ARVIND

www.arvind.com

August 31, 2020

BSE Limited
Listing Dept./ Dept. of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400001

Security Code : 500101
Security ID : ARVIND

National Stock Exchange of India Limited
Listing Dept., Exchange Plaza, 5th Floor
Plot No. C/1, G. Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400051

Symbol : ARVIND

Dear Sir/Madam,

Subject: Annual Report 2019-20

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the financial year 2019-20 alongwith the Notice convening the Annual General Meeting scheduled to be held on Friday, the 25th September 2020 at 11:00 a.m. through Video Conference ("VC")/ Other Audio Visual Means ("OAVM").

The above is also available on the website of the Company at www.arvind.com

This is for your information and records.

Thanking you,

Yours faithfully,

ARVIND LIMITED NARODA ROAD 380025 AHMEDABAD

R. V. Bhimani
Company Secretary

Encl: As above

Arvind Limited,
Naroda Road,
Ahmedabad. 380 025, India
Tel.: +91 79 68268000
CIN: L17119GJ1931PLC000093

Arvind
FASHIONING POSSIBILITIES

WEAVING INNOVATIVE IDEAS

ARVIND LIMITED
CIN: L17119GJ1931PLC000093

89th Annual Report 2020

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Board of Directors

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

Audit Committee

Mr. Arpit Patel - Chairman
Mr. Dileep Choksi - Member
Dr. Bakul Dholakia - Member
Mr. Jayesh 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 Choksi - Member

Corporate Social Responsibility Committee

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

Risk Management Committee

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

Management Committee

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

Company Secretary

Mr. R.V. Bhimani

Registered Office

Naroda Road, Ahmedabad-380025, Gujarat, India
Website: 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
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
Website: www.linkintime.co.in

Chairman's Message

Dear Shareholders:

I am writing to you as an unprecedented chapter is playing out in our plant's recent history. We have been grappling with a highly contagious viral infection, which has brought global business, trade and travel to almost a grinding halt. Governments have been leading their countries in and out of lock-downs with mixed success in containing the spread. Thus far, little has been understood about this deadly virus, and this has left governments and businesses in a zone of uncertainty with no definitive visibility for coming months and quarters.

Personally, I am an optimist, and great believer of human ingenuity and capability. I am quite certain that the world will find a way to deal with the challenges posed by this virus. It may take some more time than what we would all like, and but win sure we will. We all will have to live with this uncertainty and manage our anxieties, but make quick and smart decisions as the situation unfolds. This is exactly how we are leading and managing your 89-year old company – Arvind Limited.

But for the disruptions caused during the last two weeks of March, FY2020 has been a generally good year for Arvind. Our 11-month performance until February tracked the plans we had defined at the onset of the financial year. We had grown by 10% in the Textiles business and 20% in our Advanced Materials business. Through the year, we kept up our efforts towards keeping our cost structures lean and our operations tight. This has also reflected in significantly better working capital turns.

Taking a step back, the macro environment during the year has been a mixed one for our core textiles business. Global economic growth has been muted for 2nd half of 2019, and the Indian economy continued to grapple with many challenges that kept consumer sentiment moderated. Previous year's trends such as shift to sharply priced merchandise, fast fashion, shift towards sports inspired athleisure products and growth of online fashion retail continued during FY20 as well.

We at Arvind have been on a path to further consolidate our position as strategic supply chain partner to world's successful apparel brands. To this end, we have expanded our own apparel manufacturing facilities, and also forged close partnerships with large garmenting players to offer end to end solution to global brands. During first

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half of FY20 our greenfield facilities in Ranchi and Ahmedabad area, and expansion and modernization of our garment factories in Karnataka got completed. As a result, our garment output increased by 24% to 42 million pieces.

Our Advanced Materials businesses continued to solidify their respective market positions in highly specialized niche products. We opened new customer relationships and improved our wallet share across large customer accounts in protective apparel, industrial filters and belts, and fibre-glass reinforced composites. Our recently launched carbon-fibre sports products got very good customer reviews and market reception.

We continue to push our boundaries with our allies across all our six key Sustainability goals on - Cotton, People, Money, Energy, Water and Chemicals. We have made significant stride on our cotton programs, where our Sustainable farming operations now cover 80,000 farmers and are spread across more than 300,000 acres of farmland. We also made considerable progress on our water recycling goals by commissioning an 8 MLD sewage recycling plant, thereby eliminating the use of ground water for Denim production. We have further expanded our renewable energy footprint by adding solar capacity and increasing biomass uptake during the past year. As I mentioned earlier, we kept a laser sharp focus throughout the year to manage our costs, capital allocation and organization. Not only has this helped us reduce our borrowings significantly, but also brought a very good financial and operating discipline which is helping us address the challenges brought on by Covid-19.

I assure you that your company is well positioned to come out of this historically challenging episode much stronger. We have already made several difficult but prudent decisions. We will continue to watch the situation with a high degree of alertness and act swiftly in a decisive manner.

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

With warm regards,

Sanjay Lalbhai

Sanjay Lalbhai

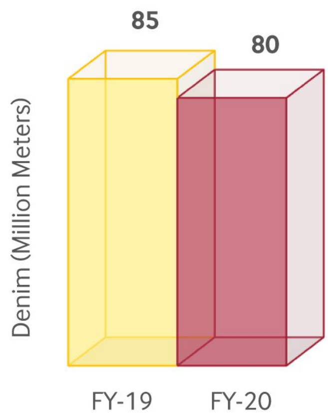
Arvind Ltd. is a leading conglomerate with interests in textile, brands, retail, engineering, water treatment and advanced materials sectors, amongst others.

Denim	Woven	Garments
100	**140**	**42**
million meters production capacity in denim fabric	million meters production capacity in woven fabric	million garments produced in FY 20

Company is headquartered in Ahmedabad, Gujarat and ranks amongst the top suppliers of fabric worldwide. With an annual production capacity of more than 100 million meters in denim and 140 million meters in woven fabric, your Company supplies fabric to many leading brands, both in India and across the world. We are also the garment maker of choice to many leading brands across the globe with 42 million achieved in FY 20 and continue on our journey to be more vertical company by increasing garment business.

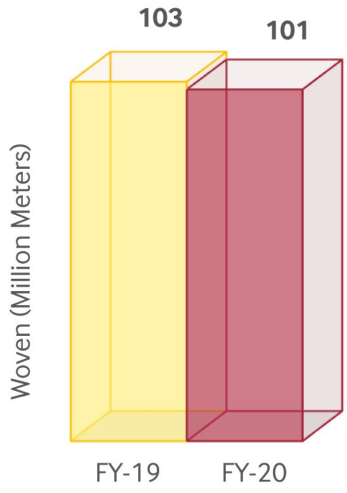
Denim

Denim fabric business saw a decrease in volume from 85 million meters to 80 million meters. Denim business continues to face over-capacity in domestic market and new capacity additions in Bangladesh. For the first three quarters Denim volumes were a healthy 20 million meters plus. Especially for Q2 and Q3, they compared well with the previous year numbers as well. It is in Q4 when the shipments came down by 20% to 17.4 million meters, and the price realization also softened a bit. For the full year though, Denim realizations remained healthy, and this helped clock revenues of Rs 1517 crores (about 5% lower than last year).



Woven

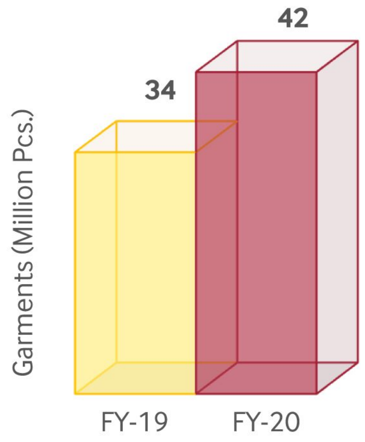
Woven volumes also were lower by approximately 2 million meters, and stood at 101 million meters for the full year. Similar to Denim, Woven volumes were comparable to those in the previous year for the first three quarters. It is only as a result of Covid-19 impact in Q4 that we saw a 28% reduction in Woven volumes, which stood at close to 25 million meters as against 34 million meter level during the fourth quarter of the previous two years. Prior to Covid-19, the B2B business continued its planned performance by consolidating position in key export and domestic brand accounts. Revenue saw a decline to Rs 1689 cr from Rs 1763 cr. Our B2C business, which was restructured as a largely franchisee operation during the previous year, saw good market acceptance as we continued to get interest for new franchises. The retail suiting business which was built as a direct to retail business over last 5 years, was restructured to become a wholesaler led business during the year, just like Shirting.



Garment

During the year, we completed the implementation of garmenting expansion. This includes modernization and capacity expansion at our Bangalore/Karnataka plants, as well as customer shipment momentum from our greenfield factories in Ranchi and Ahmedabad area. The total garment shipments, excluding essentials jumped from 34 million pieces to 42 million pieces during the year.

Going forward, we are also leveraging close partnership with our garmenting partners to present a virtual integrated package to our brand customers. This will be key to continuing our garmenting capacity expansion in near future, as uncertainty will be hallmark of market demand.



Advanced Materials

Advanced Materials division (AMD) continued its momentum and delivered another strong performance in during FY2020. This business grew its top-line from Rs 486 crores in FY18 to Rs 630 crores in FY19, and despite the March end disruptions, ended the year at Rs 713 cr. EBITDA, improved from 10.4% to 12.9% during the 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. Newly introduced sports goods made with carbon-fibre-reinforced composites, got strong customer reviews and saw volumes and order commitments go up. Lastly for AMD, the Industrial products businesses – which include various kinds of liquid and gas filtration, belting, coated fabrics and yarn – also saw nice pick-up on the revenue side, and delivered healthy contributions.

Other businesses

Among other businesses that the company deals in, Arvind Envisol deals in design, erection, commissioning, operations and maintenance of water and waste water treatment plants for Industrial Waste water & Zero Liquid Discharge Solutions. It provides world's most cost-effective environmental solutions to protect our scarce natural resources. This business clocked revenues of Rs 283 crores, as compared to Rs 325 crores previous year. This is a project based business which is scaling up steadily, and as such the revenues tend to fluctuate based on billing milestones.

Sustainability & Us

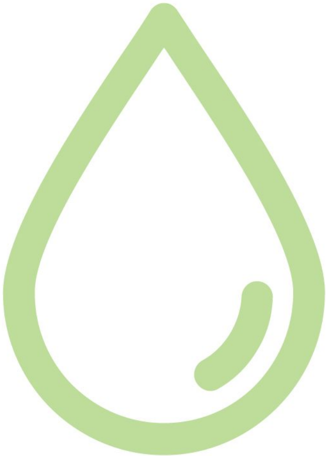
'FUNDAMENTALLY RIGHT' is Arvind's unique sustainability proposition (USP). It is what we stand for, it is what has made us a preferred partner for global brands, provided a loyal customer base, and created more value for the stakeholders. Apart from our quality products, being responsible for the environment and the community is what sets us apart from the competitors.

Fundamentally right is our approach to sustainability that focusses on input management rather than tailpipe intercessions on issues material to us and our stakeholders. The key input materials which are integral to our business include cotton, people, money, energy, water, and chemicals. Our policies, processes, and practices are designed in a way to nurture key input elements at the source and optimize their utilization making our business sustainably sound.

At Arvind, we are not just ensuring that our business remains fundamentally right but also contribute towards achieving the sustainability goals of our clients and staying true to the expectations of our varied stakeholders. Our USP has turned our partners into allies, who are now aligned with our business. We remain well poised to match up to their expectations and perform at par with the international benchmarks.

Water

We have identified and implemented ways to reuse and recycle water and to minimize our water footprint. We implemented a breakthrough Public-Private-Partnership project at Naroda Unit, where we extract process water from sewage wastewater taken from nearby communities through the local municipality's wastewater network. This project was carried out in partnership with one of our leading customers who also made a financial contribution towards this initiative. In addition to the efficient use of water resources, we aim to eliminate the use of freshwater. We have achieved 90% usage of recycled water across our various production units. Most of our production units are operating on 100% recycled water. We also have India's largest Zero Liquid Discharge plant with a recycling capacity of 18 million liters per day. During the reporting period, we also focused on rainwater harvesting and saved water for washing, which is a high water consuming process. More details in the water section.



