applicable Ind AS.

#### How the Key Audit Matter Was Addressed in the Audit

Our audit procedures includes obtaining an understanding of the transaction. We have read the approved scheme of arrangement related to demerger and identified pertinent terms relevant to the accounting for the transaction. We assessed the Company's conclusion as regard business combination accounting in accordance with Appendix C to IND AS 103 with respect to Demerger Scheme.

#### These conclusion included:

- the transfer of assets and liabilities at cost to the demerged entity as the entity were under common control
- Impact in reserves and surplus on book value of net assets transferred to the demerged entity.

#### In determining the treatment of the demerger we tested following:

- the arithmetic accuracy of management's calculations for giving effect of the scheme in consolidated financial statements,
- tested the bifurcation of profit and loss into continued and discontinued business having engineering and brand division,
- tested the adjustment given in the reserves and surplus for net assets transferred to the demerged entity,
- tested the inter business transaction between demerged business and continued business.

### Upgradation of Accounting software

#### Key Audit Matter Description

During the year, Company has upgraded its accounting software to SAP HANA with effect from October 1, 2018 and other erstwhile systems have been discontinued.

Migration to S/4 HANA is a major upgrade to the existing core enterprise application system resulting into a significant change to the financial



accounting configuration which is the core for financial reporting including preparation of standalone financial statements.

Risks identified as emanating from the aforesaid change were (i) Inappropriate changes made to the application systems or programs that contain relevant automated controls (i.e., configurable settings, automated algorithms, automated calculations, and automated data extraction) and/or report logic and (ii) Systems not adequately configured or updated to restrict system access to authorized users.

#### **How the Key Audit Matter Was Addressed in the Audit**

Our audit procedures included obtaining detailed project plan and SAP Governance framework for transition to new SAP landscape. We involved Information Technology (IT) Specialists as part of the audit team to perform audit procedures in respect of this upgradation.

Considering upgradation stabilization period, we have planned to test it predominantly with transaction level manual controls followed by the entity.

We have reviewed manual controls implemented and tested its effectiveness to ensure integrity of data processed and used in preparation of financial statements.

#### **Compliance of Ind AS 115 for revenue recognition**

##### **Key Audit Matter Description**

During the year the Group have adopted new accounting standard w.e.f April 1, 2018 for recognition of revenue from operation which is one of the significant audit risk. Risk exists that revenue is recognised without substantial transfer of control and is not in accordance with IND AS-115 “Revenue from Contracts with Customer” resulting into recognition of revenue in incorrect period.

#### **How the Key Audit Matter Was Addressed in the Audit**

Our audit procedure consist of the design and operating effectiveness of the internal control and substantive testing performed by the us and by the Component auditor are as follows:

- We evaluated the design of internal controls relating to revenue recognition.
- We selected sample of Sales transactions and tested the operating effectiveness of the internal control relating to revenue recognition. We carried out a combination of procedures involving enquiry and observation, re-performance and inspection.
- We have tested sample of Sale transaction to their respective customer contracts, underlying invoices and related documents.

For above procedure Group auditor have enquired from the Component auditor for the process followed by them and relied upon the testing carried by Component auditor for Components audited by them.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report including Annexures to Director's Report, Business Responsibility Report, Corporate Governance and Shareholder's

Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of the Group and its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.



## Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and

performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

- (a) We did not audit the financial statements of 24 subsidiaries, whose financial statements reflect total assets of ₹ 1,104.77 crores as at March 31, 2019, total revenues of ₹ 4,061.14 crores and net cash outflows amounting to ₹ 13.33 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of 5 subsidiaries, whose financial statements reflect total assets of ₹ 60.06 crores as at March 31, 2019, total revenues of ₹ 54.95 crores and net cash inflows amounting to ₹ 14.19 crores for the year ended on that



date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 1.01 crores for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of 5 joint ventures, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other auditors on the separate financial statements and other financial information of the subsidiaries and joint ventures incorporated in India, referred to in the Other Matters section above we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint ventures incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Parent, subsidiary companies and joint ventures incorporated in India, for the reasons stated therein.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.
  - ii) The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) Following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

Year for which the amount pertains	Amount involved (₹ In crores)	Number of days delay in depositing the amount	Date of deposit
1986-87	(₹ 40,539)*	616	15-06-2018
1995-96	(₹ 50,500)*	607	06-06-2018
1996-97	₹ 0.02	607	06-06-2018

\*Amount in bracket represents absolute Rupees

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No: 117366W/W-100018)

**Kartikeya Raval**

Partner

(Membership no. 106189)

Place : Ahmedabad,

Date : May 17 , 2019



## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Arvind Limited (hereinafter referred to as “the “Parent”), which includes internal financial controls over financial reporting of the Company’s subsidiaries and joint ventures, which are companies incorporated in India, as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 12 subsidiary companies and 1 joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm’s Registration No: 117366W/W-100018)

**Kartikeya Raval**  
Partner  
(Membership no. 106189)

Place : Ahmedabad,  
Date : May 17, 2019



## Consolidated Balance Sheet as at March 31, 2019

₹ in Crores

Particulars	Notes	As at March 31, 2019 (Refer 45 (ii))	As at March 31, 2018 (Refer 45 (i))
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	5	3,234.00	3,625.53
(b) Capital work-in-progress		260.10	89.74
(c) Investment properties	6	34.13	34.48
(d) Goodwill	7	26.19	137.02
(e) Other Intangible assets	7	126.82	165.19
(f) Intangible assets under development		1.79	26.50
(g) Financial assets			
(i) Investments	8 (a)	78.49	76.14
(ii) Loans	8 (c)	1.34	2.57
(iii) Other financial assets	8 (f)	46.86	260.51
(h) Deferred tax assets (net)	29	11.29	220.51
(i) Other non-current assets	9	22.23	80.84
<b>Total non-current assets (A)</b>		<b>3,843.24</b>	<b>4,719.03</b>
<b>Current assets</b>			
(a) Inventories	10	1,598.43	2,244.20
(b) Financial assets			
(i) Trade receivables	8 (b)	897.12	1,766.98
(ii) Cash and cash equivalents	8 (d)	70.62	39.46
(iii) Bank balance other than (ii) above	8 (e)	9.95	26.03
(iv) Loans	8 (c)	162.99	163.56
(v) Other financial assets	8 (f)	140.05	107.15
(c) Current tax assets (net)	11	77.85	118.84
(d) Other current assets	9	444.36	1,073.18
<b>Total current assets (B)</b>		<b>3,401.37</b>	<b>5,539.40</b>
<b>Assets classified as held for Sale (C)</b>		<b>89.03</b>	<b>-</b>
<b>TOTAL ASSETS (A) + (B) + (C)</b>		<b>7,333.64</b>	<b>10,258.43</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	13	258.62	258.62
(b) Other equity	14	2,491.82	3,524.23
<b>Equity attributable to equity holders of the Parent</b>		<b>2,750.44</b>	<b>3,782.85</b>
(c) Non-controlling interest		86.32	305.28
<b>Total equity (A)</b>		<b>2,836.76</b>	<b>4,088.13</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15 (a)	934.75	848.71
(ii) Other financial liabilities	15 (c)	-	44.02
(b) Long-term provisions	16	49.72	61.82
(c) Deferred tax liabilities (net)	29	40.84	70.75
(d) Government grants	17	63.99	38.26
(e) Other non current liabilities	18	0.07	1.93
<b>Total non-current liabilities (B)</b>		<b>1,089.37</b>	<b>1,065.49</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	15 (a)	1,601.37	2,263.78
(ii) Trade payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	15 (b)	-	33.61
- Total Outstanding dues other then Micro Enterprises and Small Enterprises	15 (b)	1,357.99	2,113.61
(iii) Other financial liabilities	15 (c)	345.64	469.00
(b) Short-term provisions	16	12.88	25.79
(c) Government grants	17	5.03	6.14
(d) Current tax liabilities (net)	12	10.81	5.27
(e) Other current liabilities	18	73.79	187.61
<b>Total current liabilities (C)</b>		<b>3,407.51</b>	<b>5,104.81</b>
<b>TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)</b>		<b>7,333.64</b>	<b>10,258.43</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered AccountantsKartikeya Raval  
PartnerPlace: Ahmedabad  
Date: May 17, 2019

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

Sanjay S. Lalbhai  
Chairman & Managing Director  
DIN: 00008329R. V. Bhimani  
Company SecretaryPlace: Ahmedabad  
Date: May 17, 2019Jayesh K. Shah  
Director & Chief Financial Officer  
DIN: 00008349



# Consolidated Statement of profit and loss for the year ended March 31, 2019

₹ in Crores

Particulars	Notes	Year ended March 31, 2019 (Refer 45 (ii))	Year ended March 31, 2018 (Refer 45 (i))
<b>CONTINUING OPERATION</b>			
<b>I. INCOME</b>			
(a) Revenue from operations	19	7,142.18	6,793.66
(b) Other income	20	83.74	74.05
<b>TOTAL INCOME</b>		<b>7,225.92</b>	<b>6,867.71</b>
<b>II. EXPENSES</b>			
(a) Cost of raw materials and accessories consumed	21	2,914.60	2,696.15
(b) Purchase of stock-in-trade	22	386.95	479.79
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(40.85)	(1.31)
(d) Project expenses		102.63	13.47
(e) Employee benefits expense	24	899.92	874.90
(f) Finance costs	25	220.14	175.67
(g) Depreciation and amortisation expense	26	235.05	222.35
(h) Other expenses	27	2,162.24	2,056.59
<b>TOTAL EXPENSES</b>		<b>6,880.68</b>	<b>6,517.61</b>
<b>III. PROFIT BEFORE SHARE OF PROFIT OF A JOINT VENTURE EXCEPTIONAL ITEMS AND TAX FROM CONTINUING OPERATION (I-II)</b>		<b>345.24</b>	<b>350.10</b>
<b>IV. Share of profit of joint ventures accounted for using the equity method</b>		<b>1.01</b>	<b>2.71</b>
<b>V. PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX FROM CONTINUING OPERATION (III+IV)</b>		<b>346.25</b>	<b>352.81</b>
<b>VI. Exceptional items</b>	28	<b>45.98</b>	<b>22.72</b>
<b>VII. PROFIT BEFORE TAX FROM CONTINUING OPERATION (V-VI)</b>		<b>300.27</b>	<b>330.09</b>
<b>VIII. Tax expense</b>	29		
(a) Current tax		82.09	79.25
(b) Short provision related to earlier years		32.17	1.80
(c) Deferred tax Charge/(Credit)		(52.72)	(11.70)
<b>Total tax expense</b>		<b>61.54</b>	<b>69.35</b>
<b>IX. Profit for the year from continuing operation (VII-VIII)</b>		<b>238.73</b>	<b>260.74</b>
<b>X. Profit / (Loss) before tax from discontinued operations</b>	45	<b>(13.02)</b>	<b>60.29</b>
<b>Tax expense of discontinued operations</b>		<b>(2.70)</b>	<b>5.22</b>
<b>Net Profit/(Loss) from discontinued operations</b>		<b>(10.32)</b>	<b>55.07</b>
<b>XI. Profit for the year (IX+X)</b>		<b>228.41</b>	<b>315.81</b>
<b>XII. Other comprehensive income/(Loss) (net of tax)</b>			
<b>A. Items that will not be reclassified to Profit and Loss</b>			
(i) Equity Instruments through Other Comprehensive Income (FVOCI)		0.07	22.29
(ii) Remeasurement gain/(loss) of defined benefit plans		(19.30)	(15.60)
(iii) Share of Other Comprehensive Income of Joint Venture accounted for using Equity method		(0.05)	0.02
(iv) Income tax related to items (ii) and (iii) above		6.71	5.37
<b>Net other comprehensive income/(Loss) not to be reclassified to profit or loss in subsequent periods</b>		<b>(12.57)</b>	<b>12.08</b>
<b>B. Items that will be reclassified to Profit and Loss</b>			
(i) Effective portion of gain/(loss) on cash flow hedges		32.14	(44.26)
(ii) Income tax related to items no (i) above		(11.17)	15.26
(iii) Exchange differences in translating the financial statements of a foreign operation		(22.97)	(5.10)
<b>Net other comprehensive Loss that may be reclassified to profit or loss in subsequent periods</b>		<b>(2.00)</b>	<b>(34.10)</b>
<b>Total other comprehensive Loss for the year, net of tax (XII) = (A+B)</b>		<b>(14.57)</b>	<b>(22.02)</b>
<b>XIII. Total comprehensive income for the year, net of tax (XI+XII)</b>		<b>213.84</b>	<b>293.79</b>
<b>XIV. Profit for the year attributable to:</b>			
(i) Equity holders of the parent		226.23	309.47
(ii) Non-controlling interest		2.18	6.34
		<b>228.41</b>	<b>315.81</b>
<b>XV. Other comprehensive income/(loss) attributable to:</b>			
(i) Equity holders of the parent		(14.74)	(21.66)
(ii) Non-controlling interest		0.17	(0.36)
		<b>(14.57)</b>	<b>(22.02)</b>
<b>XVI. Total comprehensive income attributable to: (XIV+XV)</b>			
(i) Equity holders of the parent		211.49	287.81
(ii) Non-controlling interest		2.35	5.98
		<b>213.84</b>	<b>293.79</b>
<b>XVII. Earning per equity share [nominal value per share ₹10]</b>	36		
<b>Continuing Operations :</b>			
- Basic		9.15	9.97
- Diluted		9.14	9.95
<b>Discontinued Operations :</b>			
- Basic		(0.40)	2.00
- Diluted		(0.40)	2.00
<b>Continuing and Discontinued Operations :</b>			
- Basic		8.75	11.97
- Diluted		8.74	11.95

See accompanying notes forming part of the Consolidated financial statements

In terms of our report attached  
For Deloitte Haskins & Sells LLP  
Chartered Accountants

Kartikeya Raval  
Partner

Place: Ahmedabad  
Date: May 17, 2019

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

Sanjay S. Lalbhai  
Chairman & Managing Director  
DIN: 00008329

R. V. Bhimani  
Company Secretary

Place: Ahmedabad  
Date: May 17, 2019

Jayesh K. Shah  
Director & Chief Financial Officer  
DIN: 00008349



## Consolidated Statement of cash flows for the year ended March 31, 2019

₹ in Crores

Particulars	Year ended March 31, 2019 (Refer 45 (ii))	Year ended March 31, 2018 (Refer 45 (i))
<b>A Cash Flow from Operating activities</b>		
<b>Profit After taxation</b>	<b>228.41</b>	315.81
<b>Adjustments to reconcile profit after tax to net cash flows:</b>		
Share of profit from Joint Ventures	(1.01)	(2.71)
Depreciation and Amortization expense	328.14	359.34
Interest Income	(37.54)	(19.74)
Tax Expense	58.84	74.57
Finance Costs	302.47	257.85
Bad Debts Written Off	2.77	0.45
Allowance for Bad Debts	4.87	7.23
Allowance for doubtful advances	-	0.51
Sundry Debit Written off	0.58	2.06
Sundry Credit Balances written back	(6.07)	(4.64)
Provision for Non moving inventory	84.71	79.96
Foreign Exchange Loss/(Gain)	5.31	(8.20)
Fixed Assets written off	0.41	1.99
(Profit)/Loss on Sale of Property, plant and equipment	(8.34)	(23.95)
Excess Provision Written Back	(3.45)	(16.18)
Share based payment expense	1.48	5.75
Government grant income	(4.60)	(5.43)
Reversal of GST Credit	27.55	-
Fair Value gain on conversion of JV to Subsidiary	-	(7.94)
Loss on Sale of Investments	-	9.48
	<b>756.12</b>	710.40
<b>Operating Profit before Working Capital Changes</b>	<b>984.53</b>	1,026.21
<b>Adjustments for Changes in Working Capital:</b>		
(Increase)/Decrease in Inventories	561.06	(112.38)
(Increase)/Decrease in trade receivables	855.41	(842.47)
(Increase)/Decrease in other current assets	604.84	(244.35)
(Increase)/Decrease in other financial assets	223.93	9.12
Increase/(Decrease) in trade payables	(781.66)	613.20
Increase/(Decrease) in other financial liabilities	(92.50)	32.70
Increase/(Decrease) in other current liabilities	(115.68)	66.67
Increase/(Decrease) in provisions	(44.31)	7.61
<b>Net Changes in Working Capital</b>	<b>1,211.09</b>	(469.90)
<b>Cash Generated from Operations</b>	<b>2,195.62</b>	556.31
Direct Taxes paid (Net of Tax refund)	162.54	(127.82)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>2,358.16</b>	428.49
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, plant and equipment and intangible assets	(649.17)	(530.06)
Disposal of Property, plant and equipment due to Demerger (Refer note 45(ii))	643.49	-
Proceeds from disposal of Property, plant and equipment and intangible assets	46.57	74.53
Purchase of Investments	(8.15)	-
Proceeds from disposal of Investments	-	1.15
Disposal of Investments due to Demerger (Refer note 45(ii))	0.02	-
Refund of Share Application Money	6.81	19.32
Changes in Non Controlling interest	2.45	62.96
Changes in other bank balances not considered as cash and cash equivalents	16.74	10.06
Loans repaid (net)	1.80	(15.33)
Interest Received	25.92	21.40
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>86.48</b>	(355.97)



# Consolidated Statement of cash flows for the year ended March 31, 2019

₹ in Crores

Particulars	Year ended March 31, 2019 (Refer 45 (ii))	Year ended March 31, 2018 (Refer 45(i))
<b>C Cash Flow from Financing Activities</b>		
Proceeds from Issue of Share Capital	-	3.00
Dividend Paid (including Dividend Distribution Tax)	(77.24)	(80.69)
Proceeds from long term Borrowings	433.24	305.26
Repayment of long term Borrowings	(337.34)	(147.16)
Amount recovered for long term Borrowings due to Demerger (Refer note 45(ii))	(56.69)	-
Proceeds from short term Borrowings	2,842.63	2,715.08
Repayment of short term Borrowings	(2,487.44)	(2,605.74)
Amount recovered for short term Borrowings due to Demerger (Refer note 45(ii))	(1,017.60)	-
Interest Paid	(319.00)	(245.10)
<b>Net Cash flow from / (used in) Financing Activities (C)</b>	<b>(1,019.44)</b>	<b>(55.35)</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents (A)+(B)+(C)</b>	<b>1,425.20</b>	<b>17.17</b>
<b>Cash &amp; Cash equivalent at the beginning of the year</b>	<b>33.96</b>	<b>14.27</b>
Add : Adjustment due to Demerger (Refer note 45(ii))	(1,392.25)	2.52
<b>Cash &amp; Cash equivalent at the end of the year</b>	<b>66.91</b>	<b>33.96</b>

## Reconciliation of cash and cash equivalents

Particulars	Year ended March 31, 2019 (Refer 45(ii))	Year ended March 31, 2018 (Refer 45(i))
<b>Cash and cash equivalents :</b>		
Cash on Hand	0.09	0.65
Cheques on hand	-	0.32
Balances with Banks	70.53	38.49
<b>Cash and cash equivalents as per Balance Sheet (Refer Note 8 (d))</b>	<b>70.62</b>	<b>39.46</b>
Book Overdrafts (Refer Note 15 (c))	(3.71)	(5.50)
<b>Cash and cash equivalents as per Cash flow Statement</b>	<b>66.91</b>	<b>33.96</b>

## See accompanying notes forming part of the financial statements

Disclosure under Para 44A as set out in Ind AS 7 on cash flow statements under Companies (Indian Accounting Standards) Rules, 2015 (as amended)

Particulars of liabilities arising from financing activity	Note No.	As at March 31, 2018	Net cash flows	Non Cash Changes			As at March 31, 2019
				Adjustment Due to Demerger (Refer note 45 (ii))	Other changes *	Fair value adjustment on interest free inter corpo- rate deposits	
<b>Borrowings :</b>							
Long term borrowings	15 (a)	1,059.27	95.90	(56.69)	-	-	1,098.48
Short term borrowings	15 (a)	2,263.78	355.19	(1,017.60)	-	-	1,601.37
Interest accrued on borrowings	15 (c)	28.36	(11.45)	(16.91)	11.83	-	11.83
<b>Total</b>		<b>3,351.41</b>	<b>439.64</b>	<b>(1,091.20)</b>	<b>11.83</b>	<b>-</b>	<b>2,711.68</b>

\* The same relates to amount charged in statement of profit and loss.

## Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
**Kartikeya Raval**  
Partner

**For and on behalf of the board of directors of Arvind Limited**  
**Sanjay S. Lalbhai**  
Chairman & Managing Director  
DIN: 00008329  
**Jayesh K. Shah**  
Director & Chief Financial Officer  
DIN: 00008349

**R. V. Bhimani**  
Company Secretary  
**Place:** Ahmedabad  
**Date:** May 17, 2019

**Place:** Ahmedabad  
**Date:** May 17, 2019



## Consolidated Statement of changes in equity for the year ended March 31, 2019

₹ in Crores

## A. Equity share capital

Particulars	Balance at the beginning of the reporting year	Changes in Equity Share Capital during the year	Balance at the end of the reporting year
For the year ended March 31, 2018	258.36	0.26	258.62
For the year ended March 31, 2019	258.62	-	258.62

## B. Other equity

Particulars	Share Application Money Pending Allotment	Reserves and Surplus attributable to the owners of the Company							Items of Other Comprehensive Income				Total Other Equity (A)	Non-controlling interest (B)	Total equity (A+B)	
		Capital Reserve	Capital Reserve on Consolidation	Share based payment reserve	Amalgamation Reserve	Debt Redemption Reserve	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings	Effective portion of gain or loss on cash flow hedges	Foreign Currency Translation Reserve				Net gain/(loss) on FVOCI equity instruments
Balance as at April 1, 2017	2.17	663.67	1.50	10.63	34.54	-	69.50	556.73	1.47	1,943.17	32.06	(6.82)	-	3,308.62	151.43	3,460.05
Profit for the year	-	-	-	-	-	-	-	-	-	309.47	-	-	-	309.47	6.34	315.81
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(9.85)	(29.00)	(5.10)	22.29	(21.66)	(0.36)	(22.02)
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	299.62	(29.00)	(5.10)	22.29	287.81	5.98	293.79
Dividend Paid during the year	-	-	-	-	-	-	-	-	-	(67.04)	-	-	-	(67.04)	-	(67.04)
Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	-	(13.65)	-	-	-	(13.65)	-	(13.65)
Transfer from retained earnings	-	-	-	-	-	50.00	-	-	-	-	-	-	-	50.00	-	50.00
Transfer to Debenture Redemption Reserve	-	-	-	-	-	-	-	-	-	(50.00)	-	-	-	(50.00)	-	(50.00)
Issue of Shares under Employee Stock Option Plan	-	-	-	5.74	-	-	-	-	-	-	-	-	-	5.74	-	5.74
Adjustment on Account of Consolidation	-	0.08	-	-	-	-	-	-	-	-	-	-	-	0.08	-	0.08
Addition During Year	-	-	-	(0.07)	-	-	-	4.91	-	-	-	-	-	4.84	147.87	152.71
Received during the year	1.00	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	1.00
Transfer to securities premium	-	-	-	(3.13)	-	-	-	-	-	-	-	-	-	(3.13)	-	(3.13)
Transfer from share based payment reserve	-	-	-	-	-	-	-	3.13	-	-	-	-	-	3.13	-	3.13
Utilized during the year	(3.17)	-	-	-	-	-	-	-	-	-	-	-	-	(3.17)	-	(3.17)
Balance as at March 31, 2018	-	663.75	1.50	13.17	34.54	50.00	69.50	564.77	1.47	2,112.10	3.06	(11.92)	22.29	3,524.23	305.28	3,829.51
Balance as at April 1, 2018	-	663.75	1.50	13.17	34.54	50.00	69.50	564.77	1.47	2,112.10	3.06	(11.92)	22.29	3,524.23	305.28	3,829.51
Profit for the year	-	-	-	-	-	-	-	-	-	226.23	-	-	-	226.23	2.18	228.41
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	(12.81)	20.97	(22.97)	0.07	(14.74)	0.17	(14.57)
Total Comprehensive income for the year	-	-	-	-	-	-	-	-	-	213.42	20.97	(22.97)	0.07	211.49	2.35	213.84
Dividend Paid during the year	-	-	-	-	-	-	-	-	-	(64.08)	-	-	-	(64.08)	-	(64.08)
Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	-	(13.16)	-	-	-	(13.16)	-	(13.16)
Addition During Year	-	-	-	1.83	-	-	-	-	-	-	-	-	-	1.83	2.45	4.28
Adjustment due to Demerger (Refer note 45(ii))	-	(646.59)	-	(2.63)	-	-	-	-	-	(497.51)	0.11	-	(21.87)	(1,168.49)	(223.76)	(1,392.25)
Balance as at March 31, 2019	-	17.16	1.50	12.37	34.54	50.00	69.50	564.77	1.47	1,750.77	24.14	(34.89)	0.49	2,491.82	86.32	2,578.14

See accompanying notes forming part of the financial statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Kartikeya Raval**

Partner

**For and on behalf of the board of directors of Arvind Limited****Sanjay S. Lalbhai**

Chairman &amp; Managing Director

DIN: 00008329

**Jayesh K. Shah**

Director &amp; Chief Financial Officer

DIN: 00008349

**R. V. Bhimani**

Company Secretary

**Place:** Ahmedabad**Date:** May 17, 2019**Place:** Ahmedabad**Date:** May 17, 2019



# Notes to the Financial Statement for the year ended March 31, 2019

## 1. Corporate Information

Arvind Limited (“the Group” or “the Company” or “the Parent Company”) is one of India’s leading vertically integrated textile companies with the presence of almost eight decades in this industry. It is among the largest denim manufacturers in the world. It also manufactures a range of cotton shirting, denim, knits and bottom weights (Khakis) fabrics and Jeans and Shirts Garments. Arvind through its subsidiary Arvind Fashions Limited (till November 29, 2018) and its subsidiaries is marketing in India the branded apparel under various brands. The brands portfolio of the Group includes Domestic and International brands like Flying Machine, Arrow, US Polo, Izod, Elle, Cherokee etc. It also operates apparel value retail stores UNLIMITED. Arvind Limited also has the presence in Telecom business directly and through subsidiaries and joint venture companies. Recently, the Group has made foray in to Technical Textiles on its own and in joint venture with leading global players. The Company through its subsidiary is also engaged in manufacturing and fabrication of process equipment as well as in water treatment business.

Arvind Limited together with its consolidated subsidiaries is hereinafter referred to as “the Group”.

The Group’s financial statements have been considered and approved by the Board of Directors at their meeting held on May 17, 2019.

## 2. Statement of Compliance and Basis of Preparation:

The Consolidated Financial Statements have been prepared on a historical cost convention on the accrual basis except for the certain financial assets and liabilities measured at fair value, the provisions of the Companies Act, 2013 to the extent notified (“the Act”).

Accounting policies were consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standards requires a change in the accounting policy hitherto in use.

These Consolidated Financial Statements comprising of Consolidated Balance Sheet, Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows as at March 31, 2019 have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

### Rounding of amounts

The Consolidated Financial Statements are presented in Indian Rupee (“INR”) and all values are rounded to the nearest crore as per the requirement of Schedule III, except when otherwise indicated. Figures less than Rs. 50,000, which are required to be shown separately, have been shown actual in brackets.