Energy

Optimizing energy productivity offers myriad benefits such as GHG emissions reduction and low annual energy costs. Adding renewables to the energy mix enables us to derive maximum value out of each unit of energy consumed. Combined, these steps make us a more responsible energy user and enable us to move on to the decarbonization pathway. This year we further expanded India's largest rooftop solar power generation facility at our Santej textile complex. This plant now has an installed capacity of 18.7 MW and can generate up to 26 million kWh of energy every year. This takes our total Solar capacity across various sites to 25 MW. Efficient technologies deployed across our units and offices help us to keep a keen eye on our energy consumptions. We have put in practice a business-wide Energy Policy with a commitment to continually improve the energy performance of all units of Arvind. We have also exceeded the energy efficiency improvement targets given to us under the PAT scheme of the Bureau of Energy Efficiency.

Cotton

Sourcing sustainable cotton and reducing the negative impact of cotton farming is crucial to our operations. We harness methodologies and promote responsible farming techniques like organic farming and Better Cotton Initiative to ensure that cotton farmers, the communities, and mother Earth reap the benefits of our fabrics. We have also started a new initiative around Regenerative Organic farming, aiming at the holistic development of farms and farming communities. We are working closely with more than 80,000 farmers covering an area of 300,000 acres for cultivation of sustainable cotton with reduced environmental impacts and to generate positive social impact. The agriculture projects are helping farmers reduce their dependence on fertilizers and pesticides while enhancing productivity and farm income.

People

We have spelled out guidelines to ensure that we engage in fair labor practices. This includes payment of minimum wages, protection of human rights, prevention of child/forced labor, and encouragement of health and safety best practices. Safety has been our focus area and various measures were put in place to tackle unsafe conditions, behavior, and practices for workers and employees. These efforts led to an overall reduction of 93.36% in incident rate (reportable accident per 1000 workers) and a reduction of 68.42% in fire incidences. Our employees are key members of the

organization, and we are committed to their growth, development, and wellbeing. To keep our 30,000+ workforce updated, we design and implement comprehensive employee engagement and development programs, foster a conducive work environment, and consistently provide opportunities for professional and personal development.

Chemicals

We use the right chemicals judiciously and responsibly. It is our constant effort to find substitutes that have a smaller environmental impact. We treat not only the effluents but also extract useful salts from them; such that they can be reused. We have developed a database of safer chemistry to assist brands, suppliers, and chemical producers to make better sourcing decisions. At Arvind, we believe replacing conventional chemistry with green chemistry triggers a massive change-reaction that propels fashion that is in harmony with nature. We realize that greening our processes requires more than just replacing chemicals and processes. It requires replacing perspectives and practices that are needed in being fundamentally right.

Money

Our strong financial performance is the 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. Over the period, we utilized different financial tools to access capital for expanding capacities, fuelling growth, nurturing talent, leveraging technology, and giving back to the community and environment. Going ahead, Arvind's value creation agenda involves continuing to scale-up and solidify our core textiles business and continue to grow our asset-light garment business model as part of our vertical integration strategy.

Corporate Social Responsibility Initiatives

Care for the society has been an intrinsic value for the promoters of the Lalbhai group. We have a long tradition of reaching out to the society through planned interventions. The value system underlying this firm belief is that healthy businesses flourish only in a healthy society and to ensure this, business leaders must positively impact society. We strongly believe that a company can improve its own functioning by influencing the environment in which it operates. The responsibility of undertaking development initiatives is jointly shared by Arvind Foundation (AF),Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust and Narottam Lalbhai Rural Development Fund (NLRDF). Our key development initiatives include-

Education

Under the broad theme of Educational Advancement, Gyanda is an ongoing supplementary education program designed for primary, secondary and higher secondary school going children. Carried out by SHARDA Trust, our initiative prevents drop out and helps students complete their basic education from standard V to XII and ahead. Gyanda is an ongoing programme that focuses on improving academic performance and overall development of the students. This is done through a 8-12 year's handholding process that aspire to help students become last generation in poverty. Gyanda is operational since 2006-07. More than 5,000 students from lower socio- economic strata have benefitted so far. At present, Gyanda has enrolment of more than 1,100 students.

Women empowerment (CSR in spirit)

We are working towards empowerment and inclusive growth of women belonging to the tribal areas of Gujarat. The project was started in the year 2014 and has enrolled more than 900 women till date. We work with our civil society partners to help women join this program, acquire industry specific vocational skills (Apparel Manufacturing), get employed in Arvind's manufacturing units and stay in company managed dormitories. Stay in dormitories create a unique opportunity of upgrading their qualification and skills in their free time. Apart from employment and earning, the women are enrolled in Babasaheb Ambedkar Open University to further their educational qualification, acquire different life skills and nurture aspiration to move from blue collar to white collar work. We are working on expansion of this program to different geographies.

Rural Advancement

Under the broad theme of Rural Advancement, the Arvind Rural Transformation Initiative (ARTI) is a combination of long term integrated programs focused in defined geographies in Ahmedabad, Gandhinagar and Narmada districts of Gujarat at present. Improving the education environment by upgrading the infrastructure in village schools, increasing enrolment by multiple learning and development programs for the students and support to parents are initiatives aimed at Educational Advancement. A program to improve farm productivity has been started and multiple trainings and exposure visits for capacity building of farmers are organised at for different villages and village groups. Also, more than 20 health camps were organised across 9 villages which helped us to screen more than 1,400 people for various health conditions.

Under rural advancement, NLRDF has been undertaking development initiatives in Gujarat and reaching out to rural and underserved people since 1978. The objective is to improve the delivery mechanism of government programs by becoming a link between government and the rural populace and carry out CSR programmes for different companies. It also undertakes need based, sustainable development programs in the region with focus on agriculture, health and sanitation, rural energy, HIV/AIDS prevention, women and child development, skill development, solar energy and livelihood enhancement.

Inner Well Being

As part of our rural transformation strategy, Arvind is carrying out an Inner Wellbeing Program in rural Gujarat and Rajasthan since last four years. This is the result of our conviction that physical and social developments are meaningful only if people are also well from within. Heartfulness Meditation programs are being conducted in a planned and structured manner. This program is based on the Sahaj Marg system of Raja Yoga meditation. In 2019-20, we conducted sessions in close to 200 places and reached out to around 15,000 people.

Indigo Museum

To support cultural advancement, the company has approved a unique plan to set up an Indigo Museum to capture the story of indigo and associated materials and capture broader narratives around the story of the colour, cloth, trade, revolutionary struggles, design thinking and artistic collaborations. India's cultural connection to Indigo is unique. India was the Indigo capital of the world. Indigo owes its name to the country – "Indikon" in Greek which means "from India". This is our way to pay respect to our heritage.

Promotion of Indology

As part of our commitment to support Cultural Advancement, through this ongoing program, the company has been supporting Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) towards its efforts to preserve India's rich heritage. The project named Promotion of Indology is creating a comprehensive, research-oriented digital repository of paper/palm-leaf manuscripts housed in Lalbhai Dalpatbhai Institute of Indology (LDII). These digital grabs will initially be accessible on low resolution digital media (hard disks, compact disks), leaving open the possibility of uploading the material onto a website. High resolution versions of the material will be made available as and when appropriate. Around 32 lacs pages of such Manuscripts are available at LDII.

Livelihood Promotion

As part of our Rural Transformation program, we carried out a Home Stay Project in villages in Garudeshwar Taluka in Narmada District. With the aim to increase the income of tribal families, quality home stay facilities were created for tourist at rural homes. The Taluka has the advantage of hosting the World's tallest statue – The Statue of Unity which is a major tourist destination there and hence a huge potential of additional alternative income for the native tribal families.

Working with Artisans

The Company support to the project titled "Walking Hand-in-Hand - Taking Unnamed Artisans to the World Stage" continued in second year. The project is being implemented by CDS Art Foundation. The project supports such artisans who work on exquisite textiles but largely remain unnoticed and unsupported. The initiative identify, engage, encourage and support such artisans who have unique ability and potential to go far. These are Masters who are not only self-employed but are employment providers too in their community.

Notice

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Friday, the 25th September 2020 at 11:00 a.m. through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") (hereinafter referred to as "electronic mode") 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, 2020 and the reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Kulin Lalbhai (holding DIN 05206878), 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

3. 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 197 and 198 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and subject to all approvals, permissions and sanctions as may be necessary, approval of the Company be and is hereby accorded for the payment of commission to the Director(s) of the Company who is/ are neither in the wholetime employment nor managing director(s), in accordance with and upto the limits not exceeding 1% as laid down under the provisions of Section 197 of the Act, computed in the manner specified in the Act, and paid to the Directors of the Company or some or any of them (other than the Managing Director and Wholetime Director(s)), for a period of 5 years from 1st April 2020 to 31st March 2025 in such manner and upto such amount within the above limit as the Board and/ or Committee of the Board may, from time to time, determine.

   RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board and/ or Committee of the Board be and are hereby authorized to take all actions and to do all such deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any questions, difficulty or doubt that may arise in this regard.

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 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), Dr. Bakul H. Dholakia (holding DIN 00005754), who was appointed as an Independent Director up to July 31, 2019 and who is eligible for re-appointment and 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 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 July 31, 2024 on the Board of the Company.

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), Ms. Renuka Ramnath (holding DIN 00147182), who was appointed as an Independent Director up to July 31, 2019 and who is eligible for re-appointment and 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 her 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 July 31, 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 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. Nilesh Shah (holding DIN 01711720), who was appointed as an Independent Director up to May 5, 2020 and who is eligible for re-appointment and 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 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 May 5, 2025 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 13, 15 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 including any statutory modifications or re-enactment thereof for the time being in force ("Act") and subject to necessary approvals, permissions, sanctions of any authority, statutory or otherwise, as may be required and subject to such conditions and modifications as may be prescribed by these authorities, the Main Object Clause (2) of Memorandum of Association of the Company be and is hereby altered by inserting following new Sub Clause (2)(rr), after existing Clause (2)(r) so as to read as under:

(2)(rr) : To carry on business as builders, contractors, developers and to engage in development of land and/ or building property of any tenure, nature or kind, and to engage in organization, purchase, trading, sale, lease, exchange of property, and to construct, maintain, repair, renovate property, itself or through other agencies, and to hold property for development, construction, sale, lease, hire or exchange and to participate in joint ventures for development of property and to provide services for development of land and/ or building, property, and all other businesses or services related to above and to carry on any activity in connection therewith or incidental thereto other than the Real Estate business as defined under the foriegn direct investment laws that may be updated from time to time

RESOLVED FURTHER THAT all the copies of Memorandum of Association of the Company be altered accordingly.

RESOLVED FURTHER THAT the Board of Directors (including any committee thereof) or any of the Directors, the Company Secretary or duly authorized officer of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered desirable, expedient and necessary in their absolute discretion, deem proper, necessary or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto and to accept and carry out any modifications, alteration or changes to aforementioned resolution as may be suggested or directed by the Registrar of Companies or any other appropriate authority without requiring any further approval of the members of the Company and to settle any question, difficulty or doubt, that may arise in giving effect to aforementioned resolution.

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

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (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 ₹ 150 Crores (Rupees One Hundred Fifty 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.

9. 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 2021, 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: June 27, 2020

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

Notes

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. The deemed venue for the Annual General Meeting of the Company shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at Note No. 20 below.
2. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.arvind.com; websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at www.nseindia.com and www.bseindia.com respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Members attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. 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.
6. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders' Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
7. ***Registration of email ID and Bank Account details:***

   In case the shareholder's email ID is already registered with the Company/ its Registrar & Share Transfer Agent ("RTA")/ Depositories, log in details for e-Voting are being sent on the registered email address.

   In case the shareholder has not registered his/ her/ their email address with the Company/ its RTA/ Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

   (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/ Bank detail Registration - fill in the details and upload the required documents and submit.

   OR

   (ii) **In the case of Shares held in Demat mode:**

   The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
8. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the business under Item Nos. 3 to 9 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of the 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. 4, 5 and 6 of the Notice, are also annexed.
9. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19th September 2020 till Friday, 25th September 2020 (both days inclusive).
10. 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.
11. 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.
12. 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.

13. 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.

14. All unclaimed dividends and shares in respect thereof up to the financial year 2005-06 and for financial year 2011-12 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 and shares in respect thereof for the financial years 2012-13 to 2017-18 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 in respect thereof are transferred to the Investor Education and Protection Fund, members will have to approach to IEPF for such dividends and shares.

15. 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.

16. 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.

17. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed with Notice.

19. **Instructions for voting through electronic means (e-Voting):**

    I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.

    II. The Company has engaged the services of NSDL as the Agency to provide remote e-Voting facility and e-Voting during the AGM.

    III. Mr. Hitesh Buch, Practicing Company Secretary (Membership No. FCS 3145, COP 8195) has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting in a fair and transparent manner.

    IV. The Results of voting will be declared within 48 hours from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website www.arvind.com and NSDL's website www.evoting.nsdl.com.

    V. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, 18th September 2020. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.

    VI. The remote e-Voting facility will be available during the following period:

        a. Commencement of remote e-Voting: 09:00 A.M. (IST) on Tuesday, 22nd September 2020.

        b. End of remote e-Voting: 05:00 P.M. (IST) on Thursday, 24th September 2020.

        c. The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period.

    VII. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

    VIII. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

    IX. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in mentioning their demat account number/ folio number, PAN, name and registered address. However, if he/ she is already registered with NSDL for remote e-Voting then he/ she can use his/ her existing User ID and password for casting the vote.

    X. **Process and manner for Remote e-Voting:**

    Members are requested to follow the below instructions to cast their vote through e-Voting:

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2: Cast your vote electronically on NSDL e-Voting system

    Details on Step 1 are mentioned below:

    How to Log-in to NSDL e-Voting website?

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholders' section.

    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

    Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your *existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on **"Forgot User Details/ Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/ folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

<u>How to cast your vote electronically on NSDL e-Voting system?</u>

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

<u>General Guidelines for shareholders</u>

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to pcs.buchassociates@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting

user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

20. **Instructions for Members to attend the AGM through VC/OAVM:**

I. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by using their remote e-Voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

II. Facility of joining the AGM through VC/OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis. Further, an additional time of 15 minutes after the commencement of the meeting shall also be provided for joining the meeting.

III. Members are encouraged to join the Meeting through Laptops for better experience.

IV. Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

V. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

VI. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990.

VII. Members seeking any information with regard to the annual accounts for 2019-20 or any business to be dealt at the AGM, are requested to send an e-mail on investor@arvind.in on or before 22nd September 2020 along with their name, DP ID and Client ID/ folio number, PAN and mobile number. The same will be replied by the Company suitably.

VIII. Further, members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/ Folio Number, PAN and mobile number at investor@arvind.in on or before 22nd September 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Registered Office:
Naroda Road
Ahmedabad-380025
Date: June 27, 2020

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

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

Item No. 3

Currently, the Non-Executive Directors (other than the Managing Director, Wholetime Directors) are paid commission not exceeding 1% per annum of the net profits of the Company in terms of the resolution passed by the Members at the Annual General Meeting held on 6th August 2015 and as decided by the Board of Directors of the Company. The said approval is valid for a period of five years from 1st April 2015.

Section 197 of the Companies Act, 2013 permits the payment of remuneration to a Director who is neither a Wholetime Director, nor a Managing Director of a Company, by way of commission not exceeding 1% of the net profits of the Company, if the Company authorizes such payment by a Special Resolution at the General Meeting of the Company. The Non-Executive Directors including Nominee Directors are required to devote more time and attention to the Company, particularly in view of more responsibility expected of them through Corporate Governance Policies. The Board, therefore, recognizes the need to suitably remunerate the director(s) of the Company who are neither in the wholetime employment nor managing director(s) with commission up to a ceiling of 1% of the net profits, if any, of the Company, every year, computed in the manner specified in the Act, for a period of 5 years from 1st April 2020 to 31st March 2025. The Board and/or Committee of the Board may from time to time determine, every year the amount of commission within the limit of 1% of the net profit and the same be apportioned amongst the Non-Executive Directors [other than the Managing Director and Wholetime Director(s)] in such manner as the Board and/ or Committee may deem fit for a period from 1st April 2020 to 31st March 2025. The payment of remuneration by way of commission to Non-Executive Directors will be in addition to the sitting fees payable to them for attending each meeting of the Board/ Committee.

Item No. 4

The Members at Annual General Meeting held on 30th July 2014 approved the appointment of Dr. Bakul H. Dholakia as an Independent Director of the Company for a period of five years upto 31st July 2019. Now, the Board of Directors of the Company ('the Board') on 23rd July 2019, on the recommendation of the Nomination & Remuneration Committee, recommended the re-appointment of Dr. Bakul H. Dholakia as an Independent Director of the Company with effect from 1st August 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 retirement by rotation.

The Board is of the view that the continued association of Dr. Bakul H. Dholakia would benefit the Company, given the knowledge, experience and performance of Dr. Bakul H. Dholakia. Declaration has been received from Dr. Bakul H. Dholakia 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, Dr. Bakul H. Dholakia 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.

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

Dr. Bakul H. Dholakia 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. 5

Members at Annual General Meeting held on 30th July 2014 approved the appointment of Ms. Renuka Ramnath as an Independent Director of the Company for a period of five years upto 31st July 2019. Now, the Board of Directors of the Company ('the Board') on 23rd July 2019, on the recommendation of the Nomination & Remuneration Committee, recommended the re-appointment of Ms. Renuka Ramnath as an Independent Director of the Company with effect from 1st August 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 her appointment shall not be subject to retirement by rotation.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to avail services of Ms. Renuka Ramnath as an Independent Director. Ms. Renuka Ramnath fulfils the conditions specified in Section 149(6) read with Schedule IV to the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management. She is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Director.

Consent of the Members is required by way of Special Resolution for reappointment of Ms. Renuka Ramnath, in terms of Section 149 of the Act. Requisite Notice proposing the appointment of Ms. Renuka Ramnath has been received by the Company, and consent has been filed by Ms. Renuka Ramnath pursuant to Section 152 of the Act.

Ms. Renuka Ramnath and her 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 Special Resolution.

The Board recommends this Special Resolution for your approval.

Item No. 6

The Members at Annual General Meeting held on 6th August 2015 approved the appointment of Mr. Nilesh Shah as an Independent Director of the Company for a period of five years upto 5th May 2020. Now, the Board of Directors of the Company ('the Board') on 30th April 2020, on the recommendation of the Nomination & Remuneration Committee, recommended the re-appointment of Mr. Nilesh Shah as an Independent Director of the Company with effect from 6th May 2020, 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 retirement by rotation.

The Board is of the view that the continued association of Mr. Nilesh Shah would benefit the Company, given the knowledge, experience and performance of Mr. Nilesh Shah. Declaration has been received from Mr. Nilesh Shah 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. Nilesh Shah 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.

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

Mr. Nilesh Shah 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. 7

The Company has large parcels of surplus land. To bring them to saleable condition, these lands need to be developed, with or without appointing development agents. In order to enable the Company to develop and monetize the land bank, an amendment in the object clause is proposed to be made by inserting new sub-clause (2)(rr) after the existing sub-clause (2)(r) of the Memorandum of Association (MOA) of the Company. This addition of this sub-clause is aimed at providing flexibility to the Company to commence Real Estate development activities, either though itself or through development agencies, for better value realization which otherwise would not be feasible to achieve.

Pursuant to provisions of Section 13 and other applicable provisions, if any of the Act, alteration in the MOA of the Company requires the approval of the members by means of a Special Resolution. In view of this, the proposed special resolution has been recommended to the Members of the Company.

The draft of the altered MOA is uploaded on the Company's website at www.arvind.com and is also available for inspection for the Members at the Registered Office of the Company during normal business hours on all working days.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, directly or indirectly, concerned or interested (financial or otherwise) in the Special Resolution as set out in Item No. 7 of this Notice.

In the opinion of the Board, the proposed special resolution is in the interest of the Company and its shareholders and therefore, recommend passing of the Special Resolution as set out in Item No. 7 of this Notice.

Item No. 8

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

In order to meet the financial needs of the Company, the Company may make an offer of NCDs or invite subscription to NCDs on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the special resolution by the members, for an aggregate amount not exceeding ₹ 150 crores (Rupees one hundred fifty crores). It is proposed that the Board, which term shall be deemed to include any Committee of Directors which the Board may have constituted/ will constitute to exercise any or all of its powers including the powers conferred by this resolution, be authorized to issue NCDs within the aforesaid limits, on such terms and conditions as it may deem fit.

The Board recommends the resolution at Item No. 8 for your approval. None of the Directors or any Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9

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, 2021 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. 9 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

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. 2, 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. Kulin Lalbhai	Dr. Bakul Dholakia	Ms. Renuka Ramnath	Mr. Nilesh Shah
Director Identification Number (DIN)	05206878	00005754	00147182	01711720
Date of Birth	13th August 1985	15th July 1947	14th September 1961	22nd November 1968
Date of first appointment on the Board	26th July 2012	21st July 2010	28th October 2010	6th May 2015
Qualifications	• B.Sc. (Electrical Engineering), Stanford University, USA • MBA - Harvard Business School, USA	• Ph.D. (Economics), MS University, Baroda • M.A. (Economics) Gold Medalist	• Graduate degree in Textile Engineering from V.J. Technological Institute (VJTI), University of Mumbai • Post graduate degree in management studies from University of Mumbai • Advanced Management Program from the Graduate School of Business Administration, Harvard University	• Chartered Accountant • Cost Accountant
Expertise in specific functional area	• Expert in retail technologies and digital transformation • 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	• Expertise in micro and macro economy • General management and financial management skills including mergers and acquisitions • Legal and regulatory management • Industrial relations and overall stakeholder management	• Expertise in Indian consumer and retail markets and e-commerce • General management and financial management skills including mergers and acquisitions • Legal and regulatory management	• Expertise in macro economy • Shareholder value creation • General management and financial management skills including mergers and acquisitions • Legal and regulatory management
Brief Profile & Experience	Mr. Kulin Lalbhai is the Executive Director of Arvind Limited. He is driving new initiatives in the consumer businesses of the group. He has been instrumental in setting up several new retail concepts and also spearheads the group's digital initiatives. He also	Dr. Bakul Dholakia is the **former Director of IIM, Ahmedabad**. He was also the Director General of International Management Institute, Delhi. Prior to joining IMI, he was the Director of Adani Institute of Infrastructure Management & Gujarat Adani Institute of Medical Sciences, Bhuj. Dr. Dholakia is a Gold Medalist from	Ms. Ramnath is the Founder, Managing Director and CEO of Multiples Alternate Asset Management, a private equity manager and advisor to funds of ~ USD 1.6 bn. She has over 30 years of experience in the Indian financial sector across private equity, investment banking and	Mr. Nilesh Shah is the Managing Director (MD) of Kotak Mahindra Asset Management Co. Ltd. He has over 25 years of experience in capital markets and market related investments, having managed funds across equity, fixed income securities and real estate for local and global

Name of the Director	Mr. Kulin Lalbhai	Dr. Bakul Dholakia	Ms. Renuka Ramnath	Mr. Nilesh Shah
	plays an active role in the overall Corporate Strategy. Mr. Kulin Lalbhai holds an MBA from the Harvard Business School, and a B.Sc. in Electrical Engineering from the Stanford University. Prior to his current role, he has also been a management consultant at Mckinsey & Co.	Baroda University and holds a Doctorate in Economics. He has 47 years of professional experience including 33 years at IIM, Ahmedabad. During the course of his long tenure at IIM Ahmedabad, Dr. Dholakia occupied the Reserve Bank of India Chair from 1992 to 1999, served as the Dean from 1998 to 2001 and as the Director of the Institute from 2002 to 2007. He had received Best Professor Award for his teaching in Postgraduate Programme at IIMA. He has guided 20 Ph.D. students specializing in Economics, Finance, Business Policy and Public Systems at IIMA. He has been a consultant to various national and international organizations. In 2007, Dr. Dholakia was awarded **Padma Shri** by the Government of India in recognition of his distinguished services in the field of education. In 2008, Dr. Dholakia was conferred the coveted **Bharat Asmita National Award** for his contribution to management education and teaching by the Hon'ble Chief Justice of India. In 2017, Dr. Dholakia received the prestigious **AIMA Award for Excellence in Academic Leadership** for his outstanding contribution to management education in India. Dr. Dholakia has been a major guiding force behind the numerous initiatives and expansion of activities at IIMA contributing to its 56 enhanced international image and global recognition. His achievements in institution building have been nationally and internationally acclaimed. Dr. Dholakia had been a Board Member of Reserve Bank of India Western Area Board from 1993 to 2001. In recognition of his efforts to improve the quality of management education, the	structured finance. Ms. Ramnath started her career with the ICICI Group and had leadership roles in investment banking, structured finance and e-commerce. She led ICICI Venture as the MD & CEO of ICICI Venture to become one of the largest private equity funds in India. One of the most experienced private equity fund managers in India, Ms. Ramnath has a full cycle track record of investing capital raised from global Institutions. She is a Board member of EMPEA, the global industry association for private capital in emerging markets. She is also the Chairperson of the Executive Committee of Indian Venture Capital Association. She is a recent winner of the IVCJ Special Achievement Award. Ms. Ramnath has obtained a graduate degree in textile engineering from V.J. Technological Institute (VJTI), University of Mumbai and a post graduate degree in management studies from University of Mumbai. She has also completed the Advanced Management Program from the Graduate School of Business Administration, Harvard University.	investors. In his previous assignments, Mr. Nilesh Shah has held leadership roles with Axis Capital, ICICI Prudential Asset Management, Franklin Templeton and ICICI securities. Mr. Nilesh Shah is the recipient of the inaugural Business Standard Fund Manager of the year award - Debt in 2004. Kotak, Franklin Templeton and ICICI Prudential Mutual Fund have received many awards including the best fund house of the year award under his leadership. Mr. Nilesh Shah is a gold medalist chartered accountant and a merit ranking cost accountant. His hobbies include reading and educating investors on financial planning. Mr. Nilesh Shah has co-authored book on Financial Planning called "A Direct Take".