### Principles of Consolidation and equity accounting

The consolidated financial statements incorporate the financial statements of Arvind Limited and its subsidiaries, being the entities that it controls. Control is evidenced where the Group has power over the investee or is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the

investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns.

The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Group.

For non-wholly owned subsidiaries, a share of the profit / loss for the financial year and net assets is attributed to the non-controlling interests as shown in the consolidated statement of profit and loss and consolidated balance sheet.

Changes in the Company’s interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company’s interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent



## Notes to Consolidated Financial Statements

of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in joint venture are accounted for using the equity method.

### Equity Method

Under equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

### 3. Summary of Significant Accounting Policies

#### 3.1. Application of New Accounting Pronouncements

The Group has applied following new accounting standards that were issued and were effective during the year. The effect of these accounting standards is described below:

##### 1. Revenue Recognition

#### Ind AS 115 - Revenue from Contracts with Customers

The core principle of the standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition :

Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors.

Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

- a) The Group has adopted Ind AS 115, Revenue from Contract with Customers with effect from April 1, 2018 and it is detailed in note 3.14.
- b) The Group has elected to recognize cumulative effect of initially applying Ind AS 115 retrospectively as an adjustment to opening balance sheet as at April 1, 2018 on the contracts that are not completed contract as at that date. There was no impact of above on the opening balance sheet as at April 1, 2018 and on the Statement of Profit and Loss for the year ended March, 2019.

##### 2. Restatement of Foreign Currency Transactions

The Group has adopted Appendix B to Ind AS 21, foreign current transactions and advance considerations, with effect from April 1, 2018. The standard has been applied prospectively to all assets, expenses, and income initially recognised on or after April 1, 2018. The impact of the adoption of Appendix B is immaterial.

##### 3. Amendment to Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance

The amendment clarifies that where the government grant related to assets, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the assets. These amendments do not have any impact on the consolidated financial statements.



# Notes to Consolidated Financial Statements

## 4. Amendment to Ind AS 12, Income Taxes

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments do not have any impact on the consolidated financial statement of Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

## 5. Amendment to Ind AS 40, Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. These amendments do not have any impact on the Group's consolidated financial statements.

## 6. Ind AS 112, Disclosure of Interest in Other Entities

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10-B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

## 3.2. Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## Operating cycle

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

## Non-Current Assets classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized.

## Discontinued operation

A discontinued operation is a business of the entity that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

## 3.3. Use of estimates and judgements

The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the Group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Group believes to be reasonable under the existing circumstances. Difference between actual results and estimates are recognised in the period in which the results are known / materialised.

Following are significant estimate (For details Refer note 4.1)

- Taxes
- Useful life of Property, plant and equipment and Intangible Assets
- Provisions and contingencies



## Notes to Consolidated Financial Statements

- Defined benefit plans

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

### 3.4. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial

Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent to its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period



# Notes to Consolidated Financial Statements

does not exceed one year from the acquisition date.

## Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by Ind AS 103. Such transactions are accounted for using the pooling-of-interest method. The assets and liabilities of the acquired entity are recognised at their carrying amounts of the parent entity's consolidated financial statements with the exception of certain income tax and deferred tax assets. No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies. The components of equity of the acquired companies are added to the same components within the Group's equity. The difference, if any, between the amounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to other equity and is presented separately from other capital reserves. The Group's shares issued in consideration for the acquired companies are recognized from the moment the acquired companies are included in these financial statements and the financial statements of the commonly controlled entities would be combined, retrospectively, as if the transaction had occurred at the beginning of the earliest reporting period presented.

## 3.5. Foreign currencies

The Group's functional and presentation currency is Indian Rupee. Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement of such transaction and on translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rate are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the respective months. Exchange differences arising are recognized

as foreign currency translation reserve under equity.

## 3.6. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Consolidated Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and for non-recurring measurement, such as asset held for sale.

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Group's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Group's external valuers,



## Notes to Consolidated Financial Statements

which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Property, plant and equipment & Intangible assets measured at fair value on the date of transition
- Investment properties
- Financial instruments (Including those carried at amortised cost)

### 3.7. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of Property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

The Group adjusts exchange differences arising on translation difference / settlement of long-term foreign currency monetary items outstanding as at March 31, 2016, pertaining to the acquisition of a depreciable asset, to the cost of asset and depreciates the same over the remaining life of the asset.

Borrowing cost relating to acquisition / construction of fixed assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Capital work-in-progress comprises cost of fixed assets that are not yet installed and ready for their intended use at the balance sheet date.

### De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

### Depreciation

The carrying value of the property, plant and equipment as on April 1, 2014 are depreciated over remaining useful life of the assets based on independent technical evaluation carried out by external valuer.

Depreciation on property, plant and equipment is provided so as to write off the cost of assets less residual values over their useful lives of the assets, using the straight line method as prescribed under Part C of Schedule II to the Companies Act 2013 except for Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments which are depreciated as per schedule II of the companies act, 2013), Leasehold Improvements, Furniture and fixtures, Vehicles and Office Equipments.

When parts of an item of property, plant and equipment have different useful life, they are accounted for as separate items (Major Components) and are depreciated over their useful life or over the remaining useful life of the principal assets whichever is less.

Depreciation on Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments), Leasehold Improvements, Furniture & Fixtures, Vehicles and Office Equipments are provided on straight-line basis over the useful lives of the assets as estimated by management based on the technical assessment of the assets, nature of assets, the estimated usage of assets, the operating condition of the assets, maintenance supports and anticipated technological changes required in the assets. The management estimates the useful lives as follows:

Particulars	Useful Life
Plant and Machinery (other than Lab equipment, Power generation plant, Electrical installations, Wind power generation plant and Engineering Equipments)	5-20 Years
Leasehold Improvements	5-6 Years
Furniture and Fixtures	6-10 Years
Vehicles	4-8 Years
Office Equipments	3-5 Years

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Act.



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Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

## 3.8. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

### Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in consolidated Statement of Profit and Loss unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in consolidated Statement of Profit and Loss on a straight-line basis over the lease term except the case where incremental lease reflects inflationary effect and lease expense is accounted in such case by actual rent for the period.

### Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease except the case where incremental lease reflects inflationary effect and lease income is accounted in such case by actual rent for the period. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in consolidated Statement of Profit and Loss, in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the

lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

## 3.9. Borrowing cost

Borrowing cost includes interest expense as per Effective Interest Rate (EIR) and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the year. Capitalisation of borrowing costs is suspended and charged to the statement of profit and loss during the extended periods when the active development on the qualifying assets is interrupted.

All other borrowing costs are expensed in the period in which they occur.

## 3.10. Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as Investment property. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

An investment property is derecognised on disposal or on permanently withdrawal from use or when no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in consolidated Statement of Profit and Loss when the asset is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. Transfers between investment property, owner-occupied property and inventories are at carrying



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amount of the property transferred.

Depreciation on Investment property is provided on the straight line method over useful lives of the assets as prescribed under Part C of Schedule II to the Act.

### 3.11. Intangible Assets

Intangible Assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- for assets acquired in a business combination at fair value on the date of acquisition/grant
- for separately acquired assets, at cost comprising the purchase price (including non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

Revenue expenditure pertaining to research is charged to Consolidated Statement of Profit and Loss. Development costs of products are charged to Consolidated Statement of Profit and Loss unless a product's technological and commercial feasibility has been established, in which case such expenditure is capitalised.

Following initial recognition, Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in Consolidated Statement of Profit and Loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as finite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in Consolidated Statement of Profit and Loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in Consolidated Statement of Profit and Loss when the asset is derecognised.

#### Amortisation

Software is amortized over management estimate of its useful life of 5 years or License Period whichever is lower and Patent/Knowhow is amortized over its useful validity period. Website is amortized over 5 years.

#### Research and development costs for Website Design

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an

intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

### 3.12. Inventories

Inventories of Raw material, Work-in-progress, Finished goods and Stock-in-trade are valued at the lower of cost and net realisable value. However, Raw material and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- **Raw materials and accessories:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- **Finished goods and work in progress:** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- **Traded goods:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

All other inventories of stores, consumables, project material at site are valued at cost. The stock of waste is valued at net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.13. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the



# Notes to Consolidated Financial Statements

Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Group. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in Consolidated Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

## 3.14. Revenue Recognition

Effective April 1, 2018, the Group has adopted Ind AS 115 – 'Revenue from contracts with customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

The Group earns revenue primarily from sale of manufactured goods (fabrics, garments and other textile derivatives). It has

applied the principles laid down in Ind AS 115 and determined that there is no change required in the existing revenue recognition methodology. In case of sale to domestic customers, most of the sale is made on ex-factory basis and revenue is recognised when the goods are dispatched from the factory gates. In case of export sales, revenue is recognised on shipment date, when performance obligation is met. The company has considered specific criteria which have been met for each of company's activities as described below while recognising revenue:

### **Sale of goods – customer loyalty programme (deferred revenue)**

The Group operates a loyalty points programme which allows customers to accumulate points when they purchase the products. The points can be redeemed for free products, subject to a minimum number of points being obtained. Consideration received is allocated between the product sold and the points issued, with the consideration allocated to the points equal to their fair value. Fair value of the points is determined by applying a statistical analysis. The fair value of the points issued is deferred and recognised as revenue when the points are redeemed.

### **Rendering of services**

Revenue from services are recognized based on the services rendered in accordance with the terms of contracts on the basis of work performed.

### **Construction contract**

Revenue in respect of projects for Construction of Plants and Systems, execution of which is spread over different accounting periods, is recognised on the basis of percentage of completion method. Percentage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract cost. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, relating to the percentage of completion, costs to completion, expected revenue from the contract and the foreseeable losses to completion.

### **Export Incentive**

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

### **Interest Income**

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash



## Notes to Consolidated Financial Statements

receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

### Dividend Income

Dividend income from investments is recognised when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

### Profit or loss on sale of Investments

Profit or Loss on sale of investments are recorded on transfer of title from the Group, and is determined as the difference between the sale price and carrying value of investment and other incidental expenses.

### Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms except in the case where incremental lease reflects inflationary effect and rental income is accounted in such case by actual rent for the period.

### Insurance claims

Insurance claims are accounted for to the extent the Group is reasonably certain of their ultimate collection.

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

Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Subsequent measurement of financial assets:

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

- (a) Financial assets at amortised cost
- (b) Financial assets at fair value through other comprehensive income (FVTOCI)
- (c) Financial assets at fair value through profit or loss (FVTPL)

- (d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### (a) Financial assets at amortised cost:

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

#### (b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in Consolidated Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

#### (c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised in the statement of profit and loss.

The Group may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.



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## (d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity

### Impairment of financial assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

### Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in Consolidated Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to Consolidated Statement of Profit and Loss unless the asset represents an equity investment in which case the

cumulative fair value adjustments previously taken to reserves is reclassified within equity.

### Reclassification

When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

### Financial liabilities and equity instruments

#### Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.



## Notes to Consolidated Financial Statements

Financial guarantee contracts issued by a Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

### Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

### Derivatives and Hedge Accounting

Derivatives are initially recognised at fair value and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gains / losses is recognised in Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss / inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

The Group complies with the principles of hedge accounting where derivative contracts are designated as hedge instruments. At the inception of the hedge relationship, the Group documents the relationship between the hedge instrument and the hedged item, along with the risk management objectives and its strategy for undertaking hedge transaction, which can be a fair value hedge or a cash flow hedge.

#### (i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in fair value of the hedged item attributable to the hedged risk are recognised in Consolidated Statement of Profit and Loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

#### (ii) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income and accumulated as 'Cash Flow Hedging Reserve'. The gains / losses relating to the ineffective portion is recognised in Consolidated Statement of Profit and Loss.

Amounts previously recognised and accumulated in other comprehensive income are reclassified to profit or loss when the hedged item affects Consolidated Statement of Profit and Loss. However, when the hedged item results in the recognition of a non-financial asset, such gains / losses are transferred from equity (but not as reclassification adjustment) and included in the initial measurement cost of the non-financial asset.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gains/losses recognised in other comprehensive income and accumulated in equity at that time remains in equity and is reclassified when the underlying transaction is ultimately recognised. When an underlying transaction is no longer expected to occur, the gains / losses accumulated in equity is recognised immediately in Consolidated Statement of Profit and Loss.

### 3.16. Cash and cash equivalent

Cash and cash equivalent in the balance sheet includes cash on hand, at banks and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the cash flows statement, cash and cash equivalents includes cash, short-term deposits, as defined above, other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value adjusted for outstanding bank overdrafts as they are considered an integral part of the Group's cash management. Bank Overdrafts are shown within Borrowings in current liabilities in the balance sheet.

### 3.17. Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised in Statement of Profit or Loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and



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released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

## 3.18. Taxes

Tax expense comprises of current income tax and deferred tax.

### Current income tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be

utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Group recognizes tax credits in the nature of MAT credit as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which tax credit is allowed to be carried forward. In the year in which the Group recognizes tax credits as an asset, the said asset is created by way of tax credit to Consolidated Statement of Profit and Loss. The Group reviews such tax credit asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax includes MAT tax credit.



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### 3.19. Employee Benefits

#### (a) Short Term Employee Benefits

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, awards, ex-gratia, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

#### (b) Post-Employment Benefits

##### (i) Defined contribution plan

The Group's approved provident fund scheme, superannuation fund scheme, employees' state insurance fund scheme and Employees' pension scheme are defined contribution plans. The Group has no obligation, other than the contribution paid/payable under such schemes. The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service.

##### (ii) Defined benefit plan:

The employee's gratuity fund scheme, Compensatory Pension Scheme and post-retirement medical benefit schemes are Group's defined benefit plans. The present value of the obligation under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance Sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on the net basis.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to Statement of Profit and Loss in subsequent periods.

#### (c) Other long term employment benefits:

The employee's long term compensated absences are Group's defined benefit plans. The present value of the obligation is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. In case of funded plans, the fair value of plan asset is reduced from the gross obligation, to recognise the obligation on the net basis.

#### (d) Termination Benefits:

Termination benefits such as compensation under voluntary retirement scheme are recognised in the year in which termination benefits become payable.

### 3.20. Share-based payments

Employees (including senior executives) of the Group receive

remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

#### Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. Consolidated Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the statement of profit and loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### Cash-settled transactions:

In case of cash-settled transactions, a liability is recognised for the fair value of cash-settled transactions.



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The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense. The fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The fair value is determined with the assistance of an external valuer.

### 3.21. Earnings per share (EPS)

Basic EPS is computed by dividing the net profit / loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is computed by dividing the net profit / loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year adjusted for the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

### 3.22. Dividend

The Group recognises a liability (including tax thereon) to make cash or non-cash distributions to equity shareholders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group.

Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.

Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in Consolidated Statement of Profit and Loss.

### 3.23. Provisions and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When the Group expects some or all of a provision to be reimbursed from third parties, for example, under an insurance contract, the reimbursement is recognised as a separate asset,

but only when the reimbursement is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the Consolidated Financial Statements.

Contingent assets are not recognised but disclosed in the Consolidated financial statements when an inflow of economic benefits is probable.

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

The Group classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of



## Notes to Consolidated Financial Statements

their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the assets to fair value less cost to sell. A gain is recognised for any subsequent increases in the fair value less cost to sell of an assets but not in excess of the cumulative impairment loss previously recognised. A gain or loss previously not recognised by the date of sale of the non-current assets is recognised on the date of de-recognition.

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

A discontinued operation qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in Consolidated Statement of Profit and Loss.

### 3.25. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### 3.26. Research and Development

Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands and customer lists are not recognised as intangible assets.

### 4. Critical accounting estimates and assumptions

The preparation of the Consolidated Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### 4.1. Estimates and assumption

##### (a) Taxes

The Group has ₹ 189.52 crores (March 31, 2018: ₹ 163.53 crores) of tax credits carried forward. These credits expire in 15 years from the date of initial recognition. The Group has taxable temporary difference and tax planning opportunities available that could

partly support the recognition of these credits as deferred tax assets. On this basis, the Group has determined that it can recognise deferred tax assets on the tax credits carried forward.

The Group has ₹ 13.78 crores (March 31, 2018: ₹ 129.51 crores) of unused tax losses available which is carried forward for set off against taxable income in future years. The Group believes that if sufficient future taxable income available to utilise against which the unused tax losses can be utilised. On this basis, the Group has determined that it has recognised deferred tax assets on the carried forward tax losses.

Further details on taxes are disclosed in Note 29.

#### (b) Useful life of Property, plant and equipment and Intangible Assets

As described in Note 3.7 and 3.11 of the significant accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

#### (c) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with the applicable Ind AS. A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

The Group has significant capital commitments in relation to various capital projects which are not recognized on the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the Consolidated Financial Statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability (Refer Note 16 and 30).

#### (d) Defined benefit plans

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in Consolidated Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the Consolidated Financial Statements.

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



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 5 : Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant & Machinery	Furniture & fixture	Vehicles	Leasehold Improve-ments	Office Equipment	Computer, server & network	Total
<b>Gross Carrying Amount</b>										
<b>As at April 01, 2017</b>	<b>1,085.83</b>	<b>312.51</b>	<b>513.65</b>	<b>1,474.51</b>	<b>211.15</b>	<b>44.81</b>	<b>236.04</b>	<b>46.05</b>	<b>48.19</b>	<b>3,972.74</b>
Additions	37.07	-	17.25	215.91	49.56	14.26	70.81	12.03	17.77	434.66
Additions due to Business Combination (refer note 4 below)	-	-	13.74	24.56	9.28	1.64	29.46	2.74	7.19	88.61
Adjustment on Consolidation	-	-	9.40	-	-	-	-	-	-	9.40
Deductions	18.15	1.15	0.90	28.47	8.57	7.76	19.84	2.70	3.26	90.80
<b>As at April 01, 2018</b>	<b>1,104.75</b>	<b>311.36</b>	<b>553.14</b>	<b>1,686.51</b>	<b>261.42</b>	<b>52.95</b>	<b>316.47</b>	<b>58.12</b>	<b>69.89</b>	<b>4,414.61</b>
Additions	44.94	-	20.58	311.92	43.27	18.39	37.11	10.96	20.37	507.54
Transfer	22.15	(22.15)	-	-	-	-	-	-	-	-
Adjustment Due to Demerger (Refer note 8 below)	0.06	49.18	25.32	130.11	212.75	9.75	308.85	34.90	40.83	811.75
Adjustment on Consolidation	-	-	-	-	0.17	-	-	-	(0.17)	-
Transfer to land held for sales	31.65	57.38	-	-	-	-	-	-	-	89.03
Other adjustments	-	-	-	0.30	-	-	-	-	-	0.30
Foreign Currency Translation Reserve	-	-	0.10	(6.31)	(0.50)	(0.09)	0.01	0.10	(0.09)	(6.78)
Deductions	3.67	-	0.15	28.03	4.62	8.45	7.52	0.91	0.41	53.76
<b>As at March 31, 2019</b>	<b>1,136.46</b>	<b>182.65</b>	<b>548.35</b>	<b>1,833.68</b>	<b>86.99</b>	<b>53.05</b>	<b>37.22</b>	<b>33.37</b>	<b>48.76</b>	<b>3,960.53</b>
<b>Accumulated Depreciation and Impairment</b>										
<b>As at April 01, 2017</b>	<b>-</b>	<b>0.34</b>	<b>43.50</b>	<b>272.76</b>	<b>54.91</b>	<b>8.93</b>	<b>75.24</b>	<b>15.87</b>	<b>21.12</b>	<b>492.67</b>
Depreciation for the year	-	0.17	23.42	158.39	37.21	7.38	62.75	12.62	14.47	316.41
Additions due to Business Combination (refer note 4 below)	-	-	-	1.33	3.35	0.62	6.26	1.47	4.72	17.75
Adjustment on Consolidation	-	-	0.50	-	-	-	-	-	-	0.50
Deductions	-	-	-	10.09	4.86	3.09	15.16	2.00	3.05	38.25
<b>As at April 01, 2018</b>	<b>-</b>	<b>0.51</b>	<b>67.42</b>	<b>422.39</b>	<b>90.61</b>	<b>13.84</b>	<b>129.09</b>	<b>27.96</b>	<b>37.26</b>	<b>789.08</b>
Depreciation for the year	-	-	23.14	164.15	31.01	7.22	38.37	9.66	13.45	287.00
Adjustment Due to Demerger (Refer note 8 below)	-	0.51	1.74	50.93	91.20	3.10	142.05	17.96	24.03	331.52
Foreign Currency Translation Reserve	-	-	0.11	(1.79)	(0.09)	(0.04)	-	(0.01)	(0.03)	(1.85)
Deductions	-	-	0.04	5.80	2.32	3.61	3.57	0.51	0.33	16.18
<b>As at March 31, 2019</b>	<b>-</b>	<b>-</b>	<b>88.89</b>	<b>528.02</b>	<b>28.01</b>	<b>14.31</b>	<b>21.84</b>	<b>19.14</b>	<b>26.32</b>	<b>726.53</b>
<b>Net Carrying Amount</b>										
<b>As at March 31, 2019</b>	<b>1,136.46</b>	<b>182.65</b>	<b>459.46</b>	<b>1,305.66</b>	<b>58.98</b>	<b>38.74</b>	<b>15.38</b>	<b>14.23</b>	<b>22.44</b>	<b>3,234.00</b>
As at April 01, 2018	1,104.75	310.85	485.72	1,264.12	170.81	39.11	187.38	30.16	32.63	3,625.53

### Notes :

- Freehold Land amounting to ₹ 84.57 crores in respect of which registration are pending in the favour of the Company. For Capital Work-in Progress, the Company is in process to execute deeds of ₹ 55.44 crores for land.
- Buildings includes ₹ 2.45 Crores (Previous year ₹2.45 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.
- Details of Borrowing Cost and Exchange Differences Capitalised:

Particulars	Other Adjustments			
	For the year		Transfer from Capital Work in Progress	
	2018-19	2017-18	2018-19	2017-18
Borrowing Cost	0.73	-	0.36	-
Exchange Differences	(0.43)	-	(0.19)	-
<b>Total</b>	<b>0.30</b>	<b>-</b>	<b>0.17</b>	<b>-</b>

- Refer note 45(i) for the Scheme of Business Combination.
- Additions in Plant and Machinery includes ₹ 8.02 Crores ( Previous Year ₹ 3.07 Crores ) which are purchased for the Research & Development purpose. For details refer note no 48.
- For Properties Pledge as security - Refer note 15 (a).
- During the year Freehold Land of ₹ 31.65 Crores & Leasehold Land of ₹ 57.38 Crores are transferred to Assets Held for Sale. As at March 31, 2019, the Company intended to dispose off freehold land as it no longer had plans to utilise the same in the next 12 months. It was previously held for setting up a manufacturing plant. No impairment loss was recognised on reclassification of the freehold land as held for sale.
- Please refer note 45(ii) for the scheme of Demerger of the Companies.



## Notes to Consolidated Financial Statements

₹ in Crores

## Note 6 : Investment Properties

Investment property	Land	Building	Total
<b>Gross Carrying Amount</b>			
<b>As at April 1, 2017</b>	21.44	23.56	45.00
Adjustment on consolidation	-	(9.40)	(9.40)
<b>As at April 1, 2018</b>	<b>21.44</b>	<b>14.16</b>	<b>35.60</b>
Additions	-	0.02	0.02
<b>As at March 31, 2019</b>	<b>21.44</b>	<b>14.18</b>	<b>35.62</b>
<b>Accumulated Depreciation</b>			
<b>As at April 1, 2017</b>	-	1.26	1.26
Depreciation for the year	-	0.36	0.36
Adjustment on consolidation	-	(0.50)	(0.50)
<b>As at April 1, 2018</b>	-	1.12	1.12
Depreciation for the year	-	0.37	0.37
<b>As at March 31, 2019</b>	-	1.49	1.49
<b>Net Carrying Amount</b>			
<b>As at March 31, 2019</b>	<b>21.44</b>	<b>12.69</b>	<b>34.13</b>
As at April 01, 2018	21.44	13.04	34.48

## Notes:

(1) Buildings of investment property includes ₹8.44 crores in respect of which registration are pending in the favour of the Company.

## (2) Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment properties	0.27	0.23
Less: Direct operating expenses (including repairs and maintenance)	0.02	0.01
<b>Profit arising from investment properties before depreciation</b>	<b>0.25</b>	<b>0.22</b>
Less : Depreciation	0.37	0.36
<b>Profit/(Loss) arising from investment properties</b>	<b>(0.12)</b>	<b>(0.14)</b>

## (3) The fair value of the properties are based on internal evaluation by the management.

Fair value of the Investment properties are as under

Fair value	Land	Building	Total
<b>Balance as at April 1, 2018</b>	24.78	15.67	40.45
Add : Fair value difference for the year	1.69	1.16	2.85
<b>Balance as at March 31 2019</b>	<b>26.47</b>	<b>16.83</b>	<b>43.30</b>

The fair value of the properties are based on internal evaluation by the management.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 7 : Intangible assets

Particulars	Computer Software	Patent & Technical knowhow	Technical Process development	Website (Refer note (1) below)	Brand Value & Licence Brands	Distribution Network	Total	Goodwill	Goodwill on Consolidation	Total Goodwill
<b>Gross Carrying Amount</b>										
<b>As at April 1, 2017</b>	<b>57.37</b>	<b>36.15</b>	<b>24.73</b>	<b>47.72</b>	<b>5.09</b>	<b>16.21</b>	<b>187.27</b>	<b>16.77</b>	<b>1.15</b>	<b>17.92</b>
Additions	10.48	7.16	-	32.16	0.67	0.90	51.37	-	-	-
Additions due to Business Combination (refer note 45 (i))	2.83	29.75	-	-	-	-	32.58	-	119.10	119.10
Deductions	0.37	0.19	-	-	-	-	0.56	-	-	-
<b>As at April 1, 2018</b>	<b>70.31</b>	<b>72.87</b>	<b>24.73</b>	<b>79.88</b>	<b>5.76</b>	<b>17.11</b>	<b>270.66</b>	<b>16.77</b>	<b>120.25</b>	<b>137.02</b>
Additions	51.43	0.04	2.50	-	-	-	53.97	-	-	-
Adjustment on Consolidation	(0.19)	0.19	-	-	-	-	-	-	-	-
Adjustment due to demerger	25.05	37.01	27.23	8.51	3.23	2.09	103.12	-	111.30	111.30
Exchange Rate Difference (Refer note 2 below)	-	-	-	-	0.05	0.43	0.48	0.47	-	0.47
Deductions	0.76	-	-	-	-	-	0.76	-	-	-
<b>As at March 31, 2019</b>	<b>95.74</b>	<b>36.09</b>	<b>-</b>	<b>71.37</b>	<b>2.58</b>	<b>15.45</b>	<b>221.23</b>	<b>17.24</b>	<b>8.95</b>	<b>26.19</b>
<b>Accumulated Depreciation</b>										
<b>As at April 1, 2017</b>	<b>28.01</b>	<b>8.73</b>	<b>4.95</b>	<b>9.93</b>	<b>1.30</b>	<b>3.87</b>	<b>56.79</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation for the Year	12.36	9.32	4.95	13.65	0.85	1.44	42.57	-	-	-
Additions due to Business Combination (refer note 45 (i))	1.13	5.52	-	-	-	-	6.65	-	-	-
Deductions	0.36	0.18	-	-	-	-	0.54	-	-	-
<b>As at April 1, 2018</b>	<b>41.14</b>	<b>23.39</b>	<b>9.90</b>	<b>23.58</b>	<b>2.15</b>	<b>5.31</b>	<b>105.47</b>	<b>-</b>	<b>-</b>	<b>-</b>
Amortisation for the Year	11.72	8.71	3.63	14.64	0.67	1.40	40.77	-	-	-
Adjustment on Consolidation	0.17	(0.17)	-	-	-	-	-	-	-	-
Adjustment due to demerger (Refer note 2 below)	17.46	9.96	13.53	6.04	2.08	2.09	51.16	-	-	-
Exchange Rate Difference	-	-	-	-	0.03	(0.18)	(0.15)	-	-	-
Deductions	0.52	-	-	-	-	-	0.52	-	-	-
<b>As at March 31, 2019</b>	<b>35.05</b>	<b>21.97</b>	<b>-</b>	<b>32.18</b>	<b>0.77</b>	<b>4.44</b>	<b>94.41</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Carrying Amount</b>										
<b>As at March 31, 2019</b>	<b>60.69</b>	<b>14.12</b>	<b>-</b>	<b>39.19</b>	<b>1.81</b>	<b>11.01</b>	<b>126.82</b>	<b>17.24</b>	<b>8.95</b>	<b>26.19</b>
As at April 1, 2018	29.17	49.48	14.83	56.30	3.61	11.80	165.19	16.77	120.25	137.02

### Notes:

- Website consist of Capitalised development cost being an internally generated intangible assets.
- Please refer note 45(ii) for the scheme of Demerger of the Companies.