Name of the Director	**Mr. Kulin Lalbhai**	**Dr. Bakul Dholakia**	**Ms. Renuka Ramnath**	**Mr. Nilesh Shah**
		Government of India had appointed Dr. Dholakia as the **Chairman of the National Board of Accreditation** for Technical Education in India (2005 to 2008). He has also served as External Director on the Board of several public & private sector companies. He has an extensive experience of conducting executive development programmes for top management of leading companies and also for senior bureaucrats in India and abroad. He has also served as a member of the Jury for various Corporate Excellence Awards and Selection Committees for CEOs. Over the last two decades, Dr. Dholakia has worked on numerous government committees, the recent ones being the Rangarajan Committee on Pricing and Taxation of Petroleum Products (2006) and the Expert Group on Pension Fund constituted by the Government of India (2009). The Competition Commission of India has appointed Dr. Bakul Dholakia as a Member of the Eminent Persons Advisory Group (EPAG), which serves as a think tank to give broad inputs and advice on larger issues impacting markets and competition. Dr. Dholakia is the author of 12 books, 28 monographs and more than 50 research papers published in professional journals in India and abroad.		
Number of Shares held in the Company	Nil	28,200	295	211
Details of remuneration sought to be paid	Refer report on Corporate Governance	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	Refer Annexure - E to the Directors' Report
Number of Board Meetings attended during the year	4 out of 5	3 out of 5	3 out of 5	4 out of 5

Name of the Director	Mr. Kulin Lalbhai	Dr. Bakul Dholakia	Ms. Renuka Ramnath	Mr. Nilesh Shah
List of the Directorships held in Other Companies	1. Arvind SmartSpaces Limited 2. Arvind Goodhill Suit Manufacturing Private Limited 3. Arvind Fashions Limited 4. Arvind Internet Limited 5. Zydus Wellness Limited	1. Gujarat State Petronet Limited 2. Ashima Limited 3. Ashima Dyecot Limited 4. Catallyst Constellations Private Limited	1. Multiples Alternate Asset Management Private Limited 2. Multiples Equity Fund Trustee Private Limited 3. Shri Nath G Corporate Management Services Private Limited 4. PVR Limited 5. Vikram Hospital (Bengaluru) Private Limited 6. Tata Communications Limited 7. Institutional Investor Advisory Services India Limited 8. Vastu Housing Finance Corporation Limited 9. Encube Ethicals Private Limited 10. Multiples ARC Private Limited (Under Process of Striking Off) 11. People Strong Technologies Private Limited 12. TV18 Broadcast Limited 13. Multiples Asset Management IFSC Private Limited	1. Arvind Fashions Limited 2. Kotak Mahindra Asset Management Company Limited 3. Association of Mutual Funds in India 4. Kotak Mahindra Pension Fund Limited 5. Kotak Mahindra Asset Management (Singapore) Pte. Limited
Membership/Chairmanship of the Committees of other Companies in which position of Director is held	1. Member - Corporate Social Responsibility Committee (Arvind Fashions Limited) 2. Member - Audit Committee (Zydus Wellness Limited)	1. Member - Audit Committee and Nomination and Remuneration Committee (Ashima Limited) 2. Member - Audit Committee (Gujarat State Petronet Limited)	1. Chairman - Corporate Social Responsibility Committee (Multiples Alternate Asset Management Private Limited) 2. Member - Nomination and Remuneration Committee (PVR Limited) 3. Chairman - Audit Committee (Tata Communications Limited) 4. Member - Nomination and Remuneration Committee (Tata Communications Limited)	1. Member - Audit Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee (Arvind Fashions Limited) 2. Chairman - Nomination and Remuneration Committee (Arvind Fashions Limited) 3. Member - Audit Committee (Kotak Mahindra Pension Fund Limited)
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Kulin Lalbhai is son of Mr. Sanjay Lalbhai, Chairman and Managing Director and brother of Mr. Punit Lalbhai, Executive Director of the Company.	--	--	--

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 2019 to 31st March 2020.

1. FINANCIAL RESULTS

Highlights of Financial Results for the year are as under:

₹ in crores

Particulars	Standalone		Consolidated	
	2019-2020	2018-2019	**2019-2020**	2018-2019
Turnover & Operating Income	**6705.31**	6435.96	**7369.00**	7142.18
Profit before Finance Costs, Depreciation and Amortisation Expenses, Extraordinary Items & Tax Expenses	**773.57**	736.98	**747.63**	800.43
Less : Finance costs	**224.10**	213.38	**236.89**	220.14
Profit before Depreciation and Amortisation Expenses, Extraordinary Items & Tax Expenses	**549.47**	523.60	**510.74**	580.29
Less : Depreciation and Amortisation Expenses	**240.54**	209.75	**290.45**	235.05
Profit before Share of Profit of a Joint Venture, Exceptional Items and Tax Expenses	**308.93**	313.85	**220.29**	345.24
Less : Exceptional Items	**58.82**	70.85	**50.21**	45.98
Add : Share of profit/ (loss) of Joint Ventures	**Nil**	Nil	**(2.29)**	1.01
Profit Before Tax from Continuing Operation	**250.11**	243.00	**167.79**	300.27
Current Tax	**48.71**	53.56	**64.67**	82.09
(Excess)/ Short Provision of Earlier Years	**11.95**	31.97	**12.01**	32.17
Deferred Tax	**18.07**	(56.00)	**(0.99)**	(52.72)
Profit/ (Loss) for the year from Continuing Operation (A)	**171.38**	213.47	**92.10**	238.73
Profit/ (Loss) Before Tax for the year from Discontinuing Operation	**--**	(20.70)	**--**	(13.02)
Tax Expense of Discontinued Business	**--**	(6.67)	**--**	(2.70)
Profit/ (Loss) for the year from Discontinuing Operation (B)	**--**	(14.03)	**--**	(10.32)
Profit/ (Loss) Before Tax for the year from Continued and Discontinuing Operation	**250.11**	222.30	**167.79**	287.25
Tax Expense of Continuing And Discontinued Business	**78.73**	22.86	**75.69**	58.84
Profit for the Year (A+B)	**171.38**	199.44	**92.10**	228.41

2. COMPANY'S PERFORMANCE

Outlook for global economic growth started on a weak note in 2019, and continued to be weak through the year. Manufacturing activity and trade growth continued to be low key. The year was marked by geopolitical tensions and trade-war rhetoric mainly between the US and China. This clearly reflected in reduced confidence on the future of the global trading system and international cooperation, and impacted investment decisions, and global trade. Several economies signalled and adopted an accommodating monetary policy which cushioned the impact of global tensions on financial market sentiment and activity. Overall, the year wrapped up with World Economic Outlook estimating 2.9% growth in global GDP - tepid by any measure.

From an Indian perspective as well, the Indian economy delivered a mere 4.2% during 2019-20, vs. a revised estimate of 6.1% for the previous year. March 2020, of course saw the start of the Covid-19 pandemic, and the associated lockdowns which brought most economic activity to a grinding halt. The new government had assumed office in summer 2019 with a historic mandate, and has been widely expected to take on more difficult reform items. The budget and subsequent announcements presented in 2nd Quarter delivered mixed results - while the financial markets continued to hit historic highs, the general economic and job growth continued to be challenged.

Sales of clothing and apparel saw modest growth at an overall level. The momentum had started to build-up by 3rd quarter, but the sudden collapse in March impacted the overall volumes for several leading players. The Indian government on its part has continued to be engaged constructively with the sector. In the recent budget for FY20-21, there were several industry friendly measures announced including removal of anti-dumping duty from PTA, set-up of National Technical Textile Mission and review of Rules of Origin in FTAs to ensure that industry interests are not compromised. Most crucial, the government decided to walk out of the contemplated RCEP treaty, which brought much needed relief.

In this context, your Company delivered an overall topline of ₹ 7369 crores which was 3% higher compared to previous year. Advanced Materials and Garmenting delivered strong growth, while Fabric volumes saw minor decline on full year basis. Overall

EBITDA reduced from ₹ 800 crores in the previous year, to ₹ 748 crores. Consolidate PBT was down 36% at ₹ 220 crores. Net Profit after Tax, after accounting for all exceptional items, stood at ₹ 96 crores, which was down 60% 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

Keeping in mind the need to conserve resources, your Directors do not recommend any dividend on Equity Shares for the year.

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
https://www.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. SHARE CAPITAL

The authorised share capital of the Company as on 31st March 2020 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 ₹ 258.77 crores consisting of 25,87,67,069 equity shares of ₹ 10 each.

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

6. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The Company has instituted the Employees Stock Option Scheme (ESOS) to grant equity based incentives to certain eligible employees and directors of the Company and its subsidiary companies.

Disclosures in compliance with Section 62 of the Companies Act, 2013 and Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 are set out in "Annexure - A" to this report.

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

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

8. FINANCE

The Company has repaid the installments of Term Loans amounting to ₹ 357 crores during the current year. The Company has also made fresh long term borrowings of ₹ 447 crores for funding capital expenditure and other requirements. Long Term Debt of the Company stands to ₹ 1201 crores as on 31st March 2020.

9. FIXED DEPOSITS

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

10. NON-CONVERTIBLE DEBENTURES

As on 31st March 2020,

- 8% - 1,000 Unsecured Redeemable Listed Taxable Non-Convertible Debentures of the face value of ₹ 10,00,000 each, for cash at par, aggregating to ₹ 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 to ₹ 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.

The Company has, on 03.06.2020, allotted 8.50% - 750 Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) of the face value of ₹ 10,00,000/- each, for cash at par, aggregating to ₹ 75 crores on private placement basis and the said NCDs are listed on the Wholesale Debt Market Segment of BSE Limited.

11. 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.

12. CONSOLIDATED FINANCIAL STATEMENTS

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

13. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Care for the society has been an intrinsic value for the promoters of the Lalbhai group. We have a long tradition of reaching out to the society through planned interventions. The value system underlying this firm belief is that healthy businesses flourish only in a healthy society and to ensure this, business leaders must positively impact society. We strongly believe that a company can improve its own functioning by influencing the environment in which it operates. The responsibility of undertaking development initiatives is jointly shared by Arvind Foundation (AF), Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust and Narottam Lalbhai Rural Development Fund (NLRDF). Our key development initiatives include:

Education: Under the broad theme of Educational Advancement, Gyanda is an ongoing supplementary education program designed for primary, secondary and higher secondary school going children. Carried out by SHARDA Trust, our initiative prevents drop out and helps students complete their basic education from standard V to XII and ahead. Gyanda is an ongoing programme that focuses on improving academic performance and overall development of the students. This is done through a 8-12 year's handholding process that aspire to help students become last generation in poverty. Gyanda is operational since 2006-07. More than 5,000 students from lower socio-economic strata have benefitted so far. At present, Gyanda has enrolment of more than 1,100 students.

Rural Advancement: Under the broad theme of Rural Advancement, the Arvind Rural Transformation Initiative (ARTI) is a combination of long term integrated programs focused in defined geographies in Ahmedabad, Gandhinagar and Narmada districts of Gujarat at present. Improving the education environment by upgrading the infrastructure in village schools, increasing enrolment by multiple learning and development programs for the students and support to parents are initiatives aimed at Educational Advancement. A program to improve farm productivity has been started and multiple trainings and exposure visits for capacity building of farmers are organised at 4 different villages and village groups. Also, more than 20 health camps were organised across 9 villages which helped us to screen more than 1,400 people for various health conditions.

Under rural advancement, NLRDF has been undertaking development initiatives in Gujarat and reaching out to rural and underserved people since 1978. The objective is to improve the delivery mechanism of government programs by becoming a link between government and the rural populace and carry out CSR programmes for different companies. It also undertakes need based, sustainable development programs in the region with focus on agriculture, health and sanitation, rural energy, HIV/ AIDS prevention, women and child development, skill development, solar energy and livelihood enhancement.