## Notes to Consolidated Financial Statements

₹ in Crores

## Note 8 : Financial assets

## 8 (a) Investments

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit		Amount	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>(a) Investment in equity shares (fully paid up):</b>					
<b>I. Subsidiaries - measured at cost (unquoted) :</b>					
Arvind Foundation	10	10,000	10,000	0.01	0.01
Arvind Worldwide(M) Inc., Mauritius	100 USD	54,840	54,840	0.01	0.01
Less: Provision for Impairment				(0.01)	(0.01)
				-	-
Arvind Spinning Limited (Shares without par value)		8,24,099	8,24,099	0.08	0.08
Less: Provision for Impairment				(0.08)	(0.08)
				-	-
Arvind Overseas (M) Inc., Mauritius	100 Mau	23,85,171	23,85,171	0.24	0.24
Less: Provision for Impairment				(0.24)	(0.24)
				-	-
<b>Total (I)</b>				0.01	0.01
<b>II. Joint Ventures - measured using equity Method (unquoted)</b>					
Arya Omnitalk Radio Trunking Services Private Limited*	10	10,05,000	10,05,000	9.04	8.12
Adient Arvind Automotive Fabrics India Private Limited	10	81,42,750	-	8.14	-
Arvind Norm CBRN Systems Private Limited	10	5,000	-	0.01	-
Arudrama Development Private Limited	100	50,000	50,000	2.05	2.05
<b>Total (II)</b>				19.24	10.17
<b>III. Limited Liability Partnerships:</b>					
(a) Joint ventures - measured using equity Method (unquoted)					
Arvind and Smart Value Homes LLP				57.11	57.07
(b) Others - measured at amortised cost (unquoted)					
637 Developers				0.01	0.01
<b>Total (III)</b>				57.12	57.08
<b>IV. Others - Fair value through Other Comprehensive Income: Unquoted</b>					
Amazon Textile Private Limited**	10	1,18,000	1,18,000	0.01	0.01
Abeer Textiles Private Limited**	10	22,42,000	22,42,000	2.09	2.02
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited**	250	140	140	(₹35,000/-)	(₹35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited**	100	10	10	(₹1,000/-)	(₹1,000/-)
<b>Total (IV)</b>				2.10	2.03
<b>Total Equity Investments ((I) + (II) + (III) + (IV))</b>				78.47	69.29
<b>(b) Investment in debentures - measured at amortised cost (Unquoted):</b>					
9.00% Optionally Convertible Debentures of Arya Omnitalk Radio Trunking Services Private Limited	10	2500	2500	0.02	0.02
<b>Total (b)</b>				0.02	0.02
<b>(c) Investment in government securities - measured at amortised cost:</b>					
National Saving Certificates (Lodged with Sales Tax and Government Authorities)				-	0.02
<b>Total (c)</b>				-	0.02
<b>(d) Others</b>				-	6.81
<b>Total (d)</b>				-	6.81
<b>Total Investments (a)+(b)+(c)+(d)</b>				78.49	76.14
Aggregate amount of quoted investments				-	-
Aggregate amount of unquoted investments				78.49	76.14
Aggregate impairment in value of investment				0.33	0.33



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 8 : Financial assets

### 8 (a) Investments (Contd.)

#### Disclosure in respect of Partnership Firms

Name of the Firm	Name of the Partner	Share in partnership	Capital as at	
			March 31, 2019	March 31, 2018
Arvind and Smart Value Homes LLP	Arvind Limited	50%	57.11	57.07
	Tata Value Homes Limited	50%	63.77	64.18
637 Developers	Arvind Limited	35%	0.01	0.01
	Dahyabhai Maneklal Pvt. Ltd.	15%	(₹ 75,876/-)	0.31
	Jigen Shah	12%	0.01	0.01
	Darshan Jhaveri	7%	(₹ 35,409/-)	0.01
	Pankaj Shah	3%	(₹ 15,175/-)	0.01
	Chetas Shah	2%	(₹ 10,117/-)	0.01
	Shann Zevari	17.75%	0.01	0.01
	Mischa Gorchoy	8.25%	(₹ 41,732/-)	0.01

\* Increase in the cost of investment during the period includes recognition of notional commission on fair valuation of financial guarantee provided for loan taken by joint ventures. The same is detailed below:

Joint ventures	Nature of transaction	Impact of notional commission on fair valuation of financial guarantee	
		2018-19	2017-18
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	0.02	0.02

\*\* The management has assessed that carrying value of the investments approximate to their fair value.

### 8 (b) Trade receivables ~ Current

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	897.12	1,848.68
Less : Refundable Liability	-	(81.70)
Unsecured, considered doubtful	11.22	27.69
Less : Allowance for doubtful debts	(11.22)	(27.69)
<b>Total Trade receivables</b>	<b>897.12</b>	<b>1,766.98</b>
Receivables from Directors or from firm / Private company where director is interested (Refer note 35 for further details)	0.90	-

Trade receivables are non-interest bearing and are generally on terms of 7 to 180 days. Trade Receivables are given as security for borrowings as disclosed under Note - 14(a).

#### Allowance for doubtful debts

The Company has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful debt are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Balance as per last financial year</b>	<b>27.69</b>	<b>13.34</b>
Add : Adjustment due to Business Combination and Demerger (Refer note no. 45(i) and (ii))	(18.08)	9.28
Add : Allowance for the year (Refer Note 27)	1.84	7.23
Less : Write off of bad debts and other adjustment (net of recovery)	(0.23)	(2.16)
<b>Balance at the end of the year</b>	<b>11.22</b>	<b>27.69</b>



## Notes to Consolidated Financial Statements

₹ in Crores

## 8 (c) Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Loans to employees	1.34	2.57
<b>Total Non-current Loans (A)</b>	1.34	2.57
<b>Current</b>		
Loans to		
- Related parties (Refer note 35)	-	22.47
- Employees	0.54	5.22
- Others	162.45	135.87
	162.99	163.56
Considered Doubtful		
Loans to related parties (Refer note 35)	5.23	5.23
Less: Allowance for doubtful loan	(5.23)	(5.23)
	-	-
<b>Total Current Loans (B)</b>	162.99	163.56
<b>Total (A) + (B)</b>	164.33	166.13
Loans to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	-	22.47

## 8 (d) Cash and cash equivalents

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	0.09	0.65
Cheques on hand	-	0.32
Balance with Banks		
In Current accounts and debit balance in cash credit accounts	70.53	36.24
In Deposits with original maturity of less than three months	-	2.25
In Exchange Earners Foreign Currency account	-	(₹ 42,612/-)
In Savings account	-	(₹ 65,288/-)
<b>Total cash and cash equivalents</b>	70.62	39.46

## 8 (e) Other bank balance

Particulars	As at March 31, 2019	As at March 31, 2018
Unpaid dividend accounts	3.71	3.05
Deposits with original maturity of more than three months but less than 12 months	6.09	2.85
With original maturity more than 12 months	0.15	-
Deposits held as Margin Money*	-	20.11
Deposit lodged with Court	-	-
Deposit lodged with Sales Tax Department	-	0.02
<b>Total other bank balances</b>	9.95	26.03

\* Under lien with bank as Security for Guarantee Facility given by the Bankers.



# Notes to Consolidated Financial Statements

## 8 (f) Other financial assets

₹ in Crores

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
<b>Non-current</b>		
Security deposits		
Considered Good	35.63	255.35
Considered Doubtful	-	0.33
Less Allowance for Doubtful Deposits	-	(0.33)
	35.63	255.35
Deposits held as Margin Money*	0.76	0.65
Share Application Money	6.82	-
Bank deposits with maturity of more than 12 months	3.65	4.51
<b>Total Other Non-current Financial Asset (A)</b>	<b>46.86</b>	<b>260.51</b>
<b>Current</b>		
Security deposits		
Considered Good	5.34	8.50
Considered Doubtful	-	2.35
Less Allowance for Doubtful Deposits	-	(2.35)
	5.34	8.50
Income receivable	9.94	1.97
Interest Subsidy Receivable	25.73	24.51
Interest Accrued on financial assets measured at amortised cost	12.42	0.80
Foreign exchange forward contracts (Cash flow hedge)	37.51	5.16
Receivable other than trade	30.00	47.00
Others	19.11	19.21
<b>Total Other Current Financial Asset (B)</b>	<b>140.05</b>	<b>107.15</b>
<b>Total (A)+(B)</b>	<b>186.91</b>	<b>367.66</b>

\* Deposits are placed as bank guarantee to the sales tax department of various states.

Other current financial assets are given as security for borrowings as disclosed under Note - 15(a).

### Allowance for doubtful advances

The Group has provided allowance for doubtful advances based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful advances are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Balance at the beginning of the year</b>	<b>2.68</b>	<b>2.00</b>
Add : Adjustment on account of Consolidation	(2.68)	0.33
Add : Allowance for the year (Refer Note 27)	-	0.51
Less : Write off of bad debts (net of recovery)	-	(0.16)
<b>Balance at the end of the year-Non Current and Current</b>	<b>-</b>	<b>2.68</b>



## Notes to Consolidated Financial Statements

## Note 9 : Other assets

₹ in Crores

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
<b>Capital advances</b>		
Considered Good	21.85	76.89
Considered Doubtful	0.06	0.25
Less : Provision for doubtful advances	(0.06)	(0.25)
	21.85	76.89
Pre-paid expense	0.38	1.96
Balance with collectorate of central excise and customs	-	1.99
<b>Other than Capital Advances</b>		
Advances to suppliers - Doubtful	0.05	0.18
Less : Provision for doubtful advances	(0.05)	(0.18)
	-	-
<b>Total Other Non-current Asset (A)</b>	<b>22.23</b>	<b>80.84</b>
<b>Current</b>		
Advance to suppliers	106.98	118.81
Balance with Government Authorities (Refer Note (i) below)	218.16	402.85
Export incentive receivable	69.69	87.82
Pre-paid expense	22.78	26.82
Income Receivable	5.06	2.34
Pre-paid Gratuity (Refer Note 34)	11.99	16.25
Returnable Assets	5.88	375.18
Other Current Asset	3.82	43.11
<b>Total Other Current Asset (B)</b>	<b>444.36</b>	<b>1,073.18</b>
<b>Total (A) + (B)</b>	<b>466.59</b>	<b>1,154.02</b>
Advance to Directors or to firm/Private company where director is interested (Refer note 35 for further details)	0.97	(₹39,100/-)
(i) Balance with Government Authorities mainly consists of input credit availed.		
Other current assets are given as security for borrowings as disclosed under Note - 15(a).		

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Raw materials</b>		
Raw materials and components	507.13	436.56
Raw materials in transit	0.10	7.72
Fuel	3.85	2.76
Material at site for project in progress	35.70	13.88
Stores and spares	87.19	87.55
Stores and spares in transit	-	2.99
Work-in-progress	457.02	464.53
Finished goods	377.05	332.90
Waste	2.01	4.44
Stock-in-trade	86.60	837.52
Stock-in-trade in transit	-	5.11
Packing Material	-	6.45
Land Held as Stock-in-trade	41.78	41.79
<b>Total</b>	<b>1,598.43</b>	<b>2,244.20</b>

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 84.71 Crores (March, 2018 ₹ 79.96 Crores). The changes in write downs are recognised as an expense in the Statement of Profit and Loss.

Inventories are hypothecated as security for borrowings as disclosed under Note - 15 (a).



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 11 : Current Tax Assets (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Tax Paid in Advance (Net of Provision)	77.85	118.84
<b>Total</b>	<b>77.85</b>	<b>118.84</b>

## Note 12 : Current Tax Liability (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for taxation (Net of Advance Tax)	10.81	5.27
<b>Total</b>	<b>10.81</b>	<b>5.27</b>

## Note 13 : Equity share capital:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	57,45,00,000	574.50	67,45,00,000	674.50
Preference shares of ₹ 100 each	1,00,00,000	100.00	1,00,00,000	100.00
<b>Issued, subscribed and paid-up share capital</b>				
Equity shares of ₹ 10 each	25,86,17,069	258.62	25,86,17,069	258.62
Add : Forfeited shares	900	(₹ 4,500/-)	900	(₹ 4,500/-)
<b>Total</b>	<b>25,86,17,969</b>	<b>258.62</b>	<b>25,86,17,969</b>	<b>258.62</b>

### (i) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Outstanding at the beginning of the year	25,86,17,069	258.62	25,83,59,069	258.36
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan	-	-	2,58,000	0.26
<b>Outstanding at the end of the year</b>	<b>25,86,17,069</b>	<b>258.62</b>	<b>25,86,17,069</b>	<b>258.62</b>

### (ii) Rights, Preferences and Restrictions attached to equity shares:

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

### (iii) Details of shareholder holding more than 5% Shares in the Company:

Name of the Shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities Private Limited	9,55,61,810	36.95	9,55,61,810	36.95

### (iv) Shares reserved for issue under options and contracts:

Refer Note 37 for details of shares to be issued under employee stock option Scheme (ESOP 2008).

### (v) In the period of five years immediately preceding March 31, 2019:

- The Company has not allotted any equity shares as fully paid up without payment being received in cash.
- The Company has not allotted any equity shares by way of bonus issue
- The Company has not bought back any equity shares.



## Notes to Consolidated Financial Statements

₹ in Crores

## Note 14 : Other Equity

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Share Application Money Pending Allotment</b>		
Balance as per last financial statements	-	2.17
Add: Additions during the year	-	1.00
Add: Adjusted against share issues during the year	-	(3.17)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>(b) Capital reserve</b>		
Balance as per last financial statements	663.75	663.67
Add: Adjustment on Consolidation	-	0.08
Add: Adjustment due to Demerger (Refer note 45 (ii))	(646.59)	-
<b>Balance at the end of the year</b>	<b>17.16</b>	<b>663.75</b>
<b>(c) Capital reserve on Consolidation</b>		
Balance as per last financial statements	1.50	1.50
<b>Balance at the end of the year</b>	<b>1.50</b>	<b>1.50</b>
<b>(d) General reserve</b>		
Balance as per last financial statements	1.47	1.47
<b>Balance at the end of the year</b>	<b>1.47</b>	<b>1.47</b>
<b>(e) Amalgamation reserve</b>		
Balance as per last financial statements	34.54	34.54
<b>Balance at the end of the year</b>	<b>34.54</b>	<b>34.54</b>
<b>(f) Securities premium account</b>		
Balance as per last financial statements	564.77	556.73
Add: Received during the year	-	4.91
Add: Transfer from share based payment reserve	-	3.13
<b>Balance at the end of the year</b>	<b>564.77</b>	<b>564.77</b>
<b>(g) Capital redemption reserve</b>		
Balance as per last financial statements	69.50	69.50
<b>Balance at the end of the year</b>	<b>69.50</b>	<b>69.50</b>
<b>(h) Debenture Redemption Reserve</b>		
Balance as per last financial statements	50.00	-
Add: Transfer from retained earnings	-	50.00
<b>Balance at the end of the year</b>	<b>50.00</b>	<b>50.00</b>
<b>(i) Share based payment reserve (Refer Note 37)</b>		
Balance as per last financial statements	13.17	10.63
Add: Addition during the year	-	5.74
Add/(Less): Adjustment during the year	1.83	(0.07)
Less: Transfer to Securities Premium Account	-	3.13
Add : Adjustment due to Demerger (Refer note 45 (ii))	(2.63)	-
<b>Balance at the end of the year</b>	<b>12.37</b>	<b>13.17</b>
<b>(j) Retained earnings</b>		
Balance as per last financial statements	2,112.10	1,943.17
Add: Profit for the year	226.23	309.47
Add: Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation (net of tax)	(12.81)	(9.85)
Add: Adjustment due to Demerger (Refer note 45 (ii))	(497.51)	-
Add: Transfer to Debenture Redemption Reserve	-	(50.00)
	<b>1,828.01</b>	<b>2,192.79</b>



# Notes to Consolidated Financial Statements

## Note 14 : Other Equity (Contd.)

₹ in Crores

Particulars	As at March 31, 2019	As at March 31, 2018
Add: Payment of dividend on equity shares	(64.08)	(67.04)
Add: Dividend distribution tax on dividend	(13.16)	(13.65)
<b>Balance at the end of the year</b>	<b>1,750.77</b>	<b>2,112.10</b>
<b>(k) Items of Other comprehensive income</b>		
<b>(i) Equity Instruments through OCI (net of tax)</b>		
<b>Balance as per last financial statements</b>	<b>22.29</b>	-
Add: Addition during the year	0.07	22.29
Add : Adjustment due to Demerger (Refer note 45 (ii))	(21.87)	-
<b>Balance at the end of the year</b>	<b>0.49</b>	<b>22.29</b>
<b>(ii) Foreign Currency Translation Reserve</b>		
<b>Balance as per last financial statements</b>	<b>(11.92)</b>	(6.82)
Add: Addition during the year	(22.97)	(5.10)
<b>Balance at the end of the year</b>	<b>(34.89)</b>	<b>(11.92)</b>
<b>(iii) Cash Flow hedge reserve</b>		
<b>Balance as per last financial statements</b>	<b>3.06</b>	32.06
Add/(Less) : Addition during the year	32.14	(44.26)
Add/(Less) : Tax impact on additions	(11.17)	15.26
Add : Adjustment due to Demerger (Refer note 45 (ii))	0.11	-
<b>Balance at the end of the year</b>	<b>24.14</b>	<b>3.06</b>
<b>Total Other equity</b>	<b>2,491.82</b>	<b>3,524.23</b>

The description of the nature and purpose of each reserve within equity is as follows :

**a. Capital reserve**

Capital Reserve includes forfeiture of application money received on issue of share warrants and Capital Reserves on amalgamation/Business Combinations.

**b. General reserve**

General Reserve is a free reserve created by the Group by transfer from Retained earnings for appropriation purposes.

**c. Amalgamation reserve**

The reserve was created pursuant to scheme of amalgamation in earlier years. Amalgamation Reserve is a reserve which arose pursuant to the scheme of amalgamation and shall not be considered to be a reserve created by the Group.

**d. Securities premium account**

Securities premium reserve is created due to premium on issue of shares. These reserve is utilised in accordance with the provisions of the Companies, Act.

**e. Capital redemption reserve**

Capital Redemption Reserve is created for redemption of preference shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the preference shares redeemed. Capital Redemption Reserve may be applied by the Group in paying up unissued shares of the Group to be issued to shareholders of the Group as fully paid bonus shares.

**f. Debenture Redemption Reserve**

The Group is required to create a debenture redemption reserve out of the profits which is available for purpose of redemption of debentures. This reserve will be transferred to general reserve on redemption of debentures.

**g. Share based payment reserve**

This reserve relates to share options granted by the Group to its employee share option plan. Further information about share-based payments to employees is set out in Note 37.

**h. Capital reserve on consolidation**

Gain on purchase, i.e. excess of fair value of net assets acquired over the fair value of consideration in a business combination or on acquisition of interest in subsidiary is recognised as capital reserve on Consolidation.



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 14 : Other Equity (Contd.)****i Equity Instruments through OCI**

The Group has elected to recognise changes in the fair value of certain investment in equity instrument in other comprehensive income. This amount will be reclassified to retained earnings on derecognition of equity instrument.

**j Cash Flow hedge reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on the changes of the fair value of the designated portion of the hedging instruments that are recognised and accumulated under the cash flow hedge reserve will be reclassified to profit or loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

**k Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Currency Units) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>A. Non-current portion (Secured)(at amortised cost)</b>		
<b>(ai) Term loan</b>		
- from Banks	688.33	478.25
- from others	2.49	18.47
<b>(Unsecured)(at amortised cost)</b>		
<b>(aai) Term loan</b>		
- from Banks	-	100.08
- from others	-	2.58
- from related party (Refer note 35)	44.36	-
<b>(aiii) Non convertible Debentures</b>	199.57	249.33
	<u>934.75</u>	<u>848.71</u>
<b>B. Current maturities (Refer note I below) (Secured)(at amortised cost)</b>		
<b>(bi) Term loan</b>		
- from Banks	147.73	156.33
- from others	16.00	29.25
<b>(Unsecured)(at amortised cost)</b>		
<b>(bii) Non convertible Debentures</b>	-	24.98
	<u>163.73</u>	<u>210.56</u>
<b>Total long-term borrowings (A) + (B)</b>	<u>1,098.48</u>	<u>1,059.27</u>
<b>C. Short-term Borrowings (Secured)(at amortised cost)</b>		
<b>(ci) Working Capital Loans repayable on demand from Banks</b>	1,135.79	1,552.19
<b>(Unsecured)(at amortised cost)</b>		
<b>(cii) Working Capital Loans repayable on demand from Banks</b>	21.42	57.56
<b>(ciii) Under Buyer's Credit Arrangement</b>	175.89	199.50
<b>(civ) Intercompany Deposits</b>		
From Others	3.94	4.53
<b>(cv) Commercial Papers</b>	250.00	450.00
<b>(cvi) Discounted Trade Receivable (Refer note II below)</b>	14.33	-
<b>Total short-term borrowings (C)</b>	<u>1,601.37</u>	<u>2,263.78</u>
<b>Total borrowings (A) + (B) + (C)</b>	<u>2,699.85</u>	<u>3,323.05</u>

**Notes :**

- I)** Installments falling due within a year in respect of all the above Loans aggregating ₹ 163.73 crore (March 31, 2018 : ₹ 210.56 crore) have been grouped under "Current maturities of long-term debt" (Refer Note 15(c))
- II)** As the company has not transferred the significant risks and rewards relating to these trade receivables, it continue to recognize the full carrying amount of trade receivables and has recognized the cash received as a unsecured borrowing.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 15 : Financial liabilities

### 15 (a) Long-term Borrowings (Contd.)

#### III) Nature of security:

##### Term loan of ₹ 854.55 Crores

- a) (i) Loans amounting to ₹ 425.60 Crores (March 31, 2018 ₹ 543.23 Crores) are secured by (a) first pari passu charge on all the Immovable Properties, Movable Properties, Intangible Properties and General Assets of the Holding Company presently relating to the Textile Plant and Garment Division at Bangalore; and all Immovable Properties, Movable Properties, Intangible Properties and General Assets acquired by the Company at any time after execution of and during the continuance of the Indenture of Mortgage; (b) charge on the Holding Company's Trademarks; (c) Secured by second pari passu charge on all the Holding Company's Current Assets presently relating to the Textile Plants and Garment Division and all the current assets acquired by the Holding Company at any time in future.
- (ii) Loans amounting to ₹ 180.83 Crores (March 31, 2018 ₹ NIL) are secured by (a) first pari passu charge on all the Movable Properties, Intangible Properties and General Assets of the Holding Company presently relating to the Textile Plants and Garment Division at Bangalore; and all Immovable Properties, Movable Properties, Intangible Properties and General Assets acquired by the Holding Company at any time after execution of and during the continuance of the Indenture of Mortgage; (b) charge on the Holding Company's Trademarks; (c) Secured by second pari passu charge on all the Holding Company's Current Assets presently relating to the Textile Plants and Garment Division and all the current assets acquired by the Holding Company at any time in future . Process for creation of securities of Immovable Properties for these loans has been initiated.
- (iii) Loans amounting to ₹ 100.69 Crores (March 31, 2018 ₹ NIL) are secured by first pari passu charge on all the Movable fixed assets, present and future, of the Holding Company.
- (iv) Process for creation of securities for Loans amounting to ₹ 79.94 Crores (March 31, 2018 ₹ NIL) have been initiated.
- b) (i) Loans amounting to ₹ NIL (March 31, 2018 ₹ 90.65 Crores) are secured by (a) first pari passu charge over the entire fixed assets of the company both present and future; (b) Second pari passu charge over the entire stock, receivables and other current assets of the company excluding stocks of Nautica Brand of the subsidiary company.
- (ii) Loans amounting to ₹ NIL (March 31, 2018 ₹ 74.74 Crores) are additionally secured by Corporate Guarantee given by Holding company.
- c) Loans amounting to ₹ 32.66 Crores (March 31, 2018 ₹ 28.87 Crores) are secured by first pari passu charge over the entire land, building and fixed assets of the subsidiary company and by second pari passu charge over the inventory, receivables and other current assets of the company of the subsidiary company.
- d) (i) Loans amounting to ₹ 24.62 Crores (March 31, 2018 ₹ NIL) are secured by first pari passu charge over the entire moveable fixed assets of the subsidiary company and current assets of the company of the subsidiary company.
- (ii) These Loans are additionally secured by Corporate Guarantee given by Holding company.
- e) Loans of ₹ 10.21 Crores (March 31, 2018 ₹ 21.55 Crores) are secured by hypothecation of related vehicles.

#### Rate of Interest and Terms of Repayment

Particulars	₹ in Crores	Range of Interest (%)	Terms of Repayment from Balance sheet date
<b>From Banks</b>			
(a) Term Loan			
(I) Secured Rupee Loans	825.85	8.65% to 12.55%	For one Loan - Repayable on June 27, 2020 (₹ 40 crores) and for other loans Repayable in quarterly instalments ranging between 2 to 26
(II) Secured Vehicle Loan	10.21	8.00% to 10.25%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
(b) Non-Convertible Debentures	199.57	7.79% to 8.00%	Repayable in Sep 2020 (50%), Sep 2021 (25%) and Sep 2022 (25%)
<b>From Others</b>			
(I) Secured Rupee Loans	18.49	9.45%	Repayable in 5 unequal quarterly instalments
(II) Unsecured Rupee Loans	44.36	8.80%	Repayable on September 30, 2025



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 15 : Financial liabilities****15 (a) Long-term Borrowings (Contd.)****Nature of Security****Cash Credit and Other Facilities from Banks of ₹ 1,135.79 Crores**

Loans amounting to ₹ 1,108.06 crores (March 31, 2018 ₹ 1,123.83 Crores) are secured by (a) first pari passu charge on all the Company's Current Assets presently relating to the company except Nautica Brand and all the Current Assets acquired by the Company at any time after the execution of and during the continuance of the Indenture of Mortgage. (b) second pari passu charge over all the Immovable Properties relating to Textile Plants, Movable Properties presently relating to the Company and all the movable properties acquired by the Company at any time in future after execution of and during the continuance of the Indenture of Mortgage.

Loans amounting to ₹ NIL (March 31, 2018 ₹ 268.05 Crores) are secured by (a) first charge over entire stocks, receivables and other current assets excluding stocks of Nautica Brand; (b) second charge over entire fixed assets of the Company both present and future of the subsidiary company.ii. Additionally secured by Corporate Guarantee given by Arvind Limited, the holding company.

Loans amounting to ₹ 2.04 crores (March 31, 2018 ₹ 3.31 Crores) are secured by hypothecation of book debts and other current assets (present and future) of the subsidiary company.

Loans amounting to ₹ NIL (March 31, 2018 ₹ 131.60 Crores) are secured by (i) first exclusive charge over current assets of the subsidiary company, both present & future; (ii) Corporate Guarantee from PVH Corp., USA for 50% of the exposure and (iii) letter of comfort from PVH Corp., USA.

Loans amounting to ₹ 15.86 crores (March 31, 2018 ₹ 20 Crores) are secured by Exclusive charge on the entire current assets of the subsidiary company and the subsidiary Company is in the process of creating security in respect of this loan.

Loans amounting to ₹ 4.91 crores (March 31, 2018 ₹ 5.40 Crores) are secured by First charge over entire stocks, receivables and other current assets and second charge over entire fixed assets of the subsidiary Company both present and future.

**Unsecured Loans**

Unsecured Loans of ₹ NIL (March 31, 2018 ₹ 30 Crores) of subsidiary company is secured by Corporate Guarantee given the holding company.

**Rate of Interest**

- Working Capital Loans from banks carry interest rates ranging from 5.15% to 10.55% per annum.
- Inter Corporate Deposit carries interest rate of 8.75% per annum.
- Commercial Papers carry interest rates ranging from 7.95% to 8.10% per annum.
- Buyer's credit arrangements carry interest rates ranging from 0.65% to 4.37%

**15 (b) Trade payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Acceptances	258.81	485.39
<b>Other trade payables (Refer note below)</b>		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	-	33.61
- Total Outstanding dues other than Micro Enterprises and Small Enterprises	1,099.18	1,628.22
<b>Total</b>	<b>1,357.99</b>	<b>2,147.22</b>

**Note**

(i) Based on the information available, the disclosures as required under Section 22 of The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006 are presented as follows:

Particulars	As at March 31, 2019*	As at March 31, 2018
(a) Principal amount and the interest due thereon remaining unpaid to any suppliers as at the end of accounting year;	-	33.61
(b) Interest paid during the year;	-	2.29
(c) Amount of payment made to the supplier beyond the appointed day during accounting;	-	272.48
(d) Interest due and payable for the period of delay in making payment;	-	6.40
(e) Interest accrued and unpaid at the end of the accounting year; and	-	6.40
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise.	-	5.63

\* The Company has not received any intimation from suppliers for the financial year ended March 31, 2019 regarding their status under the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006.

(ii) For amount payable to related parties, refer note 35.



# Notes to Consolidated Financial Statements

₹ in Crores

## 15 (c) Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Security Deposits	-	44.02
<b>Total Other Non-current financial liabilities (A)</b>	<b>-</b>	<b>44.02</b>
<b>Current</b>		
Current maturity of long term borrowings [Refer Note 15 (a)]	<b>163.73</b>	210.56
Interest accrued but not due on financial liabilities	<b>11.83</b>	28.36
Payable to employees	<b>107.24</b>	135.87
Deposits from customers and others	<b>6.90</b>	23.07
Payable in Respect of Capital Goods	<b>31.52</b>	38.46
Mark to Market of Derivative Financial Instruments	<b>0.46</b>	0.29
Unpaid dividends	<b>3.71</b>	3.05
Book overdraft	<b>3.71</b>	5.50
Other Payables	<b>16.54</b>	23.84
<b>Total Other Current financial liabilities (B)</b>	<b>345.64</b>	469.00
<b>Total (A)+(B)</b>	<b>345.64</b>	513.02

**Note:** As at March 31, 2019, there is no amount due and outstanding to be transfer to the Investor Education and Protection Fund (IEPF), while there has been delay ranging from 607 to 646 days in transferring fund to Investor Education and Protection Fund amounting to ₹ 0.03 crore as of March 31, 2018.

## Note 16 : Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Long-term</b>		
<b>Provision for employee benefits (Refer note 34)</b>		
Provision for leave encashment	<b>30.86</b>	35.07
Provision for Gratuity	<b>1.45</b>	9.98
Provision for compensatory pension*	<b>2.38</b>	2.17
Provision for Medical benefits	<b>15.03</b>	12.20
<b>Others</b>		
Provision for Warranties (Refer note (a) below)	<b>-</b>	2.40
<b>Total Long-term provisions (A)</b>	<b>49.72</b>	61.82
<b>Short-term</b>		
<b>Provision for employee benefits (refer Note 34)</b>		
Provision for leave encashment	<b>7.21</b>	8.13
Provision for Gratuity	<b>0.49</b>	1.14
Provision for superannuation	<b>2.07</b>	2.13
Provision for compensatory pension*	<b>0.15</b>	0.13
Provision for Medical benefits	<b>1.02</b>	0.68
<b>Others</b>		
Provision for Wealth tax	<b>-</b>	0.11
Provision for Warranties (Refer note (a) below)	<b>1.92</b>	-
Provision for Loss on Derivative Contracts	<b>0.02</b>	-
Provision for Litigation/Disputes (Refer note (b) below)	<b>-</b>	13.47
<b>Total Short-term provisions (B)</b>	<b>12.88</b>	25.79
<b>Total (A)+(B)</b>	<b>62.60</b>	87.61

\* Including ₹ 0.43 Crores (March 31, 2018 : ₹ 0.38 crores) pertaining to employees for which the liability of the Company is crystallised. Hence, it is a liability towards defined contribution plan.



## Notes to Consolidated Financial Statements

₹ in Crores

## Note 16 : Provisions (Contd.)

## Note:

## (a) Provision for Warranties

The Group has made provisions for warranty expenses. The movement in the provision account is as under:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balance as per last financial statements	2.40	5.33
Add : Adjustment on account of Consolidation	-	2.77
Add : Provision used during the year	(0.48)	-
Add : Reversal during the year	-	(5.70)
<b>Balance at the end of the year</b>	<b>1.92</b>	<b>2.40</b>

## (b) Provision for Litigation/Disputes

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

The movement in the provision account is as under:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balance as per last financial statements	13.47	3.00
Addition during the year	-	10.47
Adjustment due to Demerger (Refer note 45 (ii))	(13.47)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>13.47</b>

## Note 17 : Government grants

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Deferred income	63.99	38.26
<b>Total Non-current government grants (A)</b>	<b>63.99</b>	<b>38.26</b>
<b>Current</b>		
Deferred income	5.03	6.14
<b>Total Current government grants (B)</b>	<b>5.03</b>	<b>6.14</b>
<b>Total (A)+(B)</b>	<b>69.02</b>	<b>44.40</b>

## Government grants

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balance as per last financial year	44.40	40.69
Add : Received during the year	29.22	9.14
Add : Released to statement of profit and loss (net) (Refer Note 20)	(4.60)	(5.43)
<b>Balance at the end of the year</b>	<b>69.02</b>	<b>44.40</b>



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 18 : Other liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Non-current</b>		
Income received in advance	0.07	1.93
<b>Total Other Non-current liabilities (A)</b>	<b>0.07</b>	<b>1.93</b>
<b>Current</b>		
Advance from customers	37.34	106.65
Statutory dues including provident fund and tax deducted at source	30.20	66.63
Deferred income of loyalty program reward points ( Refer note (a) below)	0.09	7.73
Other liabilities	6.16	6.60
<b>Total Other current liabilities (B)</b>	<b>73.79</b>	<b>187.61</b>
<b>Total (A)+(B)</b>	<b>73.86</b>	<b>189.54</b>

### (a) Deferred income of Loyalty Program Reward Points

The Group has deferred the revenue related to the customer loyalty program reward points. The movement in deferred revenue for those reward points are given below:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balance as per last financial year	7.73	3.26
Add : Adjustment due to Demerger (Refer note 45 (ii))	(7.39)	-
Add : Deferment during the year (Net)	(0.25)	4.47
<b>Balance at the end of the year</b>	<b>0.09</b>	<b>7.73</b>

## Note 19 : Revenue from operations (Refer note (i) below)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Sale of products	6,845.87	6,334.90
Sale of services	78.57	53.23
<b>Other Operating income</b>		
Waste sale	99.18	107.11
Gain/(Loss) on forward contracts	(48.30)	77.18
Export incentives	144.06	181.31
Foreign exchange fluctuation on vendors and customers (Net)	(0.20)	13.02
Liabilities no longer required written back	3.18	9.69
Others	19.82	17.22
<b>Total</b>	<b>7,142.18</b>	<b>6,793.66</b>

**Note :** Note (i) : Post implementation of Goods and Service Tax (GST) with effect from July 1, 2017, Revenue from operations is disclosed net off GST. Revenue from operations for the year the year ended March 31, 2018 includes excise duty, which is now subsumed in the GST. Accordingly, Revenue from operations for the current year are not comparable with previous year.

### Disaggregation of Revenue from contracts with customers Revenue based on Geography

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Domestic	3,881.75	3,887.21
Export	3,260.43	2,906.45
<b>Revenue from Operations</b>	<b>7,142.18</b>	<b>6,793.66</b>



# Notes to Consolidated Financial Statements

## Note 19 : Revenue from operations (Contd.)

₹ in Crores

### Revenue based on business segment

In Textile and advances material business the group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. There are no contracts for sale of services wherein performance obligation is unsatisfied to which transaction period has been allocated.

While in Others business the group have Unsatisfied (or partially satisfied) performance obligations which are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in currency rates, tax laws etc.). The value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is expected to be recognised as revenue in the next year upon the progress on each contract. No consideration from contracts with customer is excluded from the amount mentioned below.

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Textile	5,909.87	5,939.37
Advanced Material	618.77	485.70
Others	613.54	368.59
<b>Revenue from Operations</b>	<b>7,142.18</b>	<b>6,793.66</b>

### Reconciliation of revenue from operation with contract price

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Revenue from contract with customers as per the contract price	7,355.81	6,987.08
Less : Adjustment made to contract price on account of:		
a) Discounts and Rebates	106.06	94.83
b) Excise duty on sale of goods	-	(4.30)
c) Sales Return	82.17	75.53
d) Bonus/incentive	24.67	26.45
e) Customer loyalty programme	0.73	0.91
<b>Revenue from Operations</b>	<b>7,142.18</b>	<b>6,793.66</b>

### Note 20 : Other income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest income on financial assets measured at amortized cost	36.97	23.84
Government grants (Refer Note 17)	4.60	7.81
Financial guarantee commission	3.51	3.37
Rent (Refer Note 38)	0.72	0.83
Profit on sale of Property, plant and equipment (Net)	10.50	7.51
Exchange difference on Borrowing and others	-	0.81
Scrap income	16.86	13.44
Gain on changes in ownership interest in Joint Ventures	-	7.94
Miscellaneous income	10.58	8.50
<b>Total</b>	<b>83.74</b>	<b>74.05</b>

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Inventories at the beginning of the year	436.56	351.67
Add : Purchases during the year	3,015.48	2,880.82
	<b>3,452.04</b>	<b>3,232.49</b>
Less : Inventories at the end of the year	507.13	436.56
Less : Adjustment Due to Demerger (Refer note 45(ii))	30.31	99.78
<b>Total</b>	<b>2,914.60</b>	<b>2,696.15</b>



# Notes to Consolidated Financial Statements

₹ in Crores

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchase of stock-in-trade	386.95	479.79
<b>Total</b>	<b>386.95</b>	<b>479.79</b>

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

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Inventories at the end of the year</b>		
Finished goods	377.05	332.90
Stock-in-trade	86.60	837.52
Work-in-Progress	457.02	464.53
Project work-in-progress	35.70	13.88
Waste	2.01	4.44
	<b>(A)</b>	
	<b>958.38</b>	<b>1,653.27</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	332.90	354.71
Stock-in-trade	837.52	1,039.97
Work-in-Progress	464.53	486.25
Project work-in-progress	13.88	9.62
Waste	4.44	3.63
	<b>(B)</b>	
	<b>1,653.27</b>	<b>1,894.18</b>
<b>(Increase) / Decrease in Inventories</b>	<b>(B-A)</b>	
Adjustment due to Business Combination (Refer note 45(i))	-	204.16
Transferred from Capital Work-in-Progress	0.27	-
Adjustment due to Demerger (Refer note 45(ii))	(731.64)	(451.14)
Decrease in value of Excise duty	-	(0.15)
Adjustment on Consolidation	(4.37)	4.91
<b>Total</b>	<b>(40.85)</b>	<b>(1.31)</b>

## Note 24 : Employee benefits expense

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salaries, wages, gratuity, bonus, commission, etc. (Refer Note 34)	817.14	792.55
Contribution to provident and other funds (Refer Note 34)	53.86	54.93
Welfare and training expenses	27.44	22.44
Share based payment to employees (Refer Note 37)	1.48	4.98
<b>Total</b>	<b>899.92</b>	<b>874.90</b>

## Note 25 : Finance costs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expense on Financial Liabilities		
- Loans	190.26	158.94
- Related Parties	4.35	-
- Debentures	16.02	8.48
- others	9.20	5.90
Exchange differences regarded as an adjustment to borrowing costs	-	1.62
Other borrowing cost	0.31	0.73
<b>Total</b>	<b>220.14</b>	<b>175.67</b>



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 26 : Depreciation and amortization expense**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Depreciation on Property, plant and equipment (Refer Note 5)	287.00	193.29
Depreciation on Investment properties (Refer Note 6)	0.37	0.53
Amortization of Intangible assets (Refer Note 7)	40.77	28.53
Adjustment Due to Demerger (Refer note 45(ii))	(93.09)	-
<b>Total</b>	<b>235.05</b>	<b>222.35</b>

**Note 27 : Other expenses**

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Power and fuel	510.30	504.45
Stores consumed	537.87	482.69
Processing charges	348.37	301.23
Miscellaneous Labour charges	89.60	70.58
Rent (Refer Note 38)	66.29	83.47
Insurance	7.65	9.43
Printing, stationery and communication	19.10	18.50
Commission, Brokerage and discount	24.14	30.82
Rates and taxes	7.05	14.37
Repairs :		
To Building	2.98	1.74
To Machineries (including spares consumption)	137.29	154.46
To others	6.56	6.75
Freight, insurance and clearing charge	134.51	116.80
Advertisement and publicity	39.25	27.98
Software Expenses	8.94	19.28
Legal and Professional charges	44.78	34.13
Conveyance and Travelling expense	44.72	37.92
Director's sitting fees	0.03	0.04
Allowances for doubtful debts (Refer Note 8 (b))	1.84	5.20
Bad debt written off	1.48	0.45
Sundry debits written off	0.58	2.05
Auditor's remuneration (Refer note (i) below)	1.76	1.48
Bank charges	16.36	16.48
Corporate Social Responsibility expenses	7.71	8.72
Property, plant and equipment written off	0.16	1.40
Exchange difference on Borrowing and others	1.40	-
Miscellaneous expenses	101.52	106.17
<b>Total</b>	<b>2,162.24</b>	<b>2,056.59</b>
<b>(i) Break up of Auditor's remuneration</b>		
<b>Payment to Auditors as</b>		
Auditors	1.10	1.08
For Other Services	0.64	0.39
For reimbursement of expenses	0.02	0.01
<b>Total</b>	<b>1.76</b>	<b>1.48</b>



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 28 : Exceptional items

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(a) Retrenchment compensation	18.43	36.54
(b) (Profit) on Sale of Property, plant and equipment (Land)	-	(23.30)
(c) Loss on Sale of Investments	-	9.48
(d) Reversal of GST credit due to change in rule of claiming refund of inverted duty and amendment in the Act with respect to Textile and Textile Article.	27.55	-
<b>Total</b>	<b>45.98</b>	<b>22.72</b>

## Note 29 : Income tax

The major component of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Statement of Profit and Loss</b>		
Current income tax	106.57	123.27
Short provision related to earlier years	32.17	1.80
Deferred tax Credit	(79.90)	(50.50)
<b>Income tax expense in the Statement of Profit and Loss</b>	<b>58.84</b>	<b>74.57</b>
<b>Statement of Other comprehensive income (OCI)</b>		
Current income tax	(5.23)	(3.50)
Deferred tax expense / (Credit)	9.69	(17.13)
<b>Income tax expense / (Credit) recognised in OCI</b>	<b>4.46</b>	<b>(20.63)</b>

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2019 and March 31, 2018.

## A. Current tax

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Accounting profit before tax from continuing operations</b>	<b>300.27</b>	<b>330.09</b>
<b>Accounting profit before tax from discontinued operations</b>	<b>(13.02)</b>	<b>60.29</b>
Tax Rate	34.944%	34.608%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	100.38	135.10
<b>Adjustment</b>		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	(6.32)	(41.90)
Deferred tax assets not recognized as realization is not probable	-	(4.78)
Exempt income	-	0.25
Additional deduction for research and product development cost	(7.06)	(8.04)
Expenditure not deductible for tax/not liable to tax	5.43	6.28
Accelerated depreciation for tax purposes	(0.34)	(0.63)
Difference in tax rates for certain entities of the group	(0.77)	(2.51)
In respect of current income tax of previous years	0.40	0.62
Non-recognition of deferred tax assets due to absence of probable certainty of reversal in future	16.44	14.30
MAT credit pertaining to earlier years	(46.46)	-
Unabsorbed depreciation & business loss	-	1.86
Unused tax losses & credits	(29.30)	0.32
Short Provision of the earlier years	31.97	1.26
Change in deferred tax balances due to change in income tax rate	-	(7.60)
Other adjustments	(5.53)	(19.96)
<b>Total income tax expense</b>	<b>58.84</b>	<b>74.57</b>
Effective tax rate	20.48	19.10



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 29 : Income tax (Contd.)****B. Deferred tax**

The Group has accrued significant amounts of deferred tax. The majority of the deferred tax liability represents accelerated tax relief for the depreciation of property, plant and equipment and unused tax credit in the form of MAT credits carried forward. Significant components of Deferred tax assets & (liabilities) recognized in the financial statements of the Group as follows:

Particulars	Balance Sheet as at		Adjustment due to Business Combination/Demerger for the year ended on		Adjustment Due to Consolidation for the year ended on		Statement of Profit and Loss and OCI for the year ended on		Balance Sheet as at	
	March 31, 2018	March 31, 2017	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Accelerated depreciation for tax purposes	(117.74)	(133.05)	(81.00)	(4.17)	-	-	(7.29)	19.48	(206.03)	(117.74)
Impact of fair valuation of non depreciable assets	(128.31)	(178.35)	7.58	-	-	-	6.32	50.04	(114.41)	(128.31)
Provision for doubtful debt	5.64	9.77	(0.17)	1.33	-	-	2.02	(5.46)	7.49	5.64
Expenditure allowable on payment basis	22.98	15.27	(15.18)	1.43	-	-	8.71	6.28	16.51	22.98
Expenditure allowable over the period (Section 35D/35DD)	15.95	9.58	(0.02)	-	-	-	(0.88)	6.37	15.05	15.95
Unused long-term capital loss	-	-	-	-	-	-	28.94	-	28.94	-
Unused losses available for offsetting against future taxable income	129.51	149.93	(101.45)	-	(0.48)	-	(13.80)	(20.42)	13.78	129.51
Unused tax credit available for offsetting against future taxable income (MAT Credit Entitlement)	163.53	192.03	(9.83)	-	-	(0.62)	35.82	(27.88)	189.52	163.53
Deferred tax on unrealised profit	33.98	17.60	(48.46)	-	-	2.70	18.64	13.68	4.16	33.98
Others	24.22	(1.45)	(0.51)	-	-	0.13	(8.27)	25.54	15.44	24.22
<b>Deferred tax expense/(income)</b>							<b>70.21</b>	<b>67.63</b>		
<b>Net deferred tax assets/(liabilities)</b>	149.76	81.33	(249.04)	(1.41)	(0.48)	2.21			(29.55)	149.76

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. Hence, deferred tax assets and liabilities which can not be offset, are presented separately as Deferred Tax Assets and Deferred Tax Liabilities. Details of the same are as under:

Particulars	Balance as at			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Deferred tax assets		Deferred tax Liabilities	
Accelerated depreciation for tax purposes	(10.02)	65.23	(196.01)	(182.98)
Impact of fair valuation of non depreciable assets	-	-	(114.41)	(128.31)
Provision for doubtful debt	2.49	2.09	5.00	3.55
Expenditure allowable on payment basis	1.33	9.02	15.18	13.96
Expenditure allowable over the period (Section 35D/35DD)	0.01	0.03	15.04	15.92
Unused long-term capital loss	-	-	28.94	-
Unused losses available for offsetting against future taxable income	13.78	129.51	-	-
Unused tax credit available for offsetting against future taxable income	2.02	11.15	187.50	152.38
Deferred tax on unrealised profit	-	-	4.16	33.98
Others	1.68	3.48	13.76	20.75
<b>Total of Deferred Tax Assets/(Liabilities)</b>	<b>11.29</b>	<b>220.51</b>	<b>(40.84)</b>	<b>(70.75)</b>

There are certain income-tax related legal proceedings which are pending against the Group. Potential liabilities, if any have been adequately provided for, and the group does not currently estimate any probable material incremental tax liabilities in respect of these matters. (Refer note 30)

The Group has unused tax capital losses amounting to ₹ 387.16 crores as at March 31, 2019 (March 31, 2018: ₹ 394.28 crores). Out of the same, tax credits on losses of ₹ 262.93 crores have not been recognised on the basis that recovery is not probable in the foreseeable future. Unrecognised tax capital losses will expire on March 31, 2025, if unutilized, based on the year of origination.

Deferred income taxes are not provided on the undistributed earnings of subsidiaries and joint ventures where it is expected that earnings of the subsidiaries and joint ventures will not be distributed in the foreseeable future.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 30 : Contingent liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Contingent liabilities not provided for</b>		
(i) Claims against Group not acknowledged as debts	<b>7.59</b>	14.11
(ii) Guarantees given by the Company to Banks on behalf of Subsidiaries/ Joint Ventures	<b>684.55</b>	0.89
(iii) Disputed demands in respect of		
Excise and Customs duty	<b>23.64</b>	39.53
Value added tax and Central sales tax	<b>17.71</b>	228.04
Income tax	<b>35.07</b>	24.16
Service tax	<b>5.54</b>	4.64
Others	<b>-</b>	0.87

### Notes :

- It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Group does not expect any reimbursements in respect of the above contingent liabilities.
- The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

## Note 31 : Capital commitment and other commitments

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(a) Capital commitments</b>		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	<b>75.30</b>	97.40
<b>(b) Other commitments</b>		
Export obligations against the import licenses taken for import of capital goods under the Export Promotion Capital Goods Scheme which is to be fulfilled over the period of next six years. If the Group is unable to meet these obligations, its liability would be ₹ 30.19 crores (March 31, 2018: ₹ 11.09 crores) which will reduce in proportion to actual exports. The Group is reasonably certain to meet its export obligations, hence it does not anticipate a loss with respect to these obligations and accordingly has not made any provision in its financial statements.	<b>181.13</b>	77.74

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

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities depending upon the maturity of the derivatives.

The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

### Cash Flow Hedges

The Group also enters into forward exchange contracts for hedging highly probable forecast transaction and account for them as cash flow hedges and states them at fair value. Subsequent changes in fair value are recognized in equity until the hedged transaction occurs, at which time, the respective gain or losses are reclassified to the statements of profit or loss. These hedges have been effective for the year ended March 31, 2019 and March 31, 2018.

The Group uses foreign exchange contracts from time to time to optimize currency risk exposure on its foreign currency transactions.

The cash flow hedges are taken out by the Group during the year for hedging the foreign exchange rate of highly probable forecast transactions. The cash flows related to above are expected to occur during the year ended March 31, 2019 and consequently may impact the statement of profit or loss for that year depending upon the change in the foreign exchange rates movements.



# Notes to Consolidated Financial Statements

## Note 32 : Foreign Exchange Derivatives and Exposures not hedged (Contd.)

A details of derivative contracts outstanding as at reporting date are as follows:

### A. Foreign Exchange Derivatives

Nature of instrument	Currency	As at March 31, 2019				As at March 31, 2018			
		Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Millions)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Millions)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
<b>Cash Flow Hedges (Routed through OCI)</b>									
<b>Forward Sales Contracts</b>									
Maturing less than 3 months	USD	70.61	72.48	511.78	6.77	65.97	87.03	574.17	3.42
Maturing between 3 to 6 months	USD	71.43	42.41	302.95	4.46	66.52	49.10	326.63	1.45
Maturing between 6 to 9 months	USD	72.14	11.50	82.96	1.35	66.91	23.80	159.25	0.03
Maturing between 9 to 12 months	USD	-	-	-	-	66.90	4.00	26.76	(0.17)
<b>Total</b>	USD		126.39	897.69	12.58		163.93	1,086.81	4.73
Maturing less than 3 months	GBP	95.33	0.45	4.29	0.17	93.78	0.45	4.22	(0.01)
Maturing between 3 to 6 months	GBP	-	-	-	-	-	-	-	-
Maturing between 6 to 9 months	GBP	-	-	-	-	-	-	-	-
Maturing between 9 to 12 months	GBP	-	-	-	-	-	-	-	-
<b>Total</b>	GBP		0.45	4.29	0.17		0.45	4.22	(0.01)
<b>Option contracts*</b>									
Maturing less than 3 months	USD	-	-	-	7.68	-	-	-	-
Maturing between 3 to 6 months	USD	-	-	-	6.57	-	-	-	-
Maturing between 6 to 9 months	USD	-	-	-	5.58	-	-	-	-
Maturing between 9 to 12 months	USD	-	-	-	4.47	-	-	-	-
<b>Total</b>	USD		-	-	24.30		-	-	-
<b>Other Hedges (Routed through Profit &amp; Loss)</b>									
<b>Forward Purchase Contracts</b>									
Maturing less than 3 months	USD	69.35	3.36	23.30	(0.02)	65.07	3.63	23.62	0.06
Maturing between 3 to 6 months	USD	-	-	-	-	65.08	0.65	4.23	0.06
Maturing between 6 to 9 months	USD	-	-	-	-	-	-	-	-
Maturing between 9 to 12 months	USD	-	-	-	-	-	-	-	-
<b>Total</b>	USD		3.36	23.30	(0.02)		4.28	27.85	0.12

\* Option contract are in the nature of zero premium option, hence nominal value as on the date of contract was Nil.  
All derivative contracts stated above are for the purpose of hedging the underlying foreign currency exposure.