Livelihood Promotion: As part of our Rural Transformation program, we carried out a Home Stay Project in villages in Garudeshwar Taluka in Narmada District. With the aim to increase the income of tribal families, quality home stay facilities were created for tourist at rural homes. The Taluka has the advantage of hosting the World's tallest statue - The Statue of Unity which is a major tourist destination there and hence a huge potential of additional alternative income for the native tribal families.

Inner Well Being: As part of our rural transformation strategy, Arvind is carrying out an Inner Wellbeing Program in rural Gujarat and Rajasthan since last four years. This is the result of our conviction that physical and social developments are meaningful only if people are also well from within. Heartfulness Meditation programs are being conducted in a planned and structured manner. This program is based on the Sahaj Marg system of Raja Yoga meditation. In 2019-20, we conducted sessions in close to 200 places and reached out to around 15,000 people.

Women empowerment (CSR in spirit): We are working towards empowerment and inclusive growth of women belonging to the tribal areas of Gujarat. The project was started in the year 2014 and has enrolled more than 900 women till date. We work with our civil society partners to help women join this program, acquire industry specific vocational skills (Apparel Manufacturing), get employed in Arvind's manufacturing units and stay in company managed dormitories. Stay in dormitories create a unique opportunity of upgrading their qualification and skills in their free time. Apart from employment and earning, the women are enrolled in Babasaheb Ambedkar Open University to further their educational qualification, acquire different life skills and nurture aspiration to move from blue collar to white collar work. We are working on expansion of this program to different geographies.

Promotion of Indology: As part of our commitment to support Cultural Advancement, through this ongoing program, the company has been supporting Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) towards its efforts to preserve India's rich heritage. The project named Promotion of Indology is creating a comprehensive, research-oriented digital repository of paper/ palm-leaf manuscripts housed in Lalbhai Dalpatbhai Institute of Indology (LDII). These digital grabs will initially be accessible on low resolution digital media (hard disks, compact disks), leaving open the possibility of uploading the material onto a website. High resolution versions of the material will be made available as and when appropriate. Around 32 lacs pages of such Manuscripts are available at LDII.

Indigo Museum: To support cultural advancement, the company has approved a unique plan to set up an Indigo Museum to capture the story of indigo and associated materials and capture broader narratives around the story of the colour, cloth, trade, revolutionary struggles, design thinking and artistic collaborations. India's cultural connection to Indigo is unique. India was the Indigo capital of the world. Indigo owes its name to the country - "Indikon" in Greek which means "from India". This is our way to pay respect to our heritage.

Working with Artisans: The Company support to the project titled "Walking Hand-in-Hand - Taking Unnamed Artisans to the World Stage" continued in second year. The project is being implemented by CDS Art Foundation. The project supports such artisans who work on exquisite textiles but largely remain unnoticed and unsupported. The initiative identify, engage, encourage and support such artisans who have unique ability and potential to go far. These are Masters who are not only self-employed but are employment providers too in their community.

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

14. HUMAN RESOURCES

The Company believes that Human Resources shape the success of its business vision. The Company is committed to investing in hiring the right talent, sustainably engaging and developing them, retaining and rewarding them to deliver organizational results and growth.

An important focus area for the organization has been to respond to trends shaping the future of work that make the Company agile, productive and help improve HR systems, processes and enhance employee experience.

The Company has invested efforts in bringing effectiveness in hiring and creating an employer brand, creating internal mobility, reorganizing structures in line with business plans and performance and establishing the right rewards and recognition. Adoption of digital tools in our new way of working has ensured that our employees are equipped to work with these through the right skills. While doing so, we have been cognizant of understanding what motivates and engages our people and how they perceive their work environment. Therefore, we encourage open and regular dialogue between managers and their team members, conduct surveys and offer hand holding support which ensures our people feel comfortable to speak up, raise concerns and are empowered to initiate improvements.

Our approach to performance management is a holistic one wherein, while holding people accountable, we look at continuous development and create opportunities for them to excel in new and/ or larger roles. Performance dialogues create opportunities for regular meaningful feedback. This approach is directly linked to our compensation framework and promotion process. We also offer a wide range of benefits to our employees.

To ensure we develop future leaders, we provide a number of opportunities to foster management and leadership skills. The purpose is to equip our people with the necessary capabilities to lead the organization through change, develop their teams, manage performance and ensure business success in line with the organizational strategy. On learning, our focus shall continue to be towards digitalization of learning and introduction of various e-learning courses on managerial & functional competencies.

15. RISK MANAGEMENT

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

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

The Company has identified 17 Risks - 5 Strategic Risks, 10 Operational Risks & 2 Regulatory Risks. Key Strategic Risks include demand destruction, changing customer preference and supply chain disruption due to pandemic, reputational risk, succession planning & business continuity planning. Key Operating Risks include customers' credit risk, fluctuating forex rates and cotton prices, cyber security risk, IT system breakdown, labour unrest, fire & safety, concentration of business with certain customers and sustainability. Regulatory Risks include changes in bilateral/ multilateral trade agreements, international trade disputes and regulatory compliances.

16. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

17. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

18. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

As on 31st March 2020, the Company has 23 subsidiaries (Direct or Indirect) and 5 joint venture/ associate companies.

During the year under review, the following companies were incorporated/ acquired or became subsidiaries/ joint ventures/ associate companies (Direct or Indirect):

1. AJ Environmental Solutions Company, China (Subsidiary)
2. PVH Arvind Manufacturing PLC, Ethiopia (Joint Venture/ Associate)

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

The Company has framed a policy for determining material subsidiaries, which has been uploaded on Company's website at
https://www.arvind.com/sites/default/files/field_policy_file/Policy%20on%20Material%20Subsidiaries.pdf

19. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors consists of 9 (nine) members, of which 5 (five) are Independent Directors. The Board also comprises of one women Independent Director.

As per the provisions of Section 152(6) of the Act, Mr. Kulin Lalbhai (holding DIN 05206878) shall retire by rotation at the ensuing Annual General Meeting and being eligible, offered himself for re-appointment as the Director of the Company.

As per the provisions of Section 149(10) of the Act, Dr. Bakul H. Dholakia (holding DIN 00005754), Ms. Renuka Ramnath (holding DIN 00147182) and Mr. Nilesh D. Shah (holding DIN 01711720); shall be re-appointed for a second term of five years as an Independent Director of the Company, subject to approval of members in ensuing Annual General Meeting.

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Sanjay Lalbhai - Chairman and Managing Director, Mr. Jayesh Shah - Director and Group Chief Financial Officer and Mr. R.V. Bhimani - Company Secretary; are the Key Managerial Personnels of the Company.

20. FORMAL ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual 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.

21. 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.

22. 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 roles, rights and responsibilities as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The details of the familiarization programme are explained in the Corporate Governance Report and also available on the Company's website at

https://www.arvind.com/sites/default/files/field_policy_file/Familiarisation%20Programme%20for%20IDs.pdf

23. DECLARATION OF INDEPENDENCE

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

24. BOARD AND COMMITTEE MEETINGS

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

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

25. DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

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

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

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

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

26. RELATED PARTY TRANSACTIONS

All the related party transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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

https://www.arvind.com/sites/default/files/field_policy_file/Related%20Party%20Transactions%20Policy%202019.pdf

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

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

28. AUDITORS

- **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.

- **Cost Auditors**

  Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000025) carried out the cost audit for applicable businesses during the year. The Board of Directors has appointed them as Cost Auditors for the financial year 2020-21. 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. 9 of the notice convening the Annual General Meeting.

- **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 2019-20.

  The Secretarial Audit Report for the financial year ended 31st March 2020, pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith as "Annexure - C". The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks.

29. 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 socioeconomic and environmental dimensions and contribute to sustainable growth and development.

30. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

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

31. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year ended 31st March 2020 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

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

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

33. EXTRACT OF THE ANNUAL RETURN

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

34. PARTICULARS OF EMPLOYEES

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

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

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

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

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

During the financial year 2019-20, the Company has received 1 (one) complaint on sexual harassment. AICC conducted the proceedings as defined in the Policy. The case was dealt with, as per the policy guidelines and ICC recommendations were given, in a fair and just manner.

36. ACKNOWLEDGEMENTS

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

By order of the Board

Place: Ahmedabad — **Sanjay Lalbhai**

Date: June 27, 2020 — Chairman and Managing Director

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, 2020 are as under:

1 (a)	Description of ESOP 2008: 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 31stMarch 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 (a) (b) (c) (d) (e) (f) (g) (h) (i) (j)	Option movement during the year: Options Outstanding at the beginning of the year Options granted during the year Options forfeited / lapsed during the year Options vested during the year Options exercised during the year Number of shares arising as a result of exercise of option Money realised by exercise of options (₹) Loan repaid by the Trust during the year from exercise price received Options Outstanding at the end of the year Options Exercisable at the end of the year	 15,76,000 5,57,000 0 6,76,000 1,50,000 1,50,000 86,26,500 NA 19,83,000 14,26,000
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	 ₹ 74.21 0 ₹ 10.00
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	 ₹ 19.92 0 ₹ 64.95
6	Employee wise details of options granted to: (i) Key managerial personnel; (ii) any other employee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year; (iii) identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	 None Susheel Kaul – 5,57,000 options None

7	A description of the method and significant assumptions used during the year to estimate the fair values of options, including following weighted average information: (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.	 63.93 45.04 27.62% 6.41% None Binomial Option Pricing Model The volatility of the Company's stock price on stock exchanges over the expected life of the options has been considered. None

Annex II - Disclosures in the Notes to Accounts pursuant to the Ind AS 102 – Share-based Payment:

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 ₹ 10 each. The following table sets forth the particulars of the options granted during the Financial Year 2019-20 under ESOP 2008 –

1	Options granted	2,00,000	1,57,000	2,00,000
2	Date of Grant	17-May-2019	17-May-2019	25-Oct-2019
3	Exercise price (₹)	72.15	10.00	45.45
4	Options Vested	0	0	0
5	Vesting Schedule	16-May-2020	16-May-2020	30-Sep-2023
6	Vesting Requirements	Time and Performance Based	Time Based	Time Based
7	Exercise Period	5 years from the date of vesting		
8	Method of Settlement (Cash/ Equity)	Equity		
9	A summary of the activity of options			

Particulars	Grant	Wtd Avg Ex Price (₹)
Outstanding at the beginning of the period	15,76,000	76.53
Granted during the period	5,57,000	45.04
Forfeited during the period	-	-
Exercised during the period	1,50,000	57.51
Expired during the period	-	-
Outstanding at the end of the period	19,83,000	69.12
Exercisable at the end of the period	14,26,000	78.53

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)	Exercise price range – ₹ 10.00 to ₹ 90.81 Weighted average remaining contractual life – 3.42 years
11	Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely, (i) Risk-free interest rate, (ii) Expected life, (iii) Expected volatility, (iv) Fair Value of the underlying share.	 6.41% 4 years 27.62% 63.93
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

Care for the society has been an intrinsic value for the promoters of the Lalbhai group. We have a long tradition of reaching out to the society through planned interventions. The value system underlying this firm belief is that healthy businesses flourish only in a healthy society and to ensure this, business leaders must positively impact society. We strongly believe that a company can improve its own functioning by influencing the environment in which it operates. Our long tradition of contributing to the growth and development of the society led to the setting up of multiple institutions in the realm of educational, social and cultural domains in improving the lives of the people. 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 can be reached at our website through the given link:

https://www.arvind.com/sites/default/files/field_policy_file/CSR%20Policy%202019.pdf

Overview of CSR Initiatives

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. Our CSR programs are in the realm of education, rural transformation, livelihood promotion, art and heritage, women empowerment and inner wellbeing. The projects and programs are in accordance to the thematic areas as defined in Schedule VII of the Companies Act, 2013. The development initiatives are being carried out by company promoted organizations – Strategic Help Alliance for Relief to Distressed Areas **(SHARDA) Trust,** Narottam Lalbhai Rural Development Fund **(NLRDF)** and Arvind Foundation **(AF)** and other partner Civil Society Organizations. The organizations have formed synergistic partnerships to enhance the quality of deliverables and increase the reach of the programs.

The company has defined three broader themes to bring larger focus in our CSR initiatives. The broad three thematic areas are **Educational Advancement, Rural Advancement and Cultural Advancement.** All our initiatives will broadly be falling under the given three umbrella without limiting the purpose, scope and flexibility of CSR initiatives.

The specific programs undertaken during the year and a brief is given in following paragraphs:

Education: Under the broad theme of Educational Advancement, Gyanda is an ongoing supplementary education program designed for primary, secondary and higher secondary school going children. Carried out by SHARDA Trust, our initiative prevents drop out and helps students complete their basic education from standard V to XII and ahead. Gyanda is an ongoing programme that focuses on improving academic performance and overall development of the students. This is done through a 8-12 year's handholding process that aspire to help students become last generation in poverty. Gyanda is operational since 2006-07. More than 5,000 students from lower socio-economic strata have benefitted so far. At present, Gyanda has enrolment of more than 1,100 students.