# Notes to Consolidated Financial Statements

## Note 32 : Foreign Exchange Derivatives and Exposures not hedged (Contd.)

### B. Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2019		As at March 31, 2018	
		FC In Mn	₹ in Crores	FC In Mn	₹ in Crores
Receivables	USD	71.03	491.23	72.22	468.98
	EUR	1.34	10.40	1.36	10.97
	BIR	97.53	23.61	-	-
	AUD	0.06	0.28	-	-
	ZAR	0.28	0.13	-	-
	GBP	0.68	5.72	0.40	3.39
Payable towards borrowings	USD	19.78	136.10	22.10	144.05
	EUR	4.69	36.42	5.27	42.57
	JPY	-	-	38.48	2.37
Receivable towards loans	USD	2.80	19.38	2.45	15.97
Payable to creditors	USD	7.98	55.07	15.86	103.38
	EUR	1.46	11.35	3.20	26.07
	JPY	6.67	0.41	6.99	0.43
	SEK	-	-	0.09	0.07
	GBP	0.14	1.39	0.16	1.57
	AUD	0.01	0.06	-	-
	CHF	0.03	0.21	-	-
	HKD	(HKD 7,264/-)	0.01	(HKD 3,000/-)	(₹ 24,915/-)
	SGD	-	-	0.18	0.87

## Note 33 : Segment Reporting

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group.

### Operating Segments:

- Textiles :** Fabrics, Garments and Fabric Retail.
- Advanced Material :** Technical Textiles
- Others :** Technical Textiles, Agriculture Produce, EPABX and One to Many Radio, Water Treatment, Other including newly commenced business.
- Branded Apparels :** Branded Garments, accessories and manufacturing & selling of customised clothing. Manufacturing and selling of branded accessories is reclassified and considered as branded apparels segment w.e.f. July 1, 2017.
- Engineering :** Engineering

### Segment revenue and results:

Revenue and expenses directly attributable to segments are reported under each reportable segment. The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income). Unallocated expenditure consists of common expenditure incurred for all the segments and expenses incurred at corporate level.

### Segment assets and Liabilities:

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Segment assets include all operating assets used by the operating segment and mainly consist of property, plant and equipments, trade receivables, inventories and other operating assets. Segment liabilities primarily includes trade payable and other liabilities excluding borrowings.

Common assets and liabilities which can not be allocated to any of the business segment are shown as unallocable assets / liabilities.

### Inter Segment transfer:

Inter Segment revenues are recognised at sales price. The same is based on market price and business risks. Profit or loss on inter segment transfer are eliminated at the group level.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. The Group's borrowing and income taxes are reviewed on an overall basis and are not allocated to operating segments.



## Notes to Consolidated Financial Statements

₹ in Crores

## Note 33 : Segment Reporting (Contd.)

## Geographical segment

Geographical segment is considered based on sales within India and rest of the world.

Summarised segment information for the years ended March 31, 2019 and March 31, 2018 are as follows:

Particulars	For the Year ended / As at March 31, 2019						Total
	Textiles	Branded Apparels*	Advanced Materials	Engin-eering**	Others	Elimin-ation	
<b>REVENUE</b>							
External Revenue	5,909.87	3,035.54	618.77	-	613.54	-	10,177.72
Inter segment Revenue	6.99	-	13.05	-	11.42	(31.46)	-
<b>Enterprise revenue</b>	<b>5,916.86</b>	<b>3,035.54</b>	<b>631.82</b>	<b>-</b>	<b>624.96</b>	<b>(31.46)</b>	<b>10,177.72</b>
<b>RESULT</b>							
Segment Result Before Finance cost	491.38	69.31	44.60	-	34.78	-	640.07
Less: Finance Cost							(302.47)
Less: Unallocable expenses (net of income)							(50.35)
Less: Tax Expense							(58.84)
<b>Net profit after tax</b>	<b>491.38</b>	<b>69.31</b>	<b>44.60</b>	<b>-</b>	<b>34.78</b>	<b>-</b>	<b>228.41</b>
Segment Assets	5,031.43	-	629.07	-	685.94	(848.70)	5,497.74
Unallocated Assets							1,816.66
Investments in Joint Ventures							19.24
<b>Total Assets</b>	<b>5,031.43</b>	<b>-</b>	<b>629.07</b>	<b>-</b>	<b>685.94</b>	<b>(848.70)</b>	<b>7,333.64</b>
Segment Liabilities	1,373.01	-	127.17	-	281.02	(134.88)	1,646.32
Unallocated Liabilities							150.71
<b>Total Liabilities</b>	<b>1,373.01</b>	<b>-</b>	<b>127.17</b>	<b>-</b>	<b>281.02</b>	<b>(134.88)</b>	<b>1,797.03</b>
Depreciation and amortisation expense	171.25	91.82	21.69	-	20.17	-	304.93
Unallocated Depreciation and amortisation expense							21.94
<b>Total Depreciation and amortisation expense</b>	<b>171.25</b>	<b>91.82</b>	<b>21.69</b>	<b>-</b>	<b>20.17</b>	<b>-</b>	<b>326.87</b>
Capital Expenditure	468.06	101.50	26.45	-	8.27	-	604.28
Unallocated Capital Expenditure							54.20
<b>Total Capital Expenditure (Refer Note (a))</b>	<b>468.06</b>	<b>101.50</b>	<b>26.45</b>	<b>-</b>	<b>8.27</b>	<b>-</b>	<b>658.48</b>
Material non-cash items other than Depreciation and amortisation	25.32	60.00	3.93	-	5.82	-	95.07
Unallocated Material non-cash items other than Depreciation and amortisation							0.18
<b>Total Material non-cash items other than Depreciation and amortisation</b>	<b>25.32</b>	<b>60.00</b>	<b>3.93</b>	<b>-</b>	<b>5.82</b>	<b>-</b>	<b>95.25</b>



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 33 : Segment Reporting (Contd.)

Particulars	For the Year ended / As at March 31, 2018						Total
	Textiles	Branded Apparels*	Advanced Materials	Engineering**	Others	Elimination	
<b>REVENUE</b>							
External Revenue	5,939.37	4,301.28	485.70	223.62	368.59	-	11,318.56
Inter segment Revenue	3.36	-	1.08	-	5.73	(10.17)	-
<b>Enterprise revenue</b>	<b>5,942.73</b>	<b>4,301.28</b>	<b>486.78</b>	<b>223.62</b>	<b>374.32</b>	<b>(10.17)</b>	<b>11,318.56</b>
<b>RESULT</b>							
<b>Segment Result Before Finance cost</b>	648.80	103.28	(23.75)	54.13	(47.69)	-	734.77
Less: Finance Cost							(272.79)
Less: Unallocable expenses (net of income)							(71.60)
Less: Tax Expense							(74.57)
<b>Net profit/(loss) after tax</b>	<b>648.80</b>	<b>103.28</b>	<b>(23.75)</b>	<b>54.13</b>	<b>(47.69)</b>	<b>-</b>	<b>315.81</b>
Segment Assets	4,444.62	4,784.54	538.92	332.09	692.34	(2,162.64)	8,629.87
Unallocated Assets							1,796.53
Investments in Joint Ventures							10.17
<b>Total Assets</b>	<b>4,444.62</b>	<b>4,784.54</b>	<b>538.92</b>	<b>332.09</b>	<b>692.34</b>	<b>(2,162.64)</b>	<b>10,436.57</b>
Segment Liabilities	1,036.67	1,320.45	105.20	81.04	303.94	(125.55)	2,721.75
Unallocated Liabilities							203.71
<b>Total Liabilities</b>	<b>1,036.67</b>	<b>1,320.45</b>	<b>105.20</b>	<b>81.04</b>	<b>303.94</b>	<b>(125.55)</b>	<b>2,925.46</b>
Depreciation and amortisation expense	158.56	133.43	25.11	3.56	17.58	-	338.24
Unallocated Depreciation and amortisation expense							21.10
<b>Total Depreciation and amortisation expense</b>	<b>158.56</b>	<b>133.43</b>	<b>25.11</b>	<b>3.56</b>	<b>17.58</b>	<b>-</b>	<b>359.34</b>
Capital Expenditure	237.85	173.84	25.28	39.75	8.66	-	485.38
Unallocated Capital Expenditure							60.67
<b>Total Capital Expenditure (Refer Note (a))</b>	<b>237.85</b>	<b>173.84</b>	<b>25.28</b>	<b>39.75</b>	<b>8.66</b>	<b>-</b>	<b>546.05</b>
Material non-cash items other than Depreciation and amortisation	26.21	48.78	0.16	0.01	16.31	-	91.47
Unallocated Material non-cash items other than Depreciation and amortisation							0.72
<b>Total Material non-cash items other than Depreciation and amortisation</b>	<b>26.21</b>	<b>48.78</b>	<b>0.16</b>	<b>0.01</b>	<b>16.31</b>	<b>-</b>	<b>92.19</b>

\* Branded Apparels Business has been discontinued with effect from November 30, 2018. Refer Note 45(ii) for details of discontinued operations.

\*\*Engineering Business has been discontinued with effect from January 01, 2018. Pursuant to the Scheme, the carrying amount of all the assets, liabilities, income and expenses pertaining to the Engineering Business has been transferred to AHIL from April 01, 2018. Refer Note 45(ii) for details of discontinued operations.

(a) Capital expenditure consists of additions to property, plant and equipment, intangible assets, investment properties and capital work-in-progress.

(b)

Particulars	Year Ended / As at March 31, 2019	Year Ended / As at March 31, 2018
<b>Segment Revenue*</b>		
(a) In India	6,903.93	8,275.02
(b) Rest of the world	3,273.79	3,043.54
<b>Total</b>	<b>10,177.72</b>	<b>11,318.56</b>
<b>Carrying Cost of Segment Non Current Assets@</b>		
(a) In India	3,545.88	4,031.49
(b) Rest of the world	159.38	127.81
<b>Total</b>	<b>3,705.26</b>	<b>4,159.30</b>

\* Based on location of Customers

@ Other than financial assets and deferred tax assets.

### (c) Information about major customers:

Considering the nature of business of group in which it operates, the group deals with various customers including multiple geographic. No single customer has accounted for more than 10% of the group's total revenue for the years ended March 31, 2019 and 2018.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 34 : Disclosure pursuant to Employee benefits

### A. Defined contribution plans:

Amount of ₹ 50.15 Crores (March 31, 2018: ₹ 54.42 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense"

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	Continuing Business	Discontinued Business	Total	Continuing Business	Discontinued Business	Total
(i) Contribution to Provident Fund [Note (a)]	17.96	6.79	24.75	16.05	10.43	26.48
(ii) Contribution to Pension Fund [Note (a)]	17.36	5.91	23.27	17.96	7.58	25.54
(iii) Contribution to Superannuation Fund [Note (b)]	2.13	-	2.13	2.19	0.21	2.40
<b>Total</b>	<b>37.45</b>	<b>12.70</b>	<b>50.15</b>	<b>36.20</b>	<b>18.22</b>	<b>54.42</b>

### Note

(a) Employees of the Group, other than covered in Provident Fund Trust, receive benefits from a provident fund, which is a defined contribution plan. The eligible employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. Amounts collected under the provident fund plan are deposited in a government administered provident fund. The remaining portion is contributed to the government-administered pension fund. Employees of the Group, other than covered in Provident Fund Trust, receive benefits from a government administered provident fund, which is a defined contribution plan. The Group has no further obligation to the plan beyond its monthly contributions. Such contributions are accounted for as defined contribution plans and are recognised as employee benefits expenses when they are due in the Statement of profit and loss.

(b) The Group's Superannuation Fund is administered by approved Trust. The Group is required to contribute the specified amount to the Trust. The Group has no further obligations to the plan beyond its contribution to a Trust Fund.

### B. Defined benefit plans:

The Group has following post employment benefit plans which are in the nature of defined benefit plans:

#### (a) Gratuity

The Group operates a gratuity plan covering qualifying employees. The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. Gratuity benefits are both funded and unfunded. The Parent Company fully contributes all ascertained liabilities to the Arvind Limited Employees' Gratuity Fund Trust (the Trust). Trustees administer contributions made to the Trusts and contributions are invested in a scheme as permitted by Indian law. Some of the subsidiaries make annual contribution to the gratuity scheme administered by the Life Insurance Corporation of India.

The Group recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligations recognized in other comprehensive income.

#### (b) Post-Retirement Medical Benefit

Under this Scheme, employees & their spouse are covered for hospitalisation benefits after the employee are retired from the company only on completion of specified number of years services. The cover is available to these beneficiaries until they are alive. These beneficiaries are covered under Company's general group hospitalisation cover from insurance company.

Liabilities with regard to the Post-Retirement Medical Benefit Plan are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.

#### (c) Compensatory Pension Scheme

The Company operates a post retirement pension scheme, which is discretionary in nature for certain cadres of employees who have joined before June 30, 1983 and who have rendered not less than 31 years of service before their retirement. The plan is unfunded. Employees do not contribute to the plan.

Liabilities with regard to the Compensatory Pension Scheme are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method.

The Company recognizes the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in the statement of profit and loss.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 34 : Disclosure pursuant to Employee benefits (Contd.) Changes in defined benefit obligation and plan assets as at March 31, 2019:

Particulars	As at April 1, 2018	Charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	As at March 31, 2019
		Adjustment on consolidation	Service cost	Net interest expense	Sub-total included in statement of profit and loss and loss (Note 24)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Sub-total included in OCI	
<b>Gratuity - Funded</b>											
Defined benefit obligation	119.24	(16.53)	14.61	8.63	23.24	(21.26)	-	10.25	19.77	15.29	119.98
Fair value of plan assets	(5.12)	(4.26)	-	(9.64)	(9.64)	0.37	0.19	-	-	0.19	(131.55)
<b>Net Benefit liability/(asset) (A+B)</b>	<b>(6.93)</b>	<b>(12.27)</b>	<b>14.61</b>	<b>(1.01)</b>	<b>13.60</b>	<b>(20.89)</b>	<b>0.19</b>	<b>10.25</b>	<b>19.77</b>	<b>15.48</b>	<b>(11.57)</b>
<b>Gratuity - Non Funded</b>											
Defined benefit obligation	1.81	(0.94)	0.74	0.07	0.81	(0.02)	-	0.03	0.13	(0.14)	1.52
<b>Net Benefit liability/(asset) (A+B)</b>	<b>1.81</b>	<b>(0.94)</b>	<b>0.74</b>	<b>0.07</b>	<b>0.81</b>	<b>(0.02)</b>	-	<b>0.03</b>	<b>0.13</b>	<b>(0.14)</b>	<b>1.52</b>
<b>Post employment Medical benefits</b>											
Defined benefit obligation	12.88	-	0.36	1.00	1.36	(0.49)	-	(2.79)	2.90	2.30	16.05
<b>Net Benefit liability/(asset)</b>	<b>12.88</b>	<b>-</b>	<b>0.36</b>	<b>1.00</b>	<b>1.36</b>	<b>(0.49)</b>	<b>-</b>	<b>(2.79)</b>	<b>2.90</b>	<b>2.30</b>	<b>16.05</b>
<b>Compensatory Pension Scheme</b>											
Defined benefit obligation	1.92	-	0.05	0.15	0.20	(0.10)	-	-	0.02	0.08	2.10
<b>Net Benefit liability/(asset)</b>	<b>1.92</b>	<b>-</b>	<b>0.05</b>	<b>0.15</b>	<b>0.20</b>	<b>(0.10)</b>	<b>-</b>	<b>-</b>	<b>0.02</b>	<b>0.08</b>	<b>2.10</b>
<b>Total benefit liability/(asset)</b>	<b>9.68</b>	<b>(13.21)</b>	<b>15.76</b>	<b>0.21</b>	<b>15.97</b>	<b>(21.50)</b>	<b>0.19</b>	<b>7.49</b>	<b>22.82</b>	<b>17.72</b>	<b>8.10</b>

## Changes in defined benefit obligation and plan assets as at March 31, 2018:

Particulars	As at April 1, 2017	Charged to statement of profit and loss			Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	As at March 31, 2018
		Adjustment on consolidation	Service cost	Net interest expense	Sub-total included in statement of profit and loss and loss (Note 24)	Benefit paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Sub-total included in OCI	
<b>Gratuity - Funded</b>											
Defined benefit obligation	103.41	2.45	16.06	7.91	23.97	(19.25)	-	7.68	5.29	8.66	119.24
Fair value of plan assets	(116.22)	(1.35)	(0.15)	(8.81)	(8.96)	1.70	(0.93)	-	0.01	(0.92)	(126.17)
<b>Net Benefit liability/(asset) (A+B)</b>	<b>(12.81)</b>	<b>1.10</b>	<b>15.91</b>	<b>(0.90)</b>	<b>15.01</b>	<b>(17.55)</b>	<b>(0.93)</b>	<b>7.68</b>	<b>5.30</b>	<b>7.74</b>	<b>(6.93)</b>
<b>Gratuity - Non Funded</b>											
Defined benefit obligation	0.49	0.59	0.71	0.08	0.79	(0.09)	-	0.07	0.20	0.03	1.81
<b>Net Benefit liability/(asset) (A+B)</b>	<b>0.49</b>	<b>0.59</b>	<b>0.71</b>	<b>0.08</b>	<b>0.79</b>	<b>(0.09)</b>	<b>-</b>	<b>0.07</b>	<b>0.20</b>	<b>0.03</b>	<b>1.81</b>
<b>Post employment Medical benefits</b>											
Defined benefit obligation	7.88	-	0.35	0.60	0.95	(0.39)	-	(1.54)	5.10	4.44	12.88
<b>Net Benefit liability/(asset)</b>	<b>7.88</b>	<b>-</b>	<b>0.35</b>	<b>0.60</b>	<b>0.95</b>	<b>(0.39)</b>	<b>-</b>	<b>(1.54)</b>	<b>5.10</b>	<b>4.44</b>	<b>12.88</b>
<b>Compensatory Pension Scheme</b>											
Defined benefit obligation	1.72	-	0.04	0.23	0.27	(0.07)	-	-	-	-	1.92
<b>Net Benefit liability/(asset)</b>	<b>1.72</b>	<b>-</b>	<b>0.04</b>	<b>0.23</b>	<b>0.27</b>	<b>(0.07)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.92</b>
<b>Total benefit liability/(asset)</b>	<b>(2.72)</b>	<b>1.69</b>	<b>17.01</b>	<b>0.01</b>	<b>17.02</b>	<b>(18.10)</b>	<b>(0.93)</b>	<b>6.21</b>	<b>10.60</b>	<b>12.21</b>	<b>9.68</b>



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 34 : Disclosure pursuant to Employee benefits (Contd.)**

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

Particulars	As at March 31, 2019 (%) of total plan assets	As at March 31, 2018 (%) of total plan assets
Central Government Securities	0.00%	0.21%
Public Sector/Financial Institutional Bonds	0.00%	0.25%
Portfolio with Mutual Fund	99.94%	99.47%
Others (including bank balances)	0.06%	0.07%
<b>(%) of total plan assets</b>	<b>100%</b>	<b>100%</b>

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	6.96% - 7.79%	7.31%-8.06%
Future salary increase	5.00% - 10.00%	4.00%- 12.00%
Medical cost inflation	6.00%	5.00%
Expected rate of return on plan assets	7.47% - 7.79%	7.50%-8.06%
Attrition rate	5.00% - 23.00%	2.00%-20.00%
Mortality rate during employment	Indian assured lives Mortality (2006-08)	Indian assured lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.

A quantitative sensitivity analysis for significant assumption is as shown below for the defined benefit plan:

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (Impact)	
		Year ended March 31, 2019	Year ended March 31, 2018
<b>Gratuity</b>			
Discount rate	1% increase	(7.32)	(9.10)
	1% decrease	8.41	8.24
Salary increase	1% increase	8.45	9.41
	1% decrease	(7.48)	(8.31)
Attrition rate	1% increase	0.55	1.64
	1% decrease	(0.65)	(1.89)
<b>Post employment medical benefits</b>			
Discount rate	1% increase	(1.12)	(0.90)
	1% decrease	1.09	0.86
Medical cost inflation	1% increase	0.91	0.73
	1% decrease	(0.80)	(0.82)
Attrition rate	1% increase	(0.48)	(0.26)
	1% decrease	0.63	0.40
<b>Compensatory Pension Scheme</b>			
Discount rate	1% increase	(0.07)	(0.05)
	1% decrease	0.04	0.05

The above sensitivity analysis may not be representative of the actual benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.



**Note 34 : Disclosure pursuant to Employee benefits (Contd.)**

₹ in Crores

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

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Gratuity</b>		
Within the next 12 months	23.84	18.66
Between 2 to 5 years	40.14	43.60
Beyond 5 years	61.71	74.66
	<u>125.69</u>	<u>136.92</u>
<b>Post employment medical benefits</b>		
Within the next 12 months	1.01	0.67
Between 2 to 5 years	3.23	2.43
Beyond 5 years	11.81	9.78
	<u>16.05</u>	<u>12.88</u>
<b>Compensatory Pension Scheme</b>		
Within the next 12 months	0.51	0.58
Between 2 to 5 years	1.59	1.34
Beyond 5 years	-	-
	<u>2.10</u>	<u>1.92</u>
<b>Total expected payments</b>	<b>143.84</b>	<b>151.72</b>

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

Particulars	As at March 31, 2019 In Years	As at March 31, 2018 In Years
Gratuity	8	8
Post employment medical benefits	7	7
Compensatory Pension Scheme	2	3

The Group does not have any contributions expected towards planned assets for the next year.

**C. Other Long term employee benefit plans:**
**a) Leave encashment**

The Group has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Group has recognised following as expenses and included in Note No. 24 "Employee benefit expense".

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	Continuing Business	Discontinued Business	Total	Continuing Business	Discontinued Business	Total
Leave Encashment	17.49	4.39	21.88	15.02	5.19	20.21
<b>Total</b>	<b>17.49</b>	<b>4.39</b>	<b>21.88</b>	<b>15.02</b>	<b>5.19</b>	<b>20.21</b>



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 34 : Disclosure pursuant to Employee benefits (Contd.)****b) Company administered Provident Fund**

In case of Employees of the Company covered in Provident Fund Trust, provident fund contributions are deposited to The Arvind Mills Employees' Provident Fund Trust. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the government. The company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Contributions to such provident fund are recognised as employee benefits expenses when they are due in the Statement of profit and loss. The scheme is identified as a long term employee benefit as the company provides facility of pre-retirement withdrawal of provident fund balance.

The details of Fund and Plan Asset position are as under :

Particulars	As at March 31, 2019	As at March 31, 2018
Plan asset at period end, at fair value	418.07	394.79
Present Value of benefit obligation at period end	410.25	377.80
Asset recognised in Balance Sheet	-	-

The plan assets have been primarily invested in government securities.

Assumptions used in determining the present value obligation of the interest rate guarantee under the Deterministic Approach:

Particulars	As at March 31, 2019	As at March 31, 2018
Government of India (GOI) bond yeild	8.88%	8.96%
Remaining term to maturity of portfolio	5 Years	5 Years
Expected Guaranteed interest rate	8.65%	8.55%

The Company contributed ₹ 12.69 Crores and ₹ 12.26 Crores during the years ended on March 31, 2019 and March 31, 2018 respectively and the same has been recognized in the statement of Profit and Loss under the employee benefit expense.



# Notes to Consolidated Financial Statements

## Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures

<b>(a) Name of Related Parties and Nature of Relationship :</b>	
<b>(I) Key Management Personnel</b>	
1 Mr. Sanjay S. Lalbhai	Chairman and Managing Director
2 Mr. Jayesh K. Shah	Director & Chief Financial Officer
3 Mr. Punit S. Lalbhai	Executive Director
4 Mr. Kulin S. Lalbhai	Executive Director
5 Mr. Bakul Harshadrai Dholakia	Non-Executive Director
6 Mr. Dileep Chinubhai Choksi	Non-Executive Director
7 Mr. Samir Uttamlal Mehta	Non-Executive Director
8 Ms. Renuka Ramnath	Non-Executive Director
9 Mr. Vallabh Roopchand Bhansali	Non-Executive Director
10 Mr. Nilesh Dhirajlal shah	Non-Executive Director
<b>(II) Relatives of Key Management Personnel</b>	
1 Mrs. Jayshree S Lalbhai	
2 Mrs. Poorva P Lalbhai	
3 Mrs. Jaina K Lalbhai	
<b>(III) Joint Ventures</b>	
1 Arya Omnitalk Radio Trunking Services Private Limited	
2 Arya Omnitalk Wireless Solutions Private Limited	up to June 30, 2017
3 Arudrama Developers Private Limited	
4 Arvind Norm CBRN Systems Private Limited	w.e.f. December 31, 2018
5 Adient Arvind Automotive Fabrics India Private Limited	w.e.f. October 25, 2018
<b>(IV) Limited Liability Partnership</b>	
1 Arvind and Smart Value Homes LLP	
<b>(V) Subsidiary Companies</b>	
1 Arvind Worldwide (M) Inc. *	
2 Arvind Overseas (M) Inc. *	
3 Arvind Spinning Limited *	
4 Arvind Foundation **	
<b>(VI) Entities under the control of Key Managerial Personnel</b>	
1 Aura Securities Private Limited	
2 Amplus Capital Advisors Private Limited	
3 Arvind Smartspaces Limited	
4 Anveshan Heavy Engineering Limited	w.e.f. October 26, 2017
5 AML Employees Welfare Trust	up to October 21, 2018
6 Arvind Fashions Limited	w.e.f. November 30, 2018
7 Arvind Lifestyle Brands Limited	w.e.f. November 30, 2018
8 Arvind Beauty Brands Retail Private Limited	w.e.f. November 30, 2018
9 Calvin Klein Arvind Fashion Private Limited	w.e.f. November 30, 2018
10 Tommy Hilfiger Arvind Fashions Private Limited	w.e.f. November 30, 2018
<b>(VII) Entity under the control of Non Executive Director</b>	
1 Multiples Private Equity Fund II LLP	
<b>(VIII) Trusts and Others</b>	
1 Arvind Mills Employees' Provident Fund	
2 The Arvind Mills Employee's Gratuity Fund	
3 Lalbhai Group of Companies Officers' Superannuation Fund	

\* Not considered for the purpose of consolidation for the financial year 2018-19 and 2017-18 respectively being defunct status.

\*\* The Group has made investment of ₹ 0.01 Crores in the equity shares of Arvind Foundation, which is a Company incorporated under Section 8 of the Act for the sole purpose of CSR activities. Since the Group has no intention of earning variable returns from the voting rights, the above investment doesn't meet the definition of control under Ind AS 110 and hence, not consolidated in the Consolidated Financial Statements.



## Notes to Consolidated Financial Statements

## Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

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

Particulars	Subsidiaries		Joint Ventures		Limited Liability Partnership		Key Management Personnel and relatives		Trusts		Company under the control of Key Managerial Personnel		Company under the control of Non Executive Director		Total	
	Year ended		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at		Year ended/as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>(I) Transactions during the year</b>																
Purchase of Goods	-	-	-	-	-	-	-	-	-	-	(3.89)	0.05	-	-	(3.89)	0.05
Sales of Goods	-	-	0.80	-	-	-	-	-	-	-	21.19	0.47	-	-	21.99	0.47
Sale of Property, plant and equipment	-	-	2.64	-	-	-	-	-	-	-	-	42.92	-	-	2.64	42.92
Expenses Recovered	-	-	3.95	1.67	-	-	-	-	-	-	1.62	-	-	-	5.57	1.67
Rent Income	-	-	0.35	-	-	-	-	-	-	-	-	-	-	-	0.35	-
Services Rendered	-	-	-	-	-	-	-	-	-	-	5.50	-	-	-	5.50	-
Remuneration	-	-	-	-	-	-	16.94	19.02	-	-	-	-	-	-	16.94	19.02
Sitting Fees paid to Non-Executive Directors	-	-	-	-	-	-	0.03	0.04	-	-	-	-	-	-	0.03	0.04
Commission to Non-Executive Directors	-	-	-	-	-	-	0.40	0.40	-	-	-	-	-	-	0.40	0.40
Rent Expenses	-	-	-	-	-	-	-	-	-	-	0.20	-	-	-	0.20	-
Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	6.19	0.91	-	-	6.19	0.91
Guarantee commission Income	-	-	-	0.02	-	-	-	-	-	-	3.51	-	-	-	3.51	0.02
Share of Profit from LLP	-	-	-	-	(0.16)	0.33	-	-	-	-	-	-	-	-	(0.16)	0.33
Dividend Income	-	-	-	-	-	-	-	-	-	-	0.20	-	-	-	0.20	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	4.34	-	-	-	4.34	-
Interest Income	-	-	-	-	-	-	-	-	-	-	6.39	-	-	-	6.39	-
Donation Given	3.50	5.80	-	-	-	-	-	-	-	-	-	-	-	-	3.50	5.80
Contribution Given for Employee Benefit Plans	-	-	-	-	-	-	-	-	33.67	33.67	-	-	-	-	39.24	33.67
Loan Taken	-	-	-	-	-	-	-	-	39.24	39.24	186.66	-	-	-	186.66	-
Repayment of Loan	-	-	-	-	-	-	-	-	-	-	187.56	-	-	-	187.56	-
Loan Given	-	-	-	-	-	-	-	-	-	-	310.40	-	-	-	310.40	-
Receipt towards Loan Given	-	-	-	-	-	-	-	-	-	-	636.93	-	-	-	636.93	-
Issue of Shares in Subsidiary Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment made	-	-	8.17	0.04	-	-	-	-	-	-	-	-	-	2.16	-	2.16
Sale of Investment	-	-	-	-	-	0.33	-	-	-	-	-	-	-	-	8.17	0.37
Withdrawal of capital Contribution	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05
<b>(II) Balances as at year end</b>																
Guarantees	-	-	-	0.89	-	-	-	-	-	-	684.55	-	-	-	684.55	0.89
Trade Receivable	-	-	1.24	0.41	-	-	-	-	-	-	7.79	0.05	-	-	9.03	0.41
Investments	0.34	0.34	19.24	10.17	57.11	57.07	-	-	-	-	-	-	-	-	76.69	67.58
Provision for Impairment of Investment	(0.33)	(0.33)	-	-	-	-	-	-	-	-	-	-	-	-	(0.33)	(0.33)
Other Current Assets	(₹45,094/-)	(₹22,498/-)	1.04	-	-	-	-	-	11.99	16.25	6.48	(₹16,602/-)	-	-	11.99	16.25
Other Non Current Assets	-	-	-	-	-	-	-	-	-	-	0.25	-	-	-	0.25	-
Other Current Financial Assets	-	-	-	-	-	-	-	-	-	-	18.72	-	-	-	18.72	-
Loan Given	5.23	5.23	-	-	-	-	-	-	-	-	-	22.47	-	-	5.23	27.70
Allowance for Doubtful Loan	(5.23)	(5.23)	-	-	-	-	-	-	-	-	-	-	-	-	(5.23)	(5.23)
Trade payables	-	-	-	-	-	-	-	-	-	-	8.07	0.02	-	-	8.07	0.02
Loan Taken	-	-	-	-	-	-	-	-	-	-	44.36	-	-	-	44.36	-
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	3.91	-	-	-	3.91	-



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 35 : Disclosure of Related Party Transactions in accordance with Ind AS 24 - Related Party Disclosures (Contd.)

(c) Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with section 186(4) of the Companies Act, 2013.

### Loans and Advances in the nature of loans

List of Related Parties	Purpose	Balance as at March 31, 2019	Balance as at March 31, 2018
<b>Loans and Advances</b>			
Arvind Worldwide (M) Inc.	General Business Purpose	5.23	5.23
Less : Allowance for doubtful loan		(5.23)	(5.23)
<b>Total (A)</b>		-	-
<b>Corporate Guarantee given on behalf of</b>			
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	606.62	-
Arvind Fashions Limited	Facilitate Trade Finance	77.93	-
Arya Omnitalk Radio Trunking Services Private Limited	Facilitate Trade Finance	-	0.89
<b>Total (B)</b>		684.55	0.89
<b>Total (A+B)</b>		684.55	0.89

List of Related Parties	Purpose	Maximum Outstanding During March 31, 2019	Maximum Outstanding During March 31, 2018
<b>Loans and Advances</b>			
Arvind Worldwide (M) Inc.	General Business Purpose	5.23	5.23

### (d) Terms and conditions of transactions with related parties

Financial guarantee given to Bank on behalf of joint ventures carries no charge and are unsecured.

### (e) Commitments with related parties

The Group has not provided any commitment to the related party as at March 31, 2019 (March 31, 2018: ₹ Nil)

### (f) Transactions with key management personnel

Compensation of key management personnel of the Group was as follows

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	16.61	18.77
Post employment benefits	0.33	0.28
Other long-term employment benefits	0.43	0.41
<b>Total compensation paid to key management personnel</b>	<b>17.37</b>	<b>19.46</b>

The amounts disclosed in the table are the amounts recognised as an expense during the year excluding share based payment of ₹ Nil (March 31, 2018 ₹ 1.85 Crores) in respect of Director & Chief Financial Officer. The remuneration of key management personnel is determined by the Remuneration committee.



## Notes to Consolidated Financial Statements

## Note 36 : Earning per share:

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
<b>Continuing Operations</b>			
Profit for the year attributable to owners of the Company	₹ in Crores	236.65	257.72
Weighted average number of Equity Shares for Basic EPS (a)	No. of equity shares	25,86,17,069	25,85,51,491
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)		2,47,073	5,25,832
<b>Weighted average number of Equity Shares in computing diluted EPS (a) + (b)</b>		<b>25,88,64,142</b>	<b>25,90,77,323</b>
Nominal value of equity shares	₹	10	10
Basic earning per share	₹	9.15	9.97
Diluted earning per share	₹	9.14	9.95
<b>Discontinued Operations</b>			
Profit/ (Loss) for the year attributable to owners of the Company	₹ in Crores	(10.42)	51.75
Weighted average number of Equity Shares for Basic EPS (a)	No. of equity shares	25,86,17,069	25,85,51,491
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)		2,47,073	5,25,832
<b>Weighted average number of Equity Shares in computing diluted EPS (a) + (b)</b>		<b>25,88,64,142</b>	<b>25,90,77,323</b>
Nominal value of equity shares	₹	10	10
Basic earning per share	₹	(0.40)	2.00
Diluted earning per share	₹	(0.40)	2.00
<b>Continuing and Discontinued Operations</b>			
Profit for the year attributable to owners of the Company	₹ in Crores	226.23	309.47
Weighted average number of Equity Shares for Basic EPS (a)	No. of equity shares	25,86,17,069	25,85,51,491
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)		2,47,073	5,25,832
<b>Weighted average number of Equity Shares in computing diluted EPS (a) + (b)</b>		<b>25,88,64,142</b>	<b>25,90,77,323</b>
Nominal value of equity shares	₹	10	10
Basic earning per share	₹	8.75	11.97
Diluted earning per share	₹	8.74	11.95



# Notes to Consolidated Financial Statements

## Note 37 : Share based payments

### Arvind Limited (AL)

- A. AL has instituted Employee Stock Option Scheme 2008 (ESOP 2008), pursuant to the approval of the shareholders of the company at their extra ordinary general meeting held on October 23, 2007. Under ESOP 2008, AL has granted options convertible into equal number of equity shares of the face value of ₹ 10 each to its certain employees.

Scheme	ESOS 2008	
Date of grant	May 23, 2014	August 22, 2016
Expiry Date	April 30, 2019	August 22, 2017
Number of options granted	10,50,000	9,00,000
Exercise price per option*	₹ 57.51	₹ 90.81
Fair Value of option on Grant date*	₹ 36.65	₹ 14.00
Vesting period	Over a period of 1 to 5 years from the date of grant	
Vesting requirements	On continued employment with the company and fulfilment of performance parameters.	
Exercise period	3 to 5 years from the date of vesting	
Method of settlement	Through allotment of one equity share for each option granted.	

### B. Movement in Stock Options during the year :

The following reconciles the share option outstanding at the beginning and at the end of the year :

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	15,76,000	266.72	18,34,000	254.01
Exercised during the year	-	-	2,58,000	200.05
Outstanding at the end of the year*	15,76,000	76.53	15,76,000	266.72

### C. Share Options Exercised during the year:

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
No Options exercised during the year	-	-	-

### D. Share Options Outstanding at the end of the year:

The share options outstanding at the end of the year had a weighted average exercise price of ₹ 76.53 (as at March 31, 2018: ₹ 266.72), and a weighted average remaining contractual life of 3.26 Years (as at March 31, 2018: 4.25 years). The range of exercise price is from ₹ 57.51 to ₹ 90.81.

### E. Assumptions of Valuation on Modification:

Exercise Price of ₹ 316.50 was reduced to ₹ 90.81 and from ₹ 200.45 to ₹ 57.51 in lieu of Demerger of Branded Apparel Undertaking and Engineering undertaking from Arvind Limited to Arvind Fashions Limited and The Anup Engineering Limited. Post modification fair value was calculated as below:

(i) Share price (₹)	89.65
(ii) Exercise price (₹)	76.53
(iii) Expected volatility	34.51%
(iv) Risk-free interest rate	6.93%
(v) Any other inputs to the model	None
(vi) Method used and the assumptions made to incorporate effects of expected early exercise	Binomial Option Pricing Model
(vii) How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility	The daily volatility of the Company's stock price on NSE over the expected life of the options has been considered.
(viii) Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.	None



## Notes to Consolidated Financial Statements

### Note 37 : Share based payments (Contd.)

#### Arvind Internet Limited (AIL)

- A. AIL has instituted Employee Stock Option Scheme 2008 (ESOP 2008), pursuant to the approval of the shareholders of AIL at their extra ordinary general meeting held on October 23, 2007. Under ESOP 2008, the Company has granted options convertible into equal number of equity shares of the face value of ₹ 10 each.

Scheme	ESOS 2008	
Date of grant	October 15, 2015	April 01, 2016 and November 15, .2016
Number of options granted	27,69,500	30,24,300
Exercise price per option	₹ 10	₹ 10
Fair Value of option on Grant date	-	-
Vesting period	Over a period of 1 to 5 years	
Vesting requirements	On continued employment with the company and fulfilment of performance parameters.	
Exercise period	3 to 5 years from the date of vesting	
Method of settlement	Through allotment of one equity share for each option granted.	

The following table sets forth a summary of the activity of options:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Options</b>		
Outstanding at the beginning of the year	57,93,800	57,93,800
Outstanding at the end of the year	57,93,800	57,93,800
Exercisable at the end of the year	38,62,890	38,13,278
Weighted average exercise price per option (₹)	₹ 10	₹ 10

Share options outstanding at the end of the year have the following expiry date , exercise price and weighted average contractual life of the options outstanding at the end of the year :

Grant date	Expiry date	Exercise price	March 31, 2019 Share options	March 31, 2018 Share options
October 15, 2015	April 30, 2019	10.00	57,93,800	57,93,800
April 01, 2016 and November 15, .2016	March 31, 2020	10.00	-	-
<b>Weighted average remaining contractual life (Years)</b>			4.86	4.86

AIL has granted Nil options during the year ended on March 31, 2019 (March 31, 2018 : NIL). The fair value of the share based payment options granted is determined using the binomial model using the following inputs at the grant date which takes in to account the exercise price, the term of the option, the share price at the grant date, and the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

#### E. Expense arising from share- based payment transactions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Share Based Payment to Employees (Original Charge on Grant)	1.46	4.98
Share Based Payment to Employees (Charge on Modification)	0.02	-
<b>Total employee share based payment expense</b>	<b>1.48*</b>	<b>4.98</b>

\* Pursuant to the Composite Scheme of Arrangement involving De-merger, amalgamation and restructure of Capital amongst Arvind Limited, Arvind Fashions Limited, Anveshan Heavy Engineering Limited and The Anup Engineering Limited and their respective Shareholders and creditors, the ESOP holders of Arvind Limited were issued ESOPs of Arvind Fashions Limited and The Anup Engineering Limited in the ratio of 1:5 and 1:27 respectively in lieu of Demerger of Branded Apparel Undertaking and Engineering undertaking from Arvind Limited to Arvind Fashions Limited and The Anup Engineering Limited. Accordingly, the Exercise Price of unexercised Arvind Limited ESOPs has been split between Arvind Limited, Arvind Fashions Limited and The Anup Engineering Limited leading to a reduction of exercise price to ₹ 90.81 from ₹ 316.50 and to ₹ 57.51 from ₹ 200.45. Due to this split, charge to Profit and Loss pursuant to the original grant and modification of Arvind Limited ESOPs stood split between the three entities from the effective date of demerger.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 38 : Lease Rent

### A. Where Group as a lessee in case of Operating Lease

The Group has various cancellable and non-cancellable operating leases for Buildings, Plant and Machineries and various residential and office premises. The lease has varying terms, escalation clauses and renewal rights. On renewal, terms of the leases are renegotiated. These leasing arrangements are ranging in between 11 months and 10 years generally. The Group has not given any property on sub-lease which is taken under operating lease contracts. Future minimum lease payments in respect of which are as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Future Minimum lease rental payments on non-cancellable operating leases:	<b>91.15</b>	250.45
Not later than one year	<b>25.18</b>	88.67
Later than one year and not later than five years	<b>61.31</b>	143.53
Later than five years	<b>4.66</b>	18.25
Lease payment recognised in Statement of Profit and Loss	<b>66.29</b>	83.47

### B. Where Group as a lessor in case of Operating Lease

The Group has given Land and Buildings under non-cancellable operating lease, the future minimum lease payments receivables in respect of which are as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Total Future Minimum lease rental receivables on non-cancellable operating leases:	<b>0.70</b>	0.79
Not later than one year	<b>0.08</b>	0.08
Later than one year and not later than five years	<b>0.34</b>	0.34
Later than five years	<b>0.28</b>	0.37
Lease income recognised in Statement of Profit and Loss	<b>0.72</b>	0.83

## Note 39 : Disclosure in respect of Construction / Job work Contracts

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount of Contract Revenue recognized	<b>195.12</b>	116.58
Contracts in progress at the end of the reporting period		
Contract cost incurred and recognised profits less recognised losses	<b>238.55</b>	154.21
Less : Progress Billing	<b>238.55</b>	154.21
	<b>-</b>	-
Recognized and included in the financial statements as amounts due:		
-from customers under construction contracts	<b>-</b>	-
-to customers under construction contracts	<b>-</b>	-
	<b>-</b>	-
Amount of Advance Received from Customers	<b>24.64</b>	55.14
Amount of Retention from Customers	<b>0.13</b>	0.13



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 40 : Fair value measurements****(a) Financial Instruments by category****(i) Financial assets by category**

Particulars	As at March 31, 2019						As at March 31, 2018					
	Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total	Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total
Investments												
- Equity shares	19.24	0.01	-	2.10	-	21.35	10.17	6.82	-	2.03	-	19.02
- Debentures	-	-	-	-	0.02	0.02	-	-	-	-	0.02	0.02
- Government securities	-	-	-	-	-	0.00	-	-	-	-	0.02	0.02
- Limited liability partnership	57.11	-	-	-	0.01	57.12	57.07	-	-	-	0.01	57.08
Trade receivables	-	-	-	-	897.12	897.12	-	-	-	-	1,766.98	1766.98
Loans	-	-	-	-	164.33	164.33	-	-	-	-	166.13	166.13
Cash and cash equivalents	-	-	-	-	70.62	70.62	-	-	-	-	39.46	39.46
Other Bank balance	-	-	-	-	9.95	9.95	-	-	-	-	26.03	26.03
Other financial assets	-	-	-	37.51	149.40	186.91	-	-	-	5.16	362.50	367.66
<b>Total Financial assets</b>	<b>76.35</b>	<b>0.01</b>	<b>-</b>	<b>39.61</b>	<b>1,291.45</b>	<b>1,407.42</b>	<b>67.24</b>	<b>6.82</b>	<b>-</b>	<b>7.19</b>	<b>2,361.15</b>	<b>2,442.40</b>

**(ii) Financial liabilities by category**

Particulars	As at March 31, 2019				As at March 31, 2018			
	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total
Borrowings	-	-	2,536.12	2,536.12	-	-	3,112.49	3,112.49
Trade payables	-	-	1,357.99	1,357.99	-	-	2,147.22	2,147.22
Other financial liabilities	-	0.46	345.18	345.64	-	0.29	512.73	513.02
<b>Total Financial Liabilities</b>	<b>-</b>	<b>0.46</b>	<b>4,239.29</b>	<b>4,239.75</b>	<b>-</b>	<b>0.29</b>	<b>5,772.44</b>	<b>5,772.73</b>

For Financial instruments risk management objectives and policies, refer Note 42.

**Note 41 : Fair value disclosures for financial assets and financial liabilities:**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>				
Investments measured at fair value through OCI	2.10	2.03	2.10	2.03
Investments measured at amortised cost	0.02	0.04	0.02	0.04
<b>Total</b>	<b>2.12</b>	<b>2.07</b>	<b>2.12</b>	<b>2.07</b>
<b>Financial liabilities</b>				
Borrowings at amortised cost	2,699.85	3,323.05	2,697.43	3,323.56
<b>Total</b>	<b>2,699.85</b>	<b>3,323.05</b>	<b>2,697.43</b>	<b>3,323.56</b>

The management assessed that the fair values of cash and cash equivalents, other bank balances, loans, trade receivables, other current financial assets, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 41 : Fair value disclosures for financial assets and financial liabilities (Contd.)

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values: The fair value of borrowings and other financial liabilities is calculated by discounting future cash flows using rates currently available for debts on similar terms, credit risk and remaining maturities.

For financial assets and financial liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

### Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at March 31, 2019 and March 31, 2018.

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019 and March 31, 2018

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>As at March 31, 2019</b>				
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares, unquoted	2.10	-	-	2.10
Foreign exchange forward contracts (Cash flow hedge)	37.51	-	37.51	-
<b>As at March 31, 2018</b>				
<b>Assets measured at fair value</b>				
<b>Fair value through Other Comprehensive Income</b>				
Investment in Equity shares, unquoted	2.03	-	-	2.03
Foreign exchange forward contracts (Cash flow hedge)	5.16	-	5.16	-

### Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

## Note 42 : Financial instruments risk management objectives and policies

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group's risk management is carried out by a Treasury department under policies approved by the Board of directors. The Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk.

### (a) Market risk

Market risk refers to the possibility that changes in the market rates may have impact on the Group's profits or the value of its holding of financial instruments. The Group is exposed to market risks on account of foreign exchange rates, interest rates, underlying equity prices, liquidity and other market changes.

Future specific market movements cannot be normally predicted with reasonable accuracy.



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 42 : Financial instruments risk management objectives and policies (Contd.)****(a1) Interest rate risk**

Interest rate risk refers to the possibility that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group is exposed to interest rate risk on short-term and long-term floating rate instruments and on the refinancing of fixed rate debt. The Group's policy is to maintain a balance of fixed and floating interest rate borrowings and the proportion of fixed and floating rate debt is determined by current market interest rates. The borrowings of the Group are principally denominated in Indian Rupees and US dollars with mix of fixed and floating rates of interest. These exposures are reviewed by appropriate levels of management at regular interval.

As at March 31, 2019, approximately 29% of the Group's Borrowings are at fixed rate of interest (March 31, 2018 : 33%).

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings as follows:

Particulars	Effect on profit before tax	
	March 31, 2019	March 31, 2018
Increase in 50 basis points	(9.70)	(11.45)
Decrease in 50 basis points	9.70	11.45

**(a2) Foreign currency risk**

The Group's foreign currency risk arises from its foreign operations, investments in foreign subsidiaries, foreign currency transactions and foreign currency borrowings. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group. The major foreign currency exposures for the Group are denominated in USD and EURO.

Since a significant part of the Group's revenue is in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Group's performance. Exposures on foreign currency sales are managed through the Group's hedging policy, which is reviewed periodically to ensure that the results from fluctuating currency exchange rates are appropriately managed. The Group strives to achieve asset liability offset of foreign currency exposures and only the net position is hedged. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance. The Group may use forward contracts, foreign exchange options or currency swaps towards hedging risk resulting from changes and fluctuations in foreign currency exchange rate. These foreign exchange contracts, carried at fair value, may have varying maturities varying depending upon the primary host contract requirements and risk management strategy of the company. Hedge effectiveness is assessed on a regular basis.

**Foreign currency sensitivity**

The foreign exchange rate sensitivity is calculated by the aggregation of the net foreign exchange rate exposure in USD, EURO and GBP with a simultaneous parallel foreign exchange rates shift in the currencies by 2% against the functional currency of the respective entities. The Group's exposure to foreign currency changes for all other currencies is not material.

Particulars	Change in Currency rate	Effect on profit before tax			
		in USD rate	in EURO rate	in GBP rate	in BIR rate
March 31, 2019	+2%	6.55	(0.69)	0.09	0.47
	-2%	(6.55)	0.69	(0.09)	(0.47)
March 31, 2018	+2%	4.07	(1.17)	0.04	-
	-2%	(4.07)	1.17	(0.04)	-

The movement in the pre-tax effect is a result of a change in the fair value of financial instruments not designated in a hedge relationship. Although the financial instruments have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

**(b) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, investments and derivative financial instruments.

The Group is exposed to credit risk from its operating activities (primarily trade receivables and also from its investing activities including deposits with banks, forex transactions and other financial instruments) for receivables, cash and cash equivalents, financial guarantees and derivative financial instruments.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 42 : Financial instruments risk management objectives and policies (Contd.)

All trade receivables are subject to credit risk exposure. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit. The history of trade receivables shows a negligible provision for bad and doubtful debts. Therefore, the Group does not expect any material risk on account of non-performance by any of the Group's counterparties. The Group does not have significant concentration of credit risk related to trade receivables. No single third party customer contributes to more than 10% of outstanding accounts receivable as of March 31, 2019 and March 31, 2018.

Trade receivables are non-interest bearing and are generally on 7 days to 180 days credit term.

With respect to derivatives, the Group's forex management policy lays down guidelines with respect to exposure per counter party i.e. with banks with high credit rating, processes in terms of control and continuous monitoring. The fair value of the derivatives are credit adjusted at the period end.

### (c) Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Group generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Group closely monitors its liquidity position and deploys a robust cash management system.

During the year, the Group has been regular in repayment of principal and interest on borrowings on or before due dates. The Group did not have defaults of principal and interest as on reporting date.

The Group requires funds both for short-term operational needs as well as for long-term investment programmes mainly in growth projects

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	< 1 year	>1 year but < 3 years	>3 year but < 5 years	more than 5 years	Total
<b>Year ended March 31, 2019</b>					
Interest bearing borrowings*	1,704.52	726.67	247.68	151.84	2,830.71
Trade payables	1,359.80	2.21	-	-	1,362.01
Other financial liabilities#	324.04	-	-	-	324.04
	<b>3,388.36</b>	<b>728.88</b>	<b>247.68</b>	<b>151.84</b>	<b>4,516.76</b>
<b>Year ended March 31, 2018</b>					
Interest bearing borrowings*	2,319.77	607.98	376.34	6.64	3,310.73
Trade payables	2,147.23	-	-	-	2,147.23
Other financial liabilities#	449.48	0.54	56.30	-	506.32
	<b>4,916.48</b>	<b>608.52</b>	<b>432.64</b>	<b>6.64</b>	<b>5,964.28</b>

\* Includes contractual interest payment based on interest rate prevailing at the end of the reporting period over the tenor of the borrowings.

# Other financial liabilities includes interest accrued but not due of ₹ 11.83 Crores (March 31, 2018 : ₹ 28.36 Crores). Current maturity of long-term borrowings is included in interest bearing borrowing part in above note.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 43 : Capital management:

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions or its business requirements to optimise return to our shareholders through continuing growth. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The funding requirements are met through a mixture of equity, internal fund generation and other non-current borrowings. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits (including other bank balance). The Group is not subject to any externally imposed capital requirements.

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Interest bearing loans and borrowings (Note 15)	2,699.85	3,323.05
(b) Less: cash and bank balance (including other bank balance and book overdraft)	(76.86)	(59.99)
<b>(c) Net debt (a) - (b)</b>	<b>2,622.99</b>	<b>3,263.06</b>
(d) Equity share capital (Note 13)	258.62	258.62
(e) Other equity (Note 14)	2,491.82	3,524.23
<b>(f) Total capital (d) + (e)</b>	<b>2,750.44</b>	<b>3,782.85</b>
<b>(g) Total Capital and net debt (c) + (f)</b>	<b>5,373.43</b>	<b>7,045.91</b>
<b>(h) Gearing ratio (c)/(g)</b>	<b>48.81%</b>	<b>46.31%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any long term borrowing in the current period except for two loans. The Group has obtained letter from the lender before the date of adoption of financial statements for not accelerating the payment of these loans within one year from the balance sheet date subject to regularisation of the breach by end of March 31, 2019. Accordingly, the management has considered the classification of loan based upon the original repayment schedule.

No changes were made in the objectives, policies or processes for managing capital during the current period.

## Note 44 : Standards issued but not yet effective

In March 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019, notifying new standards and amendments to certain issued standards. These amendments are applicable to the Group from April 1, 2019. The Group will be adopting the below stated new standards and applicable amendments from their respective effective date.

### Ind AS 116 Lease Accounting:

Ind AS 116 supersedes Ind AS 17, Leases. Under Ind AS 116, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right of use asset) at the commencement date of lease. Lessees will be required to separately recognise interest expense on the lease liability and depreciation expense on the right of use asset. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases less than 12 months and leases for which the underlying asset is of low value. The standard also contains enhanced disclosure requirements for the lessees. Lessor accounting under Ind AS 116 remains substantially unchanged from accounting under Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Group is in the process of evaluating the impact of the adoption of Ind AS 116 and shall accordingly determine the most suitable transition approach.

### Appendix C, Uncertainty over Income Tax Treatment to Ind AS 12, Income Taxes:

The Appendix clarifies how to apply the recognition and measurement principles while recognizing current tax, deferred tax, taxable profits (losses), tax bases, unused tax losses, unused tax credits and tax rates when there is uncertainty over tax treatments under Ind AS 12. As per the Appendix, the Group needs to assess whether it is probable that a tax authority will accept an uncertain tax treatment used or a treatment which is being proposed to be used in its income tax filings. The Appendix will be applied retrospectively with the cumulative effect of its initial application on the opening balance sheet as on April 1, 2019. The Group is in the process of evaluating the impact of the adoption of Appendix C of Ind AS 12 and shall accordingly determine the most suitable transition approach.



# Notes to Consolidated Financial Statements

## Note 44 : Standards issued but not yet effective (Contd.)

### Amendment to Ind AS 12, Income Taxes:

The amendment clarifies that an entity shall recognize income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The impact on the Consolidated Financial Statements is yet to be evaluated. The Group is in the process of evaluating the impact of the adoption of amendment to Ind AS 12 and shall accordingly determine the most suitable transition approach.