Leadership for transformation program: To enhance the effectiveness of the Gyanda initiative and support its planned expansion, we have initiated a 2 year long learning and development program for the Gyanda team (both educators and administrators). This program has been designed and delivered by the Riverside Learning Centre Ahmedabad. The six pillars of the program are Curriculum, Parent partnership, Leadership, Personal and professional development, Administration and Community. About 30 participants are undergoing this program.

Student Mentorship Program: Working continuously with the students for more than 13 years now, a holistic education program was started to prepare students for living life purposefully and joyfully for our senior students. The program aimed to help them see their future life and created a personal and aspirational profile for each participant. The program helped them to get skills to shape up and attain higher personal and professional goals. At present, 110 students from standard 11 and above are learning in this this initiative.

Rural Transformation: Under the broad theme of Rural Advancement, the Arvind Rural Transformation Initiative (ARTI) is a combination of long term integrated programs focused in defined geographies in Ahmedabad, Gandhinagar and Narmada districts of Gujarat at present. It will be undertaken in other geographies in future. Improving the education environment by upgrading the infrastructure in village schools, increasing enrolment by multiple learning and development programs for the students and support to parents are initiatives aimed at Educational Advancement. A program to improve farm productivity has been started and multiple trainings and exposure visits for capacity building of farmers are organised at 4 different villages and village groups. Also, more than 20 health camps were organised across 9 villages which helped us to screen more than 1,400 people for various health conditions. These programs are result of a rapid rural appraisal that was conducted by the team. We have been working with the villages around our factory at Khatraj in Gandhinagar now for over two years. Our experience highlighted that not having a community infrastructure was a major lacuna in expansion of the programme. Hence, we propose to set up a multipurpose community centre and undertake related activities as part of ongoing ARTI. This will help us bring width, depth and integration to our program ARTI.

Livelihood Promotion through tribal home stay project: As part of our Rural Transformation program, we carried out a Home Stay Project in villages in Garudeshwar Taluka in Narmada District. With the aim to increase the income of tribal families, quality home stay facilities were created for tourist at rural homes. The Taluka has the advantage of hosting the World's tallest statue – The Statue of Unity which is a major tourist destination there and hence a huge potential of additional alternative income for the native tribal families.

Inner Well Being: As part of our rural transformation strategy, Arvind is carrying out an Inner Wellbeing Program in rural Gujarat and Rajasthan since last four years. This is result of our conviction that the physical and social developments are meaningful only if people are also well from within. Heartfulness Meditation programs are being conducted in a planned and structured manner. This program is based on the Sahaj Marg system of Raja Yoga meditation. In 2019-20, we conducted sessions in close to 200 places and reached out to around 15,000 people.

Women empowerment (CSR in spirit): We are working towards empowerment and inclusive growth of women belonging to the tribal areas of Gujarat. The project was started in the year 2014 and has enrolled more than 900 women till date. We work with our civil society partners to help women join this program, acquire industry specific vocational skills (Apparel Manufacturing), get employed in Arvind's manufacturing units and stay in company managed dormitories. Stay in dormitories create a unique opportunity of upgrading their qualification and skills in their free time. Apart from employment and earning, the women are enrolled in Babasaheb Ambedkar Open University to further their educational qualification, acquire different life skills and nurture aspiration to move from blue collar to white collar work. We are working on expansion of this program to different geographies.

Promotion of Indology: As part of our commitment to support **Cultural Advancement,** through this ongoing program, the company has been supporting Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) towards its efforts to preserve India's rich heritage. The project named Promotion of Indology is creating a comprehensive, research-oriented digital repository of paper/palm-leaf manuscripts housed in Lalbhai Dalpatbhai Institute of Indology (LDII). These digital grabs will initially be accessible on low resolution digital media (hard disks, compact disks), leaving open the possibility of uploading the material onto a website. High resolution versions of the material will be made available as and when appropriate. Around 32 lacs pages of such Manuscripts are available at LDII.

Indigo Museum: As part of our commitment to support Cultural Advancement, the company has approved a unique plan to set up an Indigo Museum. The purpose of undertaking the setting up of an Indigo Museum is to capture the story of indigo and associated materials to create and capture broader narratives around the story of the colour, cloth, trade, revolutionary struggles, design thinking and artistic collaborations. India's cultural connection to Indigo is unique. India was the Indigo capital of the world. Indigo owes its name to the country – "Indikon" in Greek which means "from India". Archaeologists have recovered different varieties of indigo seeds, and even a cloth dyed blue from the ruins of Harappa and Mohenjo-Daro. Greeks and Romans considered it a luxury product and used it sparingly in paints, medicines and cosmetics, in the ancient times. Indigo was often referred to as Blue Gold as it was an ideal trading commodity - high value, compact and long lasting. This is our way to pay respect to our heritage.

Working with Artisans: The Company support to the project titled **"Walking Hand-in-Hand - Taking Unnamed Artisans to the World Stage"** continued in second year. The project is being implemented by CDS Art Foundation. The project supports such artisans who work on exquisite textiles but largely remain unnoticed and unsupported. The initiative identify, engage, encourage and support such artisans who have unique ability and potential to go far. These are Masters who are not only self-employed but are employment providers too in their community. The initiative takes these Artisans at different forums and ensures that their craft is displayed, recognised and honoured. Their excellence is deeply appreciated and celebrated amongst the community of fellow artisans nationally which gives them strength and energy to continue working on their craft.

Initiatives undertaken by NLRDF:

NLRDF has been undertaking development initiatives in Gujarat and reaching out to rural and underserved people since 1978. The objective is to improve the delivery mechanism of government programs by becoming a link between government and the rural populace and carry out CSR programmes for different companies. It also undertakes need based, sustainable development programs in the region with focus on agriculture, health and sanitation, rural energy, HIV/AIDS prevention, women and child development, skill development, solar energy and livelihood enhancement.

NLRDF is UNICEF partner for undertaking the programme **Parivartan: Transforming Lives through Improved Complementary Feeding and Hygiene Practices.** It implemented the program in 100 villages of Poshina and Khedbrahmma Taluka of Sabarkantha. 17000 pregnant women, lactating women and malnourished children and adolescent girls are benefited through this program.

NLRDF is also implementing the Better Cotton Initiative (BCI) Project in Vadali and Khedbrahmma block of Sabarkantha District. The project mainly helps farmers to reduce the cost and increase the cotton produces. About 10000 acre land, 4500 farmers across 37 villages have been benefitted through this programme.

NLRDF partnered with Fed bank Financial Services Limited and carried out the project on improving school-built environment for enhanced learning in Government Primary Schools Moti Bhoyan, Gandhinagar. Digital classrooms, science activity centre, interactive play scape and herbal garden were initiated.

NLRDF also conducted beauty parlour training programs for girls and masonry work for young boys in Khedbhramha taluka. Necessary kits for respective trade were given to all 30 trainees in each trade as part of program.

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:

1) Mr. Sanjay Lalbhai (Chairman and Managing Director)
2) Mr. Punit Lalbhai (Executive Director)
3) Mr. Jayesh Shah (Director and Group CFO)
4) 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 ₹ 293.11 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 2019-20 is ₹ 5.86 Crores.

Section 5

Details of CSR Spend during the financial year

a) Total amount to be spent for the financial year: ₹ 5.86 Crores

b) Amount Unspent, if any: ₹ 3.75 Crores (including administrative expenses of ₹ 0.20 Crores) - Carried forward for setting up a multipurpose community centre as part of ongoing rural development project ARTI.

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

1	2	3	4	5	6	7	8	9
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**
			(1) Local area or other		(1) Direct expenditure on Projects or programs			
			(2) Specify the State and district where projects or programs were undertaken		(2) Overhead			
	From 2% CSR Fund					**₹ in Lacs**		
1	Project Expenses for Health Project	Promoting Health care	Project of setting up primary health centres in Ahmedabad and Gandhinagar in Gujarat	0	0		Through SHARDA Trust: Company's Implementing Agency	Project Completed
2	Promotion of Indology	National Heritage, Art & Culture	Ahmedabad, Gujarat	0	0	0	Through Implementing Agency - Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) - Towards Project Expenses	**Ongoing Project** continuing with the previous year's grant
3	Rural Development Projects in Gujarat - mainly in districts Gandhinagar, Ahmedabad and Narmada	Rural Development	Gandhinagar, Ahmedabad and Narmada in Gujarat	200	200	200	Through Arvind Foundation	
4	Towards Promoting Education	Promoting Education	Gujarat	0	0	200	Through SHARDA Trust: Company's Implementing Agency	**Ongoing Project** continuing with the previous year's grant and support from group companies

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

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**
5	Initiatives of Inner Wellbeing	Promoting preventive health care and Promotion of National Heritage, Art and Culture	Gujarat	0	0	200	Through SHARDA Trust: Company's Implementing Agency	**Ongoing Project** continuing with the previous year's grant and support from group companies
6	Other CSR Projects	National Heritage, Art & Culture	Gujarat	15	15	215	Through CDS Art Foundation	**Ongoing Project**
7	Administrative Expenses			10	10	225	up to 5% of Amount Spent	4.44%
8	Setting up a multipurpose community centre and related activities	Ongoing Rural Development Projects	Gujarat	0	0	225	₹ **375 Lacs Carried Forward** for setting up a multipurpose community centre and undertaking related activities as part of **ongoing rural development** project	₹ 375 Lacs (including administr-ative expenses of ₹ 20 lacs) carried forward to 2020-21
	Total Spend				**225**			
	Total Carried Forward				**375**			
	Total 2% CSR				**600**			
	Programmes supported through Funds over and above 2% CSR Funds							
1	Gyanda: Education Support Programme for Underprivileged students	Promoting Education	Shahpur, Khanpur, Shahibaug areas of Ahmedabad		180		Through SHARDA Trust's - own & other sources	Operational Expenses - Unaudited
2	NLRDF Programmes	Promoting Health, Promoting Sanitation, Skills and Training	Gujarat		160	340	Through NLRDF's own & other sources	Operational Expenses - Unaudited

Details of the Implementing Agencies:

Projects and Programmes	Theme	Implementing Agency	Registration No.
Rural Development Projects in Gujarat	Rural Development	Arvind Foundation	Incorporation No. U85300GJ2015NPL084020 dated 3rd August 2015 and incorporated under Section 8 of the Companies Act, 2013.
Education Project	Promoting Education	Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust	Registration No. E / 10699 / Ahmedabad Dated 13th December 1995 under Bombay Public Trust Act, 1950.
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.

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.

The Company has carried forward ₹ 3.75 Crores (including administrative expenses of ₹ 0.20 Crores) for setting up a multipurpose community centre as part of ongoing rural development project ARTI.

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 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Arvind Limited

CIN: L17119GJ1931PLC000093

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 2020 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 2020 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 identified and confirmed the following laws as specifically 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 Company passed a special resolution at the Annual General Meeting held on 6th August 2019 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 ₹ 300 Crores.

Hitesh Buch
For, Hitesh Buch & Associates

Place: Ahmedabad
FCS No.: 3145; C P No.: 8195

Date: 27th June 2020
Peer Review Cert. No. 2015/115
UDIN: F003145B000388948

Note: This Report is to be read with our letter of even date which is annexed as **Annexure** and forms an integral part of this report.