### Amendment to Ind AS 23, Borrowing Costs:

The amendment clarifies that an entity shall consider specific borrowings as general borrowing while calculating capitalization rate, once substantial activities necessary to prepare a qualifying asset for which specific borrowing was obtained is completed for its intended use or sale. The Group will apply this amendment for annual reporting periods beginning on or after April 1, 2019. The impact on the Consolidated Financial Statements is yet to be evaluated. The Group is in the process of evaluating the impact of the adoption of amendment to Ind AS 23 and shall accordingly determine the most suitable transition approach.

## Note 45. Business Combination and Discontinued Operations

### (i). Business Combination

(I) Pursuant to the Scheme of Amalgamation (the Scheme) sanctioned by National Company Law Tribunal vide its order dated August 24, 2017, Arvind Brands and Retail Limited (ABRL), Arvind Garments Park Private Limited (AGPPL) and Dholka Textile Park Private Limited (DTPPL) (collectively referred as “subsidiaries” or “amalgamated entities”) have been merged with the Company w.e.f April 1, 2016 (the appointed date). The Scheme came into effect on October 7, 2017, the day on which the order was delivered to the Registrar of the Companies. Entire business, assets and liabilities, income and expense have been transferred to the Company included w.e.f April 1, 2016. The comparative Ind AS financial statements of the Group for the year ended March 31, 2017 is approved by shareholders in its annual general meeting held on August 4, 2017 which is audited by the predecessor auditor. Subsequently, to give the effect of the scheme on account of amalgamation of the subsidiaries with the Company in accordance with Ind AS 103, comparative Ind AS financial statements of the Group for the year ended March 31, 2017 were restated.

### (II) Summary of acquisition during the year ended March 31, 2018

#### (a) Acquiring controlling interest in Tommy Hilfiger Arvind Fashion Private Limited

The Group has acquired the control in Tommy Hilfiger Arvind Fashion Private Limited (hereinafter referred as “Tommy”) through amendment in the contract w.e.f April 1, 2017 without consideration. Investment in the acquiree was previously accounted as equity method in accordance with Ind AS 28 which is discontinued on obtaining of control.

Tommy has the license to use Tommy Hilfiger trademarks in connection with the manufacture, import, distribution, promotion, advertising and sale of products in India. Tommy is engaged in marketing and wholesale trading activity of Tommy Hilfiger brand apparels, accessories and other products in India. Further the Tommy has also sublicensed its right to third parties for sale of other Tommy Hilfiger licensed products.

On account of certain amendment in the Shareholders Agreement between the Group and PVH BV and Tommy Hilfiger Europe B.V., the Group has obtained control over the operations.

On acquisition of control, the Group has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Group has not incurred any transaction cost for acquiring control.

#### (b) Acquiring controlling interest in Calvin Klein Arvind Fashion Private Limited

The Group has acquired the control in Calvin Klein Arvind Fashion Private Limited (hereinafter referred as “CK”) through amendment in the contract w.e.f April 1, 2017 without consideration. Investment in the acquiree was previously accounted as equity method in accordance with Ind AS 28 which is discontinued on obtaining of control.

CK is in the business of Cash and carry whole sale trading of fashion apparels and accessories in India.

On account of certain amendment in the Shareholders Agreement between the Group and PVH Singapore PTE Limited, the Group has obtained control over the operations.

On acquisition of control, the Group has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Group has not incurred any transaction cost for acquiring control.

#### (c) Acquiring controlling interest in Arya Omnitalk Wireless Solution Private Limited

The Group has acquired the control in Arya Omnitalk Wireless Solution Pvt.Ltd.(hereinafter referred as “Arya”) w.e.f July 1, 2017 by acquiring additional stake of 0.06% at a consideration of ₹ 0.05 crore. Investment in the Arya was previously accounted as equity method in accordance with Ind AS 28 which is discontinued on obtaining of control.

Acquiree is engaged in dealing in Walkie Talkie Radios, providing Fleet Traking Management Solutions and Auto Routing Solutions under its Mobile Data Application (MDA) and Highway Traffic Management Solution (HTMS) business.

On acquisition of control, the Group has measured the all identifiable assets and liabilities acquired through Business Combination in accordance with Ind AS 103. The Group has not incurred any transaction cost for acquiring control.

Prior to obtaining control, the acquiree was being accounted using equity method in the consolidated financial statements which is discontinued on obtaining of control.



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 45. Business Combination and Discontinued Operations (Contd.)****(d) Net Identifiable Assets acquired on acquisition date:**

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Tommy	CK	Arya	Total
Acquisition Date	April 1,2017	April 1,2017	July 1,2017	
<b>ASSETS</b>				
Property, plant and equipment	21.71	9.49	3.58	<b>34.78</b>
Capital work-in-progress	0.13	-	-	<b>0.13</b>
Intangible assets	24.92	0.92	0.09	<b>25.93</b>
Inventories	98.48	86.78	18.90	<b>204.16</b>
Trade receivables	85.94	22.28	22.58	<b>130.80</b>
Loans	8.22	-	17.60	<b>25.82</b>
Deferred tax assets (net)	3.61	0.02	1.62	<b>5.25</b>
Cash and bank balances	0.33	3.79	0.95	<b>5.07</b>
Others financial assets (current and non-current)	2.12	1.08	2.08	<b>5.28</b>
Other assets (current and non-current)	11.95	5.47	0.88	<b>18.30</b>
<b>Total Assets acquired (A)</b>	<b>257.41</b>	<b>129.83</b>	<b>68.28</b>	<b>455.52</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Borrowings	77.12	49.61	2.88	<b>129.61</b>
Trade payables	62.65	39.64	10.56	<b>112.85</b>
Other financial liabilities (current and non-current)	9.51	13.95	0.83	<b>24.29</b>
Provisions (current and non-current)	1.05	1.32	4.49	<b>6.86</b>
Current tax liabilities (net)	0.25	-	0.80	<b>1.05</b>
Deferred tax liabilities (net)	3.05	-	-	<b>3.05</b>
Other current liabilities	3.90	2.46	2.03	<b>8.39</b>
<b>Total Liabilities assumed (B)</b>	<b>157.53</b>	<b>106.98</b>	<b>21.59</b>	<b>286.10</b>
<b>Net assets acquired (A) - (B)</b>	<b>99.88</b>	<b>22.85</b>	<b>46.69</b>	<b>169.42</b>

**(e) Calculation of goodwill / Capital Reserve**

Particulars	Tommy	CK	Arya	Total
Purchase consideration paid in cash	-	-	0.05	0.05
Non-controlling interest in the acquired entity	49.94	11.65	23.32	84.91
Group's previously held interest in the acquiree	49.86	122.43	31.19	203.48
	<b>99.80</b>	<b>134.08</b>	<b>54.56</b>	<b>288.44</b>
Less: Net identifiable assets acquired as stated above	(99.88)	(22.85)	(46.69)	(169.42)
<b>Total Goodwill/(Capital Reserve) on acquisition of controlling interest</b>	<b>(0.08)</b>	<b>111.23</b>	<b>7.87</b>	<b>119.02</b>

- (f) The Group recognises non-controlling interests in an acquired entity at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The decision is made on acquisition by acquisition basis. The Group has recognised gain on acquisition of controlling interest including gain till the acquisition of control in accordance with the requirement of Ind AS.

**(g) Revenue and Profit contribution**

Particulars	Tommy	CK	Arya	Total
Revenue	347.34	141.27	67.10	<b>555.71</b>
Profit before tax	5.21	(6.31)	11.60	<b>10.50</b>

On account of above, the previous period numbers are not comparable with the current period.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 45. Business Combination and Discontinued Operations (Contd.)

(III) The Company has acquired the business of "Aditexfab LLP" w.e.f June 1, 2017 at a consideration of ₹ 34.50 crores. Fair value of net assets acquired is determined at ₹34.50 crores, consequently no goodwill has been recognized. The management believes that the fair value of the net assets acquired is not likely to remain significantly different from the book value of the net assets acquired. Accordingly, Management has exercised the option to measure the business purchase on provisional basis for a period of 12 months in accordance with Ind AS 103 – "Business Combination".

Aditexfab LLP was engaged in the business of the giving looms for Spinning and Weaving to Arvind Limited on lease basis.

Based on the fair value of the assets acquired the purchase price paid has been allocated among various assets as below:

Particulars	Amount
Property, plant & equipment	36.08
Current Assets	1.42
<b>Total Assets acquired (A)</b>	<b>37.50</b>
Liabilities:	
Current Liabilities	3.00
<b>Total Liabilities assumed (B)</b>	<b>3.00</b>
<b>Net Identifiable Assets Acquired (A - B)</b>	<b>34.50</b>

## (II) Discontinued Operations

### (a) Description

The National Company Law tribunal, Ahmedabad Bench vide its order dated October 26,2018 has approved the scheme of arrangement for demerger of Engineering and Branded Apparel undertaking of the Company with Anveshan Heavy Engineering Limited ("ÄHEL") and Arvind Fashions Limited ("ÄFL") respectively. The Scheme became effective from November 30,2018 and Appointed date for the same is with effect from January 01,2018 and November 30, 2018 for Engineering and Brand apparel operations respectively.

### (b) Financial Information relating to the discontinued operations are set out below :

#### Engineering Operations

Particulars	For the period April 01, 2017 to December 31, 2017	For the period January 01, 2018 to March 31, 2018	Year ended March 31, 2018
<b>I. INCOME</b>			
(a) Revenue from operations	139.71	83.91	223.62
(b) Other income	3.19	0.96	4.15
<b>TOTAL INCOME</b>	<b>142.90</b>	<b>84.87</b>	<b>227.77</b>
<b>II. EXPENSES</b>			
(a) Cost of raw materials and accessories consumed	79.02	13.72	92.74
(b) Purchase of stock-in-trade	20.64	-	20.64
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(24.89)	23.96	(0.93)
(d) Project expenses	0.11	0.66	0.77
(e) Employee benefits expense	9.03	3.08	12.11
(f) Finance costs	0.71	0.29	1.00
(g) Depreciation and amortisation expense	2.88	0.68	3.56
(h) Other expenses	28.02	16.73	44.75
<b>TOTAL EXPENSES</b>	<b>115.52</b>	<b>59.12</b>	<b>174.64</b>
<b>III. PROFIT BEFORE TAX (I-II)</b>	<b>27.38</b>	<b>25.75</b>	<b>53.13</b>
<b>IV. Tax expense</b>			
(a) Current tax	10.37	7.75	18.12
(b) Deferred tax Credit	(0.90)	(5.70)	(6.60)
<b>Total tax expense</b>	<b>9.47</b>	<b>2.05</b>	<b>11.52</b>
<b>V. Profit for the year (III-IV)</b>	<b>17.91</b>	<b>23.70</b>	<b>41.61</b>



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 45. Business Combination and Discontinued Operations (Contd.)  
Branded Apparel Operations**

Particulars	For the period April 01, 2018 to November 29, 2018	Year ended March 31, 2018
<b>I. INCOME</b>		
(a) Revenue from operations	3,035.54	4,301.28
(b) Other income	12.59	1.20
<b>TOTAL INCOME</b>	<b>3,048.13</b>	<b>4,302.48</b>
<b>II. EXPENSES</b>		
(a) Cost of raw materials and accessories consumed	6.67	7.07
(b) Purchase of stock-in-trade	1,696.77	1,570.47
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(204.20)	452.06
(d) Project expenses	-	-
(e) Employee benefits expense	281.22	377.73
(f) Finance costs	82.33	96.12
(g) Depreciation and amortisation expense	93.09	133.43
(h) Other expenses	1,105.27	1,658.44
<b>TOTAL EXPENSES</b>	<b>3,061.15</b>	<b>4,295.32</b>
<b>III. PROFIT BEFORE TAX (I-II)</b>	<b>(13.02)</b>	<b>7.16</b>
<b>IV. Tax expense</b>		
(a) Current tax	24.48	25.73
(b) Deferred tax Credit	(27.18)	(32.03)
<b>Total tax expense</b>	<b>(2.70)</b>	<b>(6.30)</b>
<b>V. Profit for the year (III-IV)</b>	<b>(10.32)</b>	<b>13.46</b>

**Total Discontinued Operations**

Particulars	For the period April 01, 2018 to November 29, 2018*	Year ended March 31, 2018
<b>I. INCOME</b>		
(a) Revenue from operations	3,035.54	4,524.90
(b) Other income	12.59	5.35
<b>TOTAL INCOME</b>	<b>3,048.13</b>	<b>4,530.25</b>
<b>II. EXPENSES</b>		
(a) Cost of raw materials and accessories consumed	6.67	99.81
(b) Purchase of stock-in-trade	1,696.77	1,591.11
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(204.20)	451.13
(d) Project expenses	-	0.77
(e) Employee benefits expense	281.22	389.84
(f) Finance costs	82.33	97.12
(g) Depreciation and amortisation expense	93.09	136.99
(h) Other expenses	1,105.27	1,703.19
<b>TOTAL EXPENSES</b>	<b>3,061.15</b>	<b>4,469.96</b>
<b>III. PROFIT BEFORE TAX (I-II)</b>	<b>(13.02)</b>	<b>60.29</b>
<b>IV. Tax expense</b>		
(a) Current tax	24.48	43.85
(b) Deferred tax Credit	(27.18)	(38.63)
<b>Total tax expense</b>	<b>(2.70)</b>	<b>5.22</b>
<b>V. Profit for the year (III-IV)</b>	<b>(10.32)</b>	<b>55.07</b>

\* For Branded Operations only as Engineering Operations is demerged from April 1, 2018.



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 45. Business Combination and Discontinued Operations (Contd.)

(C) The carrying amount of the assets and liabilities of Engineering Operations as at appointed date and as at balance sheet date were as follows:

Particulars	As at January 01, 2018	As at March 31, 2018
<b>Non-current assets</b>		
(a) Property, plant and equipment	81.66	109.24
(b) Capital work-in-progress	2.89	-
(c) Investment properties	-	-
(d) Goodwill	-	-
(e) Other Intangible assets	0.25	0.13
(f) Intangible assets under development	-	-
(g) Financial assets	-	-
(i) Investments	-	-
(ii) Loans	20.00	40.00
(iii) Other financial assets	0.23	0.64
(h) Deferred tax assets (net)	-	-
(i) Other non-current assets	-	-
<b>Total non-current assets (A)</b>	<b>105.03</b>	<b>150.01</b>
<b>Current assets</b>		
(a) Inventories	51.66	35.61
(b) Financial assets		
(i) Trade receivables	63.88	96.93
(ii) Cash and cash equivalents	0.03	0.43
(iii) Bank balance other than (ii) above	0.53	0.18
(iv) Loans	24.56	5.27
(v) Other financial assets	-	-
(c) Current tax assets (net)	0.78	(0.11)
(d) Other current assets	24.11	13.06
<b>Total current assets (B)</b>	<b>165.55</b>	<b>151.37</b>
<b>TOTAL ASSETS (A) + (B)</b>	<b>270.58</b>	<b>301.38</b>
<b>Non-current liabilities</b>		
(a) Financial liabilities	-	-
(i) Borrowings	2.28	-
(ii) Other financial liabilities	-	-
(b) Long-term provisions	0.90	0.73
(c) Deferred tax liabilities (net)	16.58	10.72
(d) Government grants	-	-
(e) Other non current liabilities	-	-
<b>Total non-current liabilities (A)</b>	<b>19.76</b>	<b>11.45</b>
<b>Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	31.33	1.89
(ii) Trade payables	22.02	36.78
(iii) Other financial liabilities	0.38	0.22
(b) Short-term provisions	8.96	0.17
(c) Government grants	-	-
(d) Current tax liabilities (net)	-	1.01
(e) Other current liabilities	-	7.86
<b>Total current liabilities (B)</b>	<b>62.69</b>	<b>47.93</b>
<b>TOTAL LIABILITIES (A) + (B)</b>	<b>82.45</b>	<b>59.38</b>
Net assets transferred through corresponding debit to the Respective Reserve (i)	<b>188.13</b>	-
Profit from the Engineering operations for the period January 01, 2018 to March 31, 2018 (ii)	-	<b>23.70</b>



## Notes to Consolidated Financial Statements

## Note 45. Business Combination and Discontinued Operations (Contd.)

₹ in Crores

(D) The carrying amount of the assets and liabilities of Branded Apparel Operations as at appointed date was as follows:

Particulars	As at November 29, 2018
<b>Non-current assets</b>	
(a) Property, plant and equipment	378.97
(b) Capital work-in-progress	0.98
(c) Investment properties	-
(d) Goodwill	111.30
(e) Other Intangible assets	51.83
(f) Intangible assets under development	-
(g) Financial assets	
(i) Investments	0.02
(ii) Loans	0.38
(iii) Other financial assets	236.06
(h) Deferred tax assets (net)	211.28
(i) Other non-current assets	10.48
<b>Total non-current assets (A)</b>	<b>1,001.30</b>
<b>Current assets</b>	
(a) Inventories	974.46
(b) Financial assets	
(i) Trade receivables	1,068.31
(ii) Cash and cash equivalents	26.40
(iii) Bank balance other than (ii) above	4.30
(iv) Loans	2.46
(v) Other financial assets	35.99
(c) Current tax assets (net)	14.58
(d) Other current assets	609.13
<b>Total current assets (B)</b>	<b>2,735.63</b>
<b>TOTAL ASSETS (A) + (B)</b>	<b>3,736.93</b>
<b>Non-current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	18.78
(ii) Other financial liabilities	62.36
(b) Long-term provisions	21.56
(c) Deferred tax liabilities (net)	(48.48)
(d) Government grants	-
(e) Other non current liabilities	-
<b>Total non-current liabilities (A)</b>	<b>54.22</b>
<b>Current liabilities</b>	
(a) Financial liabilities	
(i) Borrowings	1,015.71
(ii) Trade payables	1,281.55
(iii) Other financial liabilities	144.01
(b) Short-term provisions	20.00
(c) Government grants	-
(d) Current tax liabilities (net)	4.03
(e) Other current liabilities	36.99
<b>Total current liabilities (B)</b>	<b>2,502.29</b>
<b>TOTAL LIABILITIES (A) + (B)</b>	<b>2,556.51</b>
Net assets transferred through corresponding debit to the Respective Reserve	<b>1,180.42</b>



# Notes to Consolidated Financial Statements

## Note 46 : Interest in Other Entities

Sr. No.	Name of Entities	Country of Incorporation	Remarks	Activities	Proportion of Ownership of Interest	
					As at March 31, 2019	As at March 31, 2018
	<b>Subsidiaries</b>					
	<b>- Indian Subsidiaries</b>					
1	The Anup Engineering Limited	India	**	Engineering	-	93.54%
2	Arvind Envisol Limited (formerly known as Arvind Accel Limited)	India		Engineering	100%	100%
3	Arvind Fashions Limited	India	***	Branded Garments	-	89.69%
4	Arvind Lifestyle Brands Limited	India	* and ***	Branded Garments	-	100%
5	Calvin Klein Arvind Fashion Private Limited	India	* and ***	Branded Garments	-	50%
6	Tommy Hilfiger Arvind Fashions Private Limited	India	* and ***	Branded Garments	-	50%
7	Syntel Telecom Limited	India		Telecom	100%	100%
8	Arya Omnitalk Wireless Solutions Private Limited	India		Telecom	50.06%	50.06%
9	Arvind PD Composites Private Limited	India		Technical Textile	51%	51%
10	Arvind OG Nonwovens Private Limited	India		Technical Textile	74%	74%
11	Arvind Goodhill Suit Manufacturing Private Limited	India		Garments	51%	51%
12	Arvind Beauty Brands Private Limited	India	* and ***	Beauty Products	-	100%
13	Arvind Internet Limited	India		E-Commerce	100%	100%
14	Arvind Ruf & Tuf Private Limited	India		Garments	100%	100%
15	Arvind Premium Retail Limited	India		Garments	51%	51%
16	Arvind True Blue Limited	India		Garments	87.50%	87.50%
17	Arvind Smart Textiles Limited	India		Textiles	100%	100%
18	Arvind Transformational Solutions Private Limited	India		Textiles	100%	100%
19	Arvind Foundation	India	!	CSR Activity	100%	100%
20	Arvind Polser Engineered Composite Panels Private Limited	India		Technical Textile	100%	-
	<b>- Foreign Subsidiaries</b>					
21	Arvind Worldwide Inc.	USA		Textiles	100%	100%
22	Arvind Worldwide (M) Inc.	Mauritius	^	Textiles	100%	100%
23	Westech Advance Materials Limited	Canada		Textiles	51%	51%
24	Brillaries Inc.	Canada	##	Textiles	100%	100%
25	Arvind Niloy Exports Private Limited	Bangladesh		Textiles	70%	70%
26	Arvind Textile Mills Limited	Bangladesh		Textiles	100%	100%
27	Arvind Overseas (Mauritius) Limited	Mauritius	^	Textiles	100%	100%
28	Arvind Spinning Limited	Mauritius	^	Textiles	100%	100%
29	Arvind Lifestyle Apparel Manufacturing PLC	Ethiopia	\$	Garments	100%	100%
30	Arvind Envisol PLC	Ethiopia	&	Engineering	100%	100%
31	Arvind Enterprises (FZE)	U.A.E		Telecom	100%	100%
	<b>- Limited Liability Partnerships</b>					
32	Maruti Ornet and Infrabuild LLP	India	#	Construction		
33	Enkay Converged Technologies LLP	India	@	Telecom		
	<b>- Joint Ventures</b>					
34	Arya Omnitalk Radio Trunking Services Private Limited	India		Telecom	50%	50%
35	Arudrama Developments Private Limited	India		Construction	50%	50%
36	Arvind and Smart Value Homes LLP	India		Real Estate	50%	50%
37	Arvind Norm CBRN Systems Private Limited	India		Technical Textile	50%	-
38	Adient Arvind Automotive Fabrics India Private Limited	India		Technical Textile	50%	-

\* Held by Arvind Fashions Limited.

\*\* Discontinued with effect from December 31, 2017. Refer Note 45(ii) for details of discontinued operations.

\*\*\* Branded Apparels Business has been discontinued with effect from November 29, 2018. Refer Note 45(ii) for details of discontinued operations.

@ Jointly held by Arvind Limited and Syntel Telecom Limited.

# Jointly held by Arvind Limited and Arvind Internet Limited.

## Held by Westech Advanced Material Limited.

\$ Jointly held by Arvind Limited and Arvind Ruf & Tuf Private Limited.

& Jointly held by Arvind Limited and Arvind Envisol Limited.

^ Not considered for the purpose of consolidation for the financial year 2018-19 and 2017-18 respectively being defunct status.

! The Group has made investment of ₹ 0.01 Crores in the equity shares of Arvind Foundation, which is a Company incorporated under Section 8 of the Act for the sole purpose of CSR activities. Since the Group has no intention of earning variable returns from the voting rights, the above investment doesn't meet the definition of control under Ind AS 110 and hence, not consolidated in the Consolidated Financial Statements.

**Material party-owned subsidiaries :** The Group does not have any subsidiaries that have non-controlling interests that are material to the group.



## Notes to Consolidated Financial Statements

₹ in Crores

**Note 46 : Interest in Other Entities (Contd.)****(A) Group's Share in Contingent Liability of Joint Ventures**

Sr.	Particulars	As at 31st March, 2019	As at 31st March, 2018
1	Disputed Demand in respect of:		
	Sales Tax	-	-
	Service Tax	0.44	0.44
2	Claims against the Company not acknowledged as debts	-	0.14

Note : The above figures are considered based on unaudited financial statements of the respective Joint Ventures.

**Note 47 : Additional information pursuant to Schedule III of Companies Act 2013**

Name of Entities	For the financial year ending on / as at March 31, 2019							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
<b>Parent :</b>								
Arvind Limited	96.44%	2,735.83	88.16%	199.44	(64.04%)	9.44	98.77%	208.88
<b>Subsidiaries :</b>								
<b>- Indian</b>								
Arvind Lifestyle Brands Limited *	0.00%	-	0.62%	1.41	6.04%	(0.89)	0.25%	0.52
Syntel Telecom Limited	0.16%	4.60	0.89%	2.01	0.00%	-	0.95%	2.01
Arvind Envisol Limited	2.87%	81.38	21.08%	47.70	1.02%	(0.15)	22.48%	47.55
Arvind Internet Limited	0.40%	11.30	(0.01%)	(0.02)	0.00%	-	(0.01%)	(0.02)
Arvind PD Composites Private Limited	1.01%	28.51	1.72%	3.88	0.14%	(0.02)	1.83%	3.86
Arvind OG Nonwovens Private Limited	0.99%	28.04	(0.62%)	(1.40)	0.20%	(0.03)	(0.68%)	(1.43)
Arvind Goodhill Suit Manufacturing Private Limited	1.85%	52.57	(0.97%)	(2.19)	(5.36%)	0.79	(0.66%)	(1.40)
Arvind Beauty Brands Private Limited *	0.00%	-	(2.08%)	(4.70)	0.20%	(0.03)	(2.24%)	(4.73)
Arvind Fashions Limited *	0.00%	-	15.75%	35.64	2.99%	(0.44)	16.64%	35.20
Arvind Ruf & Tuf Private Limited	0.24%	6.92	(0.92%)	(2.08)	0.00%	-	(0.98%)	(2.08)
Arvind Premium Retail Limited	(0.40%)	(11.38)	(2.99%)	(6.76)	0.00%	-	(3.20%)	(6.76)
Arvind True Blue Limited	(0.82%)	(23.35)	(7.51%)	(16.98)	0.07%	(0.01)	(8.03%)	(16.99)
Arvind Smart Textiles Limited	(0.09%)	(2.53)	(2.88%)	(6.51)	0.00%	-	(3.08%)	(6.51)
Arvind Transformational Solutions Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Calvin Klein Arvind Fashion Private Limited *	0.00%	-	(1.82%)	(4.12)	0.00%	-	(1.95%)	(4.12)
Tommy Hilfiger Arvind Fashions Private Limited *	0.00%	-	2.35%	5.31	0.00%	-	2.51%	5.31
Arya Omnitalk Wireless Solutions Private Limited	1.76%	50.01	5.76%	13.03	0.95%	(0.14)	6.09%	12.89
Arvind Polser Engineered Composite Panels Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
<b>- Foreign</b>								
Arvind Worldwide Inc.	0.20%	5.55	0.27%	0.60	(0.27%)	0.04	0.30%	0.64
Westech Advance Materials Limited	1.37%	38.79	0.34%	0.78	(5.09%)	0.75	0.72%	1.53
Brillaries Inc., Canada	0.00%	(0.01)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Arvind Niloy Exports Private Limited	(0.04%)	(1.14)	0.00%	-	0.20%	(0.03)	(0.01%)	(0.03)
Arvind Textile Mills Limited	0.02%	0.55	(0.08%)	(0.17)	(2.99%)	0.44	0.13%	0.27
Arvind Lifestyle Apparel Manufacturing PLC	6.41%	181.81	(7.54%)	(17.06)	165.74%	(24.43)	(19.62%)	(41.49)
Arvind Envisol PLC, Ethiopia	(0.06%)	(1.58)	(0.24%)	(0.55)	2.58%	(0.38)	(0.44%)	(0.93)
Arvind Enterprises (FZE)	0.03%	0.90	0.37%	0.83	(0.27%)	0.04	0.41%	0.87



# Notes to Consolidated Financial Statements

**Note 47 : Additional information pursuant to Schedule III of Companies Act 2013 (Contd.)**

₹ in Crores

Name of Entities	For the financial year ending on/as at March 31, 2019							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
<b>- LLP</b>								
Maruti Ornet and Infrabuild LLP	0.00%	-	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Enkay Converged Technologies LLP	(0.25%)	(7.18)	(2.57%)	(5.81)	0.47%	(0.07)	(2.78%)	(5.88)
<b>Sub Total</b>		<b>3,179.60</b>		<b>242.26</b>		<b>(15.12)</b>		<b>227.14</b>
Less: Adjustment arising out of consolidation	(17.82%)	(505.51)	(6.57%)	(14.86)	(4.07%)	0.60	(6.75%)	(14.26)
<b>Total</b>	<b>94.27%</b>	<b>2,674.09</b>	<b>100.51%</b>	<b>227.40</b>	<b>98.51%</b>	<b>(14.52)</b>	<b>100.65%</b>	<b>212.88</b>
Add: Non Controlling Interest in Subsidiaries	3.04%	86.32	(0.95%)	(2.18)	1.15%	(0.17)	(1.10%)	(2.35)
<b>Add: Joint Ventures</b>								
<b>(Investment as per Equity method)</b>								
Arya Omnitalk Radio Trunking Services Private Limited	0.32%	9.04	0.42%	0.96	0.34%	(0.05)	0.43%	0.91
Arudrama Developments Private Limited	0.07%	2.05	0.00%	-	0.00%	-	0.00%	-
Arvind and Smart Value Homes LLP	2.01%	57.11	0.02%	0.05	0.00%	-	0.02%	0.05
Arvind Norm CBRN Systems Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Adient Arvind Automotive Fabrics								
India Private Limited	0.29%	8.14	0.00%	-	0.00%	-	0.00%	-
<b>Grand Total</b>	<b>100%</b>	<b>2,836.76</b>	<b>100%</b>	<b>226.23</b>	<b>100%</b>	<b>(14.74)</b>	<b>100%</b>	<b>211.49</b>

\* Branded Apparels Business has been discontinued with effect from November 29, 2018. Refer Note 45(ii) for details of discontinued operations.