Annexure

To,
The Members,
Arvind Limited
CIN: L17119GJ1931PLC000093
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
For, Hitesh Buch & Associates

Place: Ahmedabad
FCS No.: 3145; C P No.: 8195

Date: 27th June 2020
Peer Review Cert. No. 2015/115
UDIN: F003145B000388948

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/ Day (Kwh)	Units Saved/ Year (Kwh)
Denim Business Naroda Unit:			
1	RODM supply water Pump of 55 Kw Replaced by 30 Kw IE3 Energy Efficient Pump	168	57120
2	Removed Orific type flow meter from compressor line resulted eliminated main line compressed air pressure drop. Air leakage arresting in C50 Comp room	10663	3412160
3	Electricity generation through wind power plant	8836	3225000
4	Electricity generation through rooftop Solar power plant	934	341313
5	Replace IJT Blr. PA Fan Motors with IE3 Motors : 02 Nos.	33.6	11827
6	Replace Thermax Boiler FD Fan Motor with IE3 Motors	72	25344
7	Installed 45KW New VFD with CTP-4 Pump	225.6	81216
8	Installed Motion Sensor in Switch yard Room for Auto Lighting ON/OFF	2.67	973
9	Energy saving by Optimizing compressed air generation pressure From 102 PSI to 95 PSI	840	268800
10	C35 compressor cooling tower water line extension to C90 cooling tower and C90 compressor heat load can be transferred over C35 cooling tower during rest of summer months resulting 43 Kw/Hr power saving	1032	185760
11	Installation of 500 nos. LED light in place of conventional lights in Rope area	216	77760
Intex Unit:			
12	RS1 card H-plant return air fan AC drive installed resulting 4.2 kw saving	100.8	34675
13	Frequency converter installed in RS3 D/F radial fan and put in operation - power saving 14 kw	300	103200
14	RS2 rotary filter cloth replaced by net which resulted suction increase. By this R/F 2, 30 Kw SA fan 1 & 30 Kw RA fan 1 kept stop. 50 Kw/Hr power saving	1200	422400
15	RS4 R/FRAF1 VFD drive installed & with same pressure + 01 no rotary filter cloth replaced by net - power saving 15 kw	360	117000
16	RS2 card h-plant installed 11 kw mono-block pump instead of 22 kw end suction DB type pump & with same pressure – power saving Resulting 8 kw/Hr power saving	192	66048
17	RS4 R/FRAF2 impeller blade angle change and rotary filter cloth replaced by net - resulting power saving 15 kw	360	126720
18	RS4 card h plant pump 22 kw drive installed. Resulting 8 kw/hr power saving	192	66048
19	RS2 R/f H-plant pump 22 kw VFD drive installed. Resulting 8 kw/hr power saving	192	67584
20	RS2 inter & R/F OHTC waste suction fan operation intermittent instead of continuous resulting power saving of 75 kwh per day	75	27000

21	Installation of LED lights: • 50 w LED lights installed (3 no's) in place of conventional tube (60 no's) in RS2 & RS1 dept. - Resulted power saving 1.9 kw • 50 w LED lights installed (06 no's) in place of conventional tube (44 no's) in RS2-4 LT panel room - power saving 1.3 kw • 250 w sodium vapor lamp street light replaced by 50 w led (02 no's) - resulting power saving	86.4	31152
22	Moisture trap provided at IHE7 compressor resulted air leakages reduces 26 cfm	131.04	22932
Santej Denim Unit:			
23	Installation of 80 W LED lights in place of existing 300 W conventional lighting system	15.84	5781
Total Annual Power Saving (Kwh)			**87.77 L Kwh Units/ Year**

Ankur Textiles (AT):

1. Use of 100 nos. of LED tube in place of conventional fluorescent tube light fittings, resulted in saving of 14,212 kWh per year.

   (*Replaced tube 36 W, Replaced by 18 W, Saving 18 W X 100 Tubes X 24 Hrs X 329 working days = 14,212 kWh*)

2. Monitoring of power consumption and production data to sustain lowest possible electrical consumption kwh/kg through minimum operation of machines. FY 18-19: 3.075 KWH/KG and FY 19-20: 2.957 KWH/KG; ENHANCEMENT: 3.84%.

   (*18-19: Total Power Cons. 12724500 kWh/4137360 Kgs Production = 3.075 kWh/Kgs and 19-20: Total Power Cons. 12544740 kWh/4242718 Kgs Production = 2.957 kWh/Kgs*)

3. Replaced 6 numbers of High Bay fitting (120 watts) by LED STREET LIGHT (36 Watts). Saved 1,658 Units per year.

   (*Replaced tube 120 W, Replaced by 36 W, Saving 84 W X 6 fittings X 10 Hrs X 329 working days = 1,658 kWh*)

4. We had gained ₹ 2.37 lakh as rebate during FY 19-20 due to maintain unity power factor.
5. Diverted in open access power and took benefit of low cost. Saving in open access during FY 19-20 is 42.93 Lakh.
6. Installation of 20 Nos. new energy meters and CT/ PT to monitor section wise power consumption.
7. In view of saving of natural resources, we are treating Sewage water by our own Sewage Treatment plant at Ankur and during FY 19-20 - 4,69,510 KL raw sewage treated and reused for production, which is 47.9% of total water consumption.
8. Reuse of 19,340 KL/year condensate water at STEAM BOILER saving of energy and water.
9. Almost 19,071 KL/year machine cooling water as hot process water is reused in processing area.
10. During FY 19-20, 6,65,843 KWH solar energy generated from 508.2 KW solar plant.
11. In packaging department, 50 Nos. energy efficient ceiling fan installed for energy saving 3,290 kWh energy saved during FY 19-20.

Water & 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. Optimization of ground water whereas entire process have operated with treated sewage water by installed of sewage treatment plant of 8000 KL/Day at Arvind Ltd. - Naroda in Feb 2020. Some key actions are highlighted below:

Denim Fabric Naroda Unit:

Sr. No.	Work Description	Savings/day	Savings/year
1	Water saving: DM Water saving through Condensate & flash steam recovery	161 KL	54389 KL
2	Coal Consumption reduced by steam condensate and flash steam recovery	1.53 Ton	516 Ton
3	Increased boiler combustion efficiency due to replaced modified air nozzle resulting reduction in coal consumption	0.8 Ton	278 Ton
4	APH install in IJT boiler and improve boiler efficiency resulting coal saving	3.67 Ton	1285 Ton

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

Capital Investment on energy conservation equipment's for Denim Fabric Division at Arvind Naroda, Power Plant – Reduction in energy, coal, water consumption (2020-21).

Sr. No.	Proposed Saving Project Details:
Naroda Unit:	
1	Installation of 746Kwp Roof top Solar panels in addition of 253Kwp solar panels in Arvind Naroda campus
2	Small back press turbine (325kw+150kw) at boiler PRS station and Deaerator PRS
3	Boiler inlet water pre heat by install heat recovery unit at air compressor
4	Replace IE1/IE2 motor with IE3/IE4 in boiler area
5	VFD to be install on boiler FD fan
6	Replacement of 2 nos. Old bore well pump By Energy efficient bore well pump, expected 1104 Kwh/ Day power saving
Intex Unit:	
7	RS1 dept. 860 nos. 36w conventional tube light to be replace by 18w LED lights
8	RS2 S/F H-Plant RA fan 22 kw VFD drive to be install for. Expected power saving 7 Kw/Hr

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 Unit:

We follow strategy of Design, Innovation and Sustainability, research is being done considering these three dimensions, to keep business predictable, sustainable and profitable. Various unique technologies/ innovations are combined to get a final product, which is very much unique in nature and almost impossible to replicate by local or global competitors.

- The use of break through foam dyeing technology for dyeing of yarn with indigo, thus created new dimension for design and sustainability.
- The use of 100% cellulosic based recycled fiber, contains both mechanically and chemically recycled fiber for making denim fabric, opens a new horizon in history of denim.
- The development of denim with natural softness with the help of exclusive double roving spinning technology.
- The laser friendly denim fabric is developed with collaboration with Clean kore team.
- The imparting various surface/ chemical treatments in fabric itself, which substitute various garment washing/ finishing process, thus, redefines denim laundry and preserve millions of gallons of water.
- The incorporation of ozone treatment in denim fabric enhances the performance and aesthetic quotient.
- Indigo knits made from various knitting technologies, thus, added new dimension to aesthetic and comfort of wearing.
- The development of stretch denim without compromising with the vintage look, thus, preserve the authentic look of denim along with the comfort of wearing stretch.

Advanced Materials Division - Santej:

In the sector of technical textiles or Engineered textiles there are large number of niches and products, often highly technological and where the end user requires specific requirements, and for which the cost is no longer the only parameter taken into consideration. Technical textiles products are mainly used for functional purposes because of its own intrinsic structure and performance. Research and developments on different projects are in progress at Advanced Materials Division.

- Design and Development of Nonwoven belt fabrics for conveyor belts.

- Design and Development of Engineered special fabric in black shade for electrical arc protection.
- Have developed different Woven Belt Fabrics for Conveyor Belts.
- Development of base fabric with Silane treatment to enhance bonding with rubber component for hoses application.
- Arvind has facility and expertise to develop different kind of technical and engineered yarns as well as sewing threads. Development of different yarns as well as Sewing threads as follows:
    - Development melamine/ aramid blended yarn and establishment of its dyeing process.
    - Development of High strength Sewing thread using Polyester Core spun yarn and finishing of Flame Retardancy.
    - Design and Development of Engineered special yarn in black shade for electrical arc protection.
- Development of different filter fabrics for chemical, pharmaceutical, mining, power, cement and steel industries.
    - Arvind's technical marketing and product development team works closely with customers to provide complete solution.
    - Optimization of Micron Size of Fabrics for Filtration Application using different kind of yarns like Polypropylene, Polyester, PA 6, PA 66, PA 6, 10, PA 12, & PBT etc.
    - Development of Filter Belt Fabrics using combination of monofilament, multifilament and spun yarn.
    - Have developed different kinds of mesh fabrics.
    - Development of different scrims of nonwoven fabrics for hot gas as well as liquid filtration.
- Arvind has facility and expertise to manufacture yarn, fabric and processing for developing different kind of coated fabrics.
    - Development of fabrics for Range Shooting application.
    - Development of Coated Fabrics for tent & Awning Application.
    - Design and development of Biodegradable fabrics for print media.
    - Design and development coated fabrics for Blinds.

Arvind Composites:

(i) Product: FRP Cross Arm (Pultruded Profile For Electrical Insulation)

Client: TMAC FRP Cross Arm

Manufacturing Process: Pultrusion, Foaming, Coating and Fabrication

Product Dimension: - 102 mm X 102 mm X 9 mm / 14 mm

The TMAC cross-arm is a structural beam designed for bending, torque, and bearing loads. The cross-arm has electrical insulation properties which are critical to performance in the electrical distribution industry especially in coastal area.

It is manufactured principally by Pultrusion, employing continuous glass fibres in the form of roving tows and non-crimp multi-axial fabrics, as a composite laminate with vinyl-ester resin matrix.

Other than Pultrusion in FRP cross arm manufacturing involves other operation as mention below.

- Nylon end cap adhesion fixing by adhesive.
- Closed cell foaming injection - New Technology for PU foaming in Arvind Composite Division.
- Coating - Coating with PU (UV) paint with spray painting process.
- Stencilled - Process of doing Identification Marking on FRP cross Arm.

Presently we prepared some samples for customer approval, which we send to Australia for further testing and approval.

(ii) Continuous lamination Machine (FRP Corrugated sheet):

Instrument/ Machine Name - Continuous lamination Machine for FRP Sheet Making

Purchase from - Polser Turkey

Target Area: Cooling Tower (FRP Cladding Panels), PEB (Roofing Sheet), Construction and Insulated FRP panels for Truck Bodies and cold rooms.

Now days Fiber Reinforced Plastic product demand is increasing drastically in construction, cooling tower and automotive sectors. This new technology is absorbed in the financial year 2019-20, with the absorption of this technology we Arvind Composite is leading Colling tower package provider below one roof. This technology is capable of manufacturing the FRP corrugated sheet with below advantages.

- Continuous manufacturing of FRP corrugated sheet with high speed up to 4-5 mtrs/ min and thickness ranges from 1 mm to 4 mm.
- Suitable to manufacture of both transparent, opaque and translucent sheet in once machine.
- This machine is equipped with the both sided gel coat facility with minimum manpower.

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.

(iii) Product: FRP Radomes (Thin Wall Profile)

Target Client: Telecommunication Industry

Manufacturing Process: Pultrusion

Product Dimension: Radome 330 mm X 155 mm X 2.5 mm

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 master 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.

This year we successfully develop new customer and new Radome Design with the commercial supplied in the March 2020.

(iv) Product: FRP Blade Deflector - 420 mm & Deflector - 680 mm

Target Client: Axial Fans Int.

Manufacturing Process: Pultrusion

Product Dimension: Deflector 420 mm and Deflector 680 mm

As a part of specialty product in the Pultrusion section, Axial Fans blades deflector 420 mm and 680 mm is the new addition in our Fan Blades and pultruded product list.

We already approved for one client for fan blades with 2 designs. This financial year 2019 -2020 with the help of Top glass technical team, we successfully develop new Fan blades for Axial Fans Int. typical application for Fan Blades are as below:

- Cooling Tower
- Air Cooled Heat Exchangers
- Air-Cooled Condensers

All the technical and mechanical specification is successfully achieved with the commercial supply in Feb 2020.