Name of Entities	For the financial year ending on/as at March 31, 2018							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
<b>Parent :</b>								
Arvind Limited	75.49%	3,085.96	80.80%	250.04	171.79%	(37.21)	73.95%	212.83
<b>Subsidiaries :</b>								
<b>- Indian</b>								
The Anup Engineering Limited	5.17%	211.26	13.71%	42.43	(0.42%)	0.09	14.77%	42.52
Arvind Lifestyle Brands Limited	18.32%	748.83	(1.32%)	(4.09)	5.36%	(1.16)	(1.82%)	(5.25)
Syntel Telecom Limited	0.06%	2.59	0.57%	1.75	0.00%	-	0.61%	1.75
Arvind Envisol Limited	0.83%	33.84	6.37%	19.71	(0.05%)	0.01	6.85%	19.72
Arvind Internet Limited	0.28%	11.31	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Arvind PD Composites Private Limited	0.60%	24.65	(0.29%)	(0.90)	0.18%	(0.04)	(0.33%)	(0.94)
Arvind OG Nonwovens Private Limited	0.72%	29.46	0.13%	0.41	(0.09%)	0.02	0.15%	0.43
Arvind Goodhill Suit Manufacturing Private Limited	1.20%	48.97	1.51%	4.68	0.88%	(0.19)	1.56%	4.49
Arvind Beauty Brands Private Limited	1.80%	73.56	(1.21%)	(3.73)	(0.05%)	0.01	(1.29%)	(3.72)
Arvind Fashions Limited	30.11%	1,231.05	17.26%	53.40	0.28%	(0.06)	18.53%	53.34
Arvind Ruf & Tuf Private Limited	0.22%	9.00	(1.42%)	(4.39)	0.00%	-	(1.53%)	(4.39)
Arvind Premium Retail Limited	(0.01%)	(0.56)	(0.79%)	(2.44)	0.00%	-	(0.85%)	(2.44)
Arvind True Blue Limited	(0.16%)	(6.35)	(4.32%)	(13.36)	0.18%	(0.04)	(4.66%)	(13.40)
Arvind Smart Textiles Limited	0.00%	(0.02)	(0.01%)	(0.03)	0.00%	-	(0.01%)	(0.03)
Arvind Transformational Solutions Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Calvin Klein Arvind Fashion Private Limited *	0.89%	36.41	(2.04%)	(6.31)	0.60%	(0.13)	(2.24%)	(6.44)
Tommy Hilfiger Arvind Fashions Private Limited *	3.38%	138.21	1.11%	3.43	0.46%	(0.10)	1.16%	3.33
Arya Omnitalk Wireless Solutions Private Limited **	1.03%	41.96	2.33%	7.20	0.00%	-	2.50%	7.20



## Notes to Consolidated Financial Statements

₹ in Crores

## Note 47 : Additional information pursuant to Schedule III of Companies Act 2013 (Contd.)

Name of Entities	For the financial year ending on/as at March 31, 2018							
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total OCI	Amount
<b>- Foreign</b>								
Arvind Worldwide Inc.	0.12%	4.91	0.05%	0.17	(0.09%)	0.02	0.07%	0.19
Westech Advance Materials Limited	0.91%	37.27	0.32%	1.00	2.95%	(0.64)	0.13%	0.36
Brillaries Inc., Canada	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Arvind Niloy Exports Private Limited	(0.03%)	(1.03)	0.00%	-	0.00%	-	0.00%	-
Arvind Textile Mills Limited	0.01%	0.28	(0.07%)	(0.22)	(0.05%)	0.01	(0.07%)	(0.21)
Arvind Lifestyle Apparel Manufacturing PLC	3.54%	144.76	(5.38%)	(16.65)	(80.79%)	17.50	0.30%	0.85
Arvind Envisol PLC, Ethiopia	(0.02%)	(0.65)	(0.68%)	(2.10)	(0.69%)	0.15	(0.68%)	(1.95)
Arvind Enterprises (FZE)	0.00%	0.03	(0.05%)	(0.17)	0.55%	(0.12)	(0.10%)	(0.29)
<b>- LLP</b>								
Maruti Ornet and Infrabuild LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Enkay Converged Technologies LLP	(0.03%)	(1.30)	(0.42%)	(1.30)	0.00%	-	(0.45%)	(1.30)
<b>Sub Total</b>		<b>5,904.41</b>		<b>328.52</b>		<b>(21.88)</b>		<b>306.64</b>
Less: Adjustment arising out of consolidation	(53.54%)	(2,188.80)	(4.99%)	(15.42)	0.75%	(0.16)	(5.42%)	(15.58)
<b>Total</b>	<b>90.89%</b>	<b>3,715.61</b>	<b>101.17%</b>	<b>313.10</b>	<b>101.75%</b>	<b>(22.04)</b>	<b>101.13%</b>	<b>291.06</b>
Add: Non Controlling Interest in Subsidiaries	7.46%	305.28	(2.05%)	(6.34)	(1.66%)	0.36	(2.08%)	(5.98)
<b>Add: Joint Ventures (Investment as per Equity method)</b>								
Arya Omnitalk Radio Trunking Services Private Limited	0.20%	8.12	0.19%	0.59	0.00%	-	0.20%	0.59
Arya Omnitalk Wireless Solutions Private Limited **	0.00%	-	0.58%	1.78	0.00%	-	0.62%	1.78
Arudrama Developments Private Limited	0.05%	2.05	0.00%	-	0.00%	-	0.00%	-
Arvind and Smart Value Homes LLP	1.40%	57.07	0.11%	0.34	(0.09%)	0.02	0.13%	0.36
<b>Grand Total</b>	<b>100%</b>	<b>4,088.13</b>	<b>100%</b>	<b>309.47</b>	<b>100%</b>	<b>(21.66)</b>	<b>100%</b>	<b>287.81</b>

\* Became Subsidiary w.e.f. April 1, 2017

\*\* Became Subsidiary w.e.f. July 1, 2017



# Notes to Consolidated Financial Statements

₹ in Crores

## Note 48 : Expenditure on Research and Development

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

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<b>Naroda Centre</b>		
Capital Expenditure	-	0.03
Revenue Expenditure	4.43	5.53
<b>Total Expenditure at Naroda Centre</b>	<b>4.43</b>	<b>5.56</b>
<b>Santej Centre</b>		
Capital Expenditure	7.61	1.40
Revenue Expenditure	25.73	29.11
<b>Total Expenditure at Santej Centre</b>	<b>33.34</b>	<b>30.51</b>
<b>Khatraj Centre</b>		
Capital Expenditure	0.41	1.64
Revenue Expenditure	3.44	3.58
<b>Total Expenditure at Khatraj Centre</b>	<b>3.85</b>	<b>5.22</b>
<b>Pune Centre</b>		
Capital Expenditure	-	-
Revenue Expenditure	2.23	1.60
<b>Total Expenditure at Pune Centre</b>	<b>2.23</b>	<b>1.60</b>
<b>Total Research and Development Expenditure</b>	<b>43.85</b>	<b>42.89</b>

## Note 49 : Regrouped, Recast, Reclassified

Previous period's figures in the financial statements, including the notes thereto, have been reclassified wherever required to conform to the current period's presentation/classification.

## Note 50 : Events Occurring After the Reporting Period :

The Board of Directors recommended dividend of ₹2.20 per equity share (March 31, 2018 : ₹ 2.40 per equity share) of face value of ₹ 10 each, which is subject to approval by shareholders of the Company.

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

**Sanjay S. Lalbhai**  
Chairman & Managing Director  
DIN: 00008329

**Jayesh K. Shah**  
Director & Chief Financial Officer  
DIN: 00008349

**R. V. Bhimani**  
Company Secretary

**Place:** Ahmedabad

**Date:** May 17, 2019



## FORM AOC - 1

(Persuant to first proviso to sub - section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## STATEMENT CONTAINING SAILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

## Part "A": Subsidiaries

₹ in crores

Sr. no.	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Details of Investment	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	% of Share Holding
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	Arvind Internet Limited	March 31, 2019	INR	33.06	(21.76)	11.55	0.25	-	-	(0.02)	-	(0.02)	Nil	100%
2	Arvind Lifestyle Brands Limited *	From April 1, 2018 to November 29, 2018	INR	81.28	668.25	2,617.78	1,868.25	0.02	2,015.08	4.37	2.96	1.41	Nil	100%
3	Syntel Telecom Limited	March 31, 2019	INR	0.05	4.55	32.30	27.70	-	28.21	2.81	0.80	2.01	Nil	100%
4	Arvind PD Composites Private Limited	March 31, 2019	INR	0.31	28.20	59.19	30.68	-	73.36	4.23	0.35	3.88	Nil	51%
5	Arvind Envisol Limited	March 31, 2019	INR	0.21	81.17	225.45	144.07	-	266.49	66.74	19.04	47.70	Nil	100%
6	Arvind Goodhill Suit Manufacturing Private Limited	March 31, 2019	INR	1.07	51.50	118.33	65.76	-	58.77	(2.72)	(0.53)	(2.19)	Nil	51%
7	Arvind OG Nonwovens Pvt. Limited	March 31, 2019	INR	3.13	24.91	58.81	30.77	-	57.19	(1.89)	(0.49)	(1.40)	Nil	74%
8	Arvind Worldwide Inc. USA	March 31, 2019	1 USD = ₹ 65.1750	2.20	3.35	36.55	31.00	-	8.61	0.79	0.19	0.60	Nil	100%
9	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	March 31, 2019	1 ETB = ₹ 2.3614	243.93	(62.12)	224.54	42.73	-	66.53	(17.06)	-	(17.06)	Nil	100%
10	Arvind Textile Mills Limited, Bangladesh	March 31, 2019	1 TAKA = ₹ 0.7843	5.17	(4.62)	0.73	0.18	-	0.40	(0.17)	-	(0.17)	Nil	100%
11	Arvind Niloy Exports Pvt. Ltd., Bangladesh	March 31, 2019	1 TAKA = ₹ 0.7843	1.46	(2.60)	0.21	1.35	-	-	-	-	-	Nil	70%
12	Westech Advanced Materials Limited	March 31, 2019	1 CAN\$ = ₹ 50.6500	31.63	7.16	51.10	12.31	-	37.27	1.12	0.34	0.78	Nil	51%
13	Arvind Beauty Brands Retail Pvt Ltd *	From April 1, 2018 to November 29, 2018	INR	7.69	61.15	129.25	60.41	-	113.58	(6.35)	(1.65)	(4.70)	Nil	100%
14	Arvind Fashions Limited *	From April 1, 2018 to November 29, 2018	INR	23.29	1,246.62	1,732.79	462.88	-	711.92	55.64	20.00	35.64	Nil	89.69%
15	Arvind Ruf & Tuf Private Limited	March 31, 2019	INR	0.95	5.97	25.68	18.76	-	15.41	(2.08)	-	(2.08)	Nil	100%
16	Arvind Premium Retail Limited	March 31, 2019	INR	0.02	(11.40)	3.66	15.04	-	0.17	(6.76)	-	(6.76)	Nil	51%
17	Arvind True Blue Limited	March 31, 2019	INR	16.01	(39.35)	35.04	58.38	-	28.07	(16.98)	-	(16.98)	Nil	87.50%
18	Arvind Smart Textiles Limited	March 31, 2019	INR	0.11	(2.65)	65.80	68.34	-	6.89	(6.51)	-	(6.51)	Nil	100%
19	Arvind Envisol PLC	March 31, 2019	1 ETB = ₹ 2.3614	1.28	(2.85)	56.10	57.67	-	68.91	(0.55)	-	(0.55)	Nil	100%
20	Brillaries Inc.	March 31, 2019	1 CAN\$ = ₹ 50.6500	(₹ 4,962)	(0.01)	8.02	8.02	-	17.28	(0.01)	-	(0.01)	Nil	100%
21	Calvin Klein Arvind Fashion	From April 1, 2018 to November 29, 2018	INR	1.01	31.27	154.10	121.82	-	149.87	(4.12)	-	(4.12)	Nil	49%
22	Tommy Hilfiger Arvind Fashions	From April 1, 2018 to November 29, 2018	INR	29.89	113.62	330.90	187.39	-	270.81	8.29	2.98	5.31	Nil	50%
23	Arya Omnitalk Wireless Solutions Private Limited	March 31, 2019	INR	2.00	48.01	81.20	31.19	-	96.54	18.76	5.73	13.03	Nil	50.06%
24	Arvind Enterprises (FZE)	March 31, 2019	1 AED = ₹ 17.7450	0.26	0.65	0.92	0.01	-	3.05	0.83	-	0.83	Nil	100%
25	Arvind Transformational Solutions Private Limited	March 31, 2019	INR	0.01	-	0.01	-	-	-	-	-	-	Nil	100%
26	Arvind Polser Engineered Composite Panels Private Limited	March 31, 2019	INR	0.01	-	3.64	3.63	-	-	-	-	-	Nil	100%

## Notes

(A) Investments Exclude Investments in Subsidiaries and LLPs

(B) The Following Subsidiaries are yet to commence operation :

[1] Arvind Transformational Solutions Private Limited

(C) In the above statement following Foreign Subsidiaries not included as they are treated as "Defunct Company".

[1] Arvind Spinning Limited

[2] Arvind Overseas (Mauritius) Limited

[3] Arvind Worldwide (M) Inc. Mauritius

\* The National Company Law tribunal, Ahmedabad Bench vide its order dated October 26, 2018 has approved the scheme of arrangement for demerger of Engineering and Branded Apparel undertaking of the Company with Anveshan Heavy Engineering Limited ("ÅHEL") and Arvind Fashions Limited ("ÅFL") respectively. The Scheme became effective from November 30, 2018 and Appointed date for the same is with effect from January 01, 2018 and November 30, 2018 for Engineering and Brand apparel operations respectively.



## FORM AOC - 1

( Pursuant to first proviso to sub - section ( 3 ) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 )

### STATEMENT CONTAINING SILENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES

#### Part "B" : Joint Venture

₹ in crores

Sr. no.	Particulars	Arya Omnitalk Radio Trunking Services Private Limited	Arudrama Developers Private Limited
		(b)	(e)
1	Latest Audited Balance Sheet Date	31-03-2019	31-03-2018
2	Shares of Joint Ventures held by company on the year end		
	i) Number	10,05,000	50,000
	ii) Amount of Investment in Joint Ventures	6.01	2.05
	iii) Extend of Holding%	50%	50%
3	Description of how there is significant influence	Note A	Note A
4	Reason why the joint venture is not consolidated	Not Applicable	Not Applicable
5	Net worth attributable to shareholding as per latest Audited Balance sheet	8.64	2.05
6	Profit/( Loss ) for the year		
	i) Considered in Consolidation	0.92	-
	ii) Not Considered in Consolidation	-	-

#### Note :

A There is Significant influence due to percentage(%) of Share Capital.

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

##### Sanjay S Lalbhai

Chairman &  
Managing Director  
DIN:00008329  
Ahmedabad  
May , 2019

##### Jayesh K Shah

Director &  
Chief Financial Officer  
DIN:00008349  
Ahmedabad  
May , 2019

##### R. V.Bhimani

Company  
Secretary  
Ahmedabad  
May , 2019



## LOCATIONS &amp; SITES FOR THE YEAR 2018-19

## Locations &amp; Sites

Lifestyle Fabrics – Denim Arvind Limited Naroda Road Ahmedabad – 380 025 Gujarat, India Tel : +91-79-68268000/68268164 Fax : +91-79-68268671 E-mail : saurabh.samnol@arvind.in	Lifestyle Fabrics – Voiles Ankur Textiles Outside Raipur Gate Ahmedabad – 380 022 Gujarat, India Tel : +91-79-68267200 Fax : +91-79-68267350 E-mail : brijesh.bhati@arvind.in	Lifestyle Fabrics – Shirting, Khakis and Knitwear Arvind Limited PO Khatrej, Taluka Kalol Dist. Gandhinagar – 382 721 Gujarat, India Tel : +91-2764-395000 Fax : +91-2764-395040 E-mail : pranav.dave@arvind.in
Lifestyle Apparel – Knits Arvind Limited PO Khatrej, Taluka Kalol Dist. Gandhinagar – 382 721 Gujarat, India Tel : +91-2764-395410 E-mail : nitin.seth@arvind.in	Lifestyle Apparel – Jeans Arvind Limited #26/2, 27/2, Kenchenahalli Mysore Road, Near Bangalore University Bangalore – 560 059 Tel : +91-80-33719000 E-mail : aamir.akhtar@arvind.in	Lifestyle Apparel – Shirts Arvind Limited # 63/9, Dodda Thogur Village Electronic City, Hosur Road Bangalore-560100, Karnataka, India Tel : +91-80-33717000 E-mail : susheel.kaul@arvind.in
Arvind Intex (Division of Arvind Limited) Rajpur Road, Gomtipur Ahmedabad – 380 021, Gujarat, India Tel : +91-79-68269200 E-mail : jigger.shastri@arvind.in	Arvind Polycot Khatrej, Taluka Kalol Dist. Gandhinagar- 382 721 Gujarat, India Tel : +91-2764-395000	Arvind Cotspin D-64, MIDC, Gokul Shirgaon Tal. Karveer Kolhapur – 416 234, Maharashtra, India Tel : +91-0231-2672455/56/57 E-mail : suresh.kudache@arvind.in

## Subsidiaries &amp; Joint Ventures

Adient Arvind Automotive Fabrics India Private Limited Arvind Ltd. Premises Santej/ Khatraj Industrial Complex PO Khatraj, Tal-Kalol Dist- Gandhinagar-382721, Gujrat Tel : 7011156814 E-mail : vijay.singh@adient.com	Arvind Goodhill Suit Manufacturing Private Limited Plot No. 50 B1 & 50 C1, Survey No. 299 Bommasandra Industrial Area Bangalore - 560099 Tel : 080-49461026 E-mail : anandh.bk@arvindgoodhill.com	Arvind PD Composites Private Limited Village: Moti Bhoyan, Tal-Kalol Dist- Gandhinagar-382721, Gujrat Tel : 02764-675000 E-mail : shreyans.patel@arvind-pd.in
Arvind OG Nonwovens Private Limited Block No. 315/p, Plot No. 92 Village : Kharanti, P.O. Simej, Ta. Dholka Dist. Ahmedabad - 382 265, Gujarat Tel : 02714-304400 E-mail : amit.pal@arvind.in	Arvind Smart Textiles Limited Indus Industrial Park Plot No. 1,2,3,4,11,12 & 13, SY No. 504 & 506 Opp Pharma SEZ, Sarkhej-Bavla Rd, NH-8A Matoda, Sanand, Ahmedabad, Gujarat E-mail : amit.panchal@arvind.in	Arvind Smart Textiles Limited Plot No. 253, 255 and 256, Ring Road Near Vinaika Shed Rampur, Malti, Ranchi - 834010 Tel : 9327438718 E-mail : vineet.madani@arvind.in
Arvind Envisol Limited Arvind Mill Premises Naroda Road, Ahmedabad – 380 025 Tel : 079-68266019/6038/6039 Fax : 079-68268677 E-mail : support.envisol@arvind.in; dinesh.yadav@arvind.in	Arya Omnitalk Wireless Solutions Private Limited Corporate Office: Unit No. A202, 2nd Floor Summer Court, Magarpatta City, Pune – 411 013 Tel : +91-20-67470100 (Board line) Fax : +91-20-67470199 E-mail : ssagarwal@aryaomnitalk.com	

## Overseas Offices

Arvind Worldwide Inc. 525, 7th Ave, Suite 1211 New York, NY - 10018 Tel : 212-431-4256 E-mail : viresh@arvinddenimlab.com	Arvind Limited Plot # 221 Bir Uttam Mir Shawkat Road (Gulshan – Tejgaon Link Road) Tejgaon I/A, Dhaka – 1208 Bangladesh Tel : +880-2-9887123/124 E-mail : p.anilkumar@arvind.in	Arvind Lifestyle Apparel Manufacturing PLC Shed No. 5, Bole Lemi Industrial Zone Woreda 11, Bole Sub-city Addis Ababa, Ethiopia
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## ARVIND LIMITED

(CIN: L17119GJ1931PLC000093)  
Registered Office: Naroda Road, Ahmedabad-380 025  
E-mail: [investor@arvind.in](mailto:investor@arvind.in) Website: [www.arvind.com](http://www.arvind.com)  
Phone: 079-68268000 Fax: 079-68268668

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

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

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

NAME AND ADDRESS OF THE SHAREHOLDER / PROXY \_\_\_\_\_

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company held on Tuesday, the 6th August, 2019 at 9:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015.

\* Applicable for investors holding shares in electronic form.

\_\_\_\_\_  
Signature of Shareholder / Proxy



## ARVIND LIMITED

## PROXY FORM

(CIN: L17119GJ1931PLC000093)  
Registered Office: Naroda Road, Ahmedabad-380 025  
E-mail: [investor@arvind.in](mailto:investor@arvind.in) Website: [www.arvind.com](http://www.arvind.com)  
Phone: 079-68268000 Fax: 079-68268668

**Form No. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No. / Client ID: \_\_\_\_\_

I/We, being the member (s) of above named Company, hold \_\_\_\_\_ shares hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
2. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him;
3. Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on 6th August 2019 at 9:30 a.m. at J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad-380015 and at any adjournment thereof in respect of such resolutions as are indicated below

Resolution No.	RESOLUTIONS	Optional *	
		For	Against
<b>Ordinary Business</b>			
1	Ordinary Resolution for adoption of Audited Financial Statements including Consolidated Financial Statements for the financial year ended 31st March 2019 and Reports of Directors and Auditors thereon.		
2.	Ordinary Resolution for declaration of dividend on equity shares.		
3.	Ordinary Resolution for re-appointment of Mr. Punit Lalbhai as Director of the Company, liable to retire by rotation.		



Resolution No.	RESOLUTIONS	Optional *	
Special Business		For	Against
4.	Special Resolution for appointment and approval of overall remuneration of Mr. Jayesh Shah as Director and Group Chief Financial Officer for a period of five years from 1st October 2019 to 30th September 2024.		
5.	Special Resolution for re-appointment of Mr. Dileep C. Choksi as an Independent Director of the Company.		
6.	Ordinary Resolution for appointment of Mr. Arpit K. Patel as an Independent Director of the Company.		
7.	Special Resolution for approval of offer or invitation to subscribe to Non-Convertible Debentures on private placement basis upto ₹ 300 crores.		
8.	Ordinary Resolution for Ratification of the remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants for the financial year ending 31st March 2020.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Signature of Shareholder \_\_\_\_\_

Signature of Proxyholder(s) \_\_\_\_\_

Affix  
Revenue  
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**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Annual General Meeting.
- \*3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.



# Arvind Limited

Regd. Office: Naroda Road, Ahmedabad - 380 025

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**GUJARAT:** **Ahmedabad:** Ashram Road, Ph: 079-40072819, CG Road, Ph: 079-26401550/40371121, Chandkheda, Ph: 079-48011120, Prahladnagar, Ph: 079-26937032/ 48011121, Savedi Road, Ph: 0241-6609004 **Anand:** Opp Town hall, Ph: 02692-267202/ 7817084705 **Bardoli:** Opp. to V K Tower, Ph: 02622-227640/ 7817084710 **Bharuch:** Station Road, Ph: 0264-2260014/ 7817084709 **Bhuj:** Jubilee Circle, Ph: 02832-223880/ 7817084719 **Deesa:** Hinglas Plaza, Ph: 02744-227789 **Junagadh:** Motibagh, Ph: 0285-2672500/ 7817084715 **Maninagar:** Isanpur Vatva Road, Ph: 079-25440534 **Mehsana:** T. B. Road, Ph: 02762-233234 **Morbi:** Ravpara Road, Ph: 02822-225008/ 7817084714 **Palanpur:** Old Gunj Bazar, Ph: 9574007392 **Patan:** Opp. Patan District Court, Ph: 02766-226222 **Porbandar:** Near Sahyog Hospital, Ph: 0286-2243444 **Rajkot:** Trikon Baugh, Ph: 0281-2230144/ 7817084712 **Surat:** Bhatar Char Rasta, Ph: 0261-2238343/ 3992099 **Vadodara:** Alka Puri, Ph: 0265-2322202/ 7817084708 **Vapi:** Fortune Square, Ph: 7959780585

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**ORISSA:** **Bhubaneswar:** Saheed nagar, Ph: 0674-2549790 **Cuttack:** PS-Mangalabaug, Ph: 0671-2307407 **Sambalpur:** Near Chandan Sweet, Ph: 0663-6550141

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**RAJASTHAN:** **Kota:** Kotri Circle, Ph: 0744-2391199

**SIKKIM:** **Gangtok:** MG Road, Ph: 973050707

**TAMIL NADU:** **Chennai:** Annanagar, Ph: 044-43506611, Tambaram, Ph: 044-42300088 **Coimbatore:** R.S. Puram, Ph: 0422-4365557 **Erode:** Permdurai Road, Ph: 0424-6506501 **Madurai:** Thallakulam, Ph: 0452-4200466 **Vellore:** New Katpadi Road, Ph: 0416-2223399

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**UTTARAKHAND:** **Haldwani:** Nainital road, Ph: 05946-283322 **Haridwar:** New Haridwar Colony, Ph: 01334-225555

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