(v) Product: FRP Smart Pole

Target Client: Ericsson

Manufacturing Process: Pultrusion, Filament winding

Product Dimension: 12 m

Profiles: 300x9 mm round pipe, 80x10 mm round pipe, 569x2.5 mm filament wound camouflage

FRP smart pole is an ideal substitute for metallic pole for 5G transmission due to higher transmissivity and higher specific modulus. Arvind Composite was approached by Ericsson due to its global presence in telecom sector in 2019. Arvind Composite and Wipro (Design service provider to Ericsson) designed and simulated 3D model of 12m smart pole for Ericsson @ 180 kmph wind speed. Approved design is to be pushed forward for prototype development. Static flexural testing of the prototype as per ASTM- D4923 will be carried out at CSIR Chennai and based on results further modification/ commercialization of the product will happen.

Smaller prototypes for exhibition purpose has already been developed and dispatched in March 2020.

(vi) Automatic Mat slitter

Make: LIDEM CONSTRUCCIONES MECÁNICAS, S.L, Valencia

Benefit: Precise and smooth operation of mat cutting. Zero wastage, Zero defect. Auto sharpening

This machine is a fully automatic glass mat slitter. The technology enables the existing roll length and dia of the glass mat. The machine can cut precisely upto 3mm width. This is a multi-purpose machine and can be used to cut glass, aramids, textiles. A lubrication in the blades enhances the blade life. Reduced operator dependency at a greater level.

(vii) FRP recycling Plant

Make: Changshu Shouyu Machinery Co. Ltd, China

Input: Any dimension less than 900mm in width, 1.5 mtrs length

Output: Powder size material

Throughput Capacity: 800-1000 Kg/Hr

Benefit: Will convert the waste FRP materials into powder form saving land space.

This plant will be effective from July end 2020. The plant is supposed to convert the waste FRP material into a powder form enhancing land area utilization. The grinded powder type material will also be used as a filler for other composite business and some innovative developments.

(viii)New Packaging and Loading Technology

Consultant: Xpertpack

Cage Material: Wood, Hybrid Wood-Metal

Container loading: Loading time of cage into containers reduces to minutes.

Benefit: Huge savings in terms of cages mfg, packaging, loading times, manpower, forklift and smoother loading.

This is a patented process of packing and loading by a company XPERTPACK based in Delhi. There are huge chances of cost saving by a wooden cage manufacturing, newer packing method, significantly reduced loading time, manpower reduction, increase in forklift efficiency and most beneficial is smoother loading by means of a ramp. So no pushing and pulling of cages to fit inside the container.

2. Information regarding technology imported during the three years:

Technology imported :	1. Semiautomatic Sewing Thread Machine 12 H 2. Upgradation of 50 gm sample pot dyeing machine 3. Hang Jie machine refurbishing 200gm 4. Dyecoo - waterless dyeing unit 5. Rota Spray, Spray technology for Indigo dyeing 6. Rota Spray, Spray technology for Indigo dyeing 7. Filament-Lycra Intermingling Machine
Year of Import :	1. 2018-19 2. 2018-19 3. 2018-19 4. 2017-18 5. 2017-18 6. 2017-18 7. 2017-18
Has technology been fully absorbed? :	1. Trials are going on to establish the technology 2. Reactive dye HE to ME class shifting has been started 3. Reactive dye HE to ME class shifting has been started 4. Lab establishment has been done successfully in Polyester segment and exploring possibilities of other fibre processing 5. Trials are going on to establish the technology 6. Bulk trial has been conducted successfully 7. Trials are going on to establish the technology

3. Expenditure on Research and Development

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:

₹ in crores

Particulars	Year ended	
	March 31, 2020	March 31, 2019
Capital Expenditure		
Naroda Centre	0.00	0.00
Santej Centre	3.19	7.61
Khatraj Centre	0.80	0.41
Pune Centre	0.00	0.00
Sub Total	**3.99**	**8.02**
Revenue Expenditure		
Naroda Centre	3.68	4.43
Santej Centre	22.43	25.73
Khatraj Centre	1.58	3.44
Pune Centre	1.59	2.23
Sub Total	**29.28**	**35.83**
Total R & D Expenditure	**33.27**	**43.85**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Total Foreign Exchange used and earned:

Particulars	₹ in crores	
	2019-20	2018-19
Total foreign exchange used	488.81	570.35
Total foreign exchange earned	2,704.48	2,791.68

Annexure - E to the Directors' Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN for the financial year ended on 31.03.2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (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: ahmedabad@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name & Description of main products/ services	NIC Code of the Product/Service	% to total turnover of the Company
1	Fabrics	13131	61.91
2	Garments	14101	22.71

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name & Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of Share 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 Share 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 BKP Berolina Private Limited (Formerly known as 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	60	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	100	2(87)
20	Arvind Enterprise (FZC) [Formerly known as Arvind Enterprise (FZE)] SAIF Zone, Sharjah, UAE.	N.A.	Subsidiary	100	2(87)
21	Arvind Envisol PLC Shed #5, Bole Lemi Industrial Park, Addis Ababa, 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 Share Held	Applicable Section
23	AJ Environmental Solutions Company Floor 15, Jiafu Building, No. 97, Renmin Middle Road, Wuxi, P.R.C.	N.A.	Subsidiary	60	2(87)
24	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)
25	Arvind Norm CBRN Systems Private Limited Arvind Limited Premises, Naroda Road, Ahmedabad – 380025, Gujarat, India.	U74999GJ2018PTC103195	Associate (Joint Venture)	50	2(6)
26	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)	49.94	2(6)
27	Arudrama Developments Private Limited 1134, 1st Floor, 100 Ft. Road, HAL 2nd Stage, Bangalore - 560008, Karnataka, India.	U45201KA1995PTC017371	Associate (Joint Venture)	50	2(6)
28	PVH Arvind Manufacturing PLC Shed - 1, Phase - 1, Hawassa Industrial Park, Hawassa, Ethiopia.	N.A.	Associate (Joint Venture)	25	2(6)

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	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	111391957	0	111391957	43.07	115723027	0	115723027	44.72	1.65
d) Banks/ FIs	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL : (A)(1)	**111468552**	**0**	**111468552**	**43.10**	**115799622**	**0**	**115799622**	**44.75**	**1.65**
(2) Foreign									
a) NRI-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies 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
SUB TOTAL : (A)(2)	**0**	**0**	**0**	0.00	0	**0**	0	0.00	0.00
Total Shareholding of Promoter (A)=(A)(1)+(A)(2)	**111468552**	**0**	**111468552**	**43.10**	**115799622**	**0**	**115799622**	**44.75**	**1.65**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	34379329	11513	34390842	13.30	24843864	6410	24850274	9.60	-3.69
b) Banks/ FIs	4702348	6666	4709014	1.82	5238481	3134	5241615	2.03	0.20
C) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	200	0	200	0.00	230	0	230	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	2000000	0	2000000	0.77	0.77
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)									
(i-i) Foreign Portfolio Investor	51889739	21957	51911696	20.07	40869528	14270	40883798	15.80	-4.27
SUB TOTAL : (B)(1)	**90971616**	**40136**	**91011752**	**35.19**	**72952103**	**23814**	**72975917**	**28.20**	**-6.99**
(2) Non Institutions									
a) Bodies corporates									
(i) Indian	8788433	0	8788433	3.40	5607247	0	5607247	2.17	-1.23
(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 lakh	29888927	2620354	32509281	12.57	37533782	1790025	39323807	15.20	2.63
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7745317	44926	7790243	3.01	16223428	44926	16268354	6.29	3.27
c) Others (specify)									
(c-i) NRIs	1546477	161200	1707677	0.66	2361432	141635	2503067	0.97	0.31
(c-ii) OCBs	2900	0	2900	0.00	2900	0	2900	0.00	0.00
(c-iii) Trusts	1644505	0	1644505	0.64	1016076	0	1016076	0.39	-0.24
(c-iv) Clearing Members	1921095	0	1921095	0.74	1453638	0	1453638	0.56	-0.18
(c-v) Hindu Undivided Family	1714276	0	1714276	0.66	2931569	0	2931569	1.13	0.47
(c-vi) Foreign Portfolio Investor (Individual)	58355	0	58355	0.02	0	0	0	0.00	-0.02
(c-vii) NBFCs registered with RBI	0	0	0	0	20520	0	20520	0.01	0.01
(c-vii) IEPF	0	0	0	0	863352	0	863352	0.33	0.33
(c-ix) Foreign Nationals	0	0	0	0	1000	0	1000	0.00	0.00
SUB TOTAL : (B)(2)	**53310285**	**2826480**	**56136765**	**21.71**	**68014944**	**1976586**	**69991530**	**27.05**	**5.34**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**144281901**	**2866616**	**147148517**	**56.90**	**140967047**	**2000400**	**142967447**	**55.25**	**-1.65**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**255750453**	**2866616**	**258617069**	**100.00**	**256766669**	**2000400**	**258767069**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	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	1.64	95561810	36.93	0.00	-0.02
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	26656	0.01	0.00	26656	0.01	0.00	0.00
15	Snehalben Samvegbhai Lalbhai	0	0.00	0.00	0	0.00	0.00	0.00
16	Hansaben Niranjanbhai Lalbhai	11396	0.00	0.00	11396	0.00	0.00	0.00
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	1490119	0.58	0.00	1490119	0.58	0.00	0.00
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.	91000	0.04	0.00	96000	0.04	0.00	0.00
36	*Aagam Agencies Private Limited (Formerly known as Adhigam Investments Pvt. Ltd.)	0	0.00	0.00	0	0.00	0.00	0.00
37	Adhinami Investment Pvt. Ltd.	18500	0.01	0.00	78500	0.03	0.00	0.02
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. Ltd.	136	0.00	0.00	150000	0.06	0.00	0.06
41	Amal Limited	0	0.00	0.00	0	0.00	0.00	0.00
42	Atul Finserv 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	Lalbhai Realty Finance Private Limited	455000	0.18	0.18	455000	0.18	0.18	0.00
49	Aura Business Ventures LLP	1102500	0.43	0.00	5218706	2.02	0.00	1.59
50	Style Audit LLP	0	0.00	0.00	0	0.00	0.00	0.00
51	J P Trunkshow LLP	0	0.00	0.00	0	0.00	0.00	0.00
52	Sunil Siddharth HUF	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	2.44	6327317	2.45	0.00	0.00
55	Aura Securities Private Limited (As a Partner of the Partnership Firm i.e. Aura Venture)	100	0.00	0.00	100	0.00	0.00	0.00
	Total	**111468552**	**43.10**	**4.26**	**115799622**	**44.75**	**0.18**	**1.65**

* The name of "Adhigam Investments Private Limited" has been changed to "Aagam Agencies Private Limited" w.e.f. 04-07-2019, pursuant to fresh certificate of incorporation dated 04-07-2019 issued by Ministry of Corporate Affairs.

** Aahvan Agencies Limited (Formerly known as Agrimore Limited) was amalgamated in Aagam Agencies Private Limited pursuant to the Order No. CA (CAA) No. 01/NCLT/AHM/2020 dated 10-02-2020 passed by Honorable National Company Law Tribunal, Ahmedabad Bench, Ahmedabad.

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

Sr. No.	Shareholders Name	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**AURA BUSINESS VENTURES LLP**				
	At the beginning of the year	1102500	0.43	--	--
	Purchase - 28.08.2019	150000	0.06	1252500	0.48
	Purchase - 29.08.2019	705000	0.27	1957500	0.76
	Purchase - 30.08.2019	1345000	0.52	3302500	1.28
	Purchase - 06.09.2019	416206	0.16	3718706	1.44
	Purchase - 04.12.2019	500000	0.19	4218706	1.63
	Purchase - 05.12.2019	820000	0.32	5038706	1.95
	Purchase - 06.12.2019	180000	0.07	5218706	2.02
	At the end of the year	--	--	5218706	2.02
2	**AKSHITA HOLDINGS PRIVATE LIMITED**				
	At the beginning of the year	136	0.00	--	--
	Purchase - 04.12.2019	149864	0.06	150000	0.06
	At the end of the year	--	--	150000	0.06
3	**AAYOJAN RESOURCES PRIVATE LIMITED**				
	At the beginning of the year	91000	0.04	--	--
	Purchase - 19.06.2019	5000	0.00	96000	0.04
	At the end of the year	--	--	96000	0.04
4	**ADHINAMI INVESTMENTS PRIVATE LIMITED**				
	At the beginning of the year	18500	0.01	--	--
	Purchase - 06.12.2019	10000	0.00	28500	0.01
	Purchase - 09.12.2019	40000	0.02	68500	0.03
	Purchase - 12.12.2019	10000	0.00	78500	0.03
	At the end of the year	--	--	78500	0.03

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

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the Year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**HDFC TRUSTEE COMPANY LTD - A/C HDFC MID - CAPOPPORTUNITIES FUND**				
	At the beginning of the year	12045378	4.65	--	--
	Purchase - 10.05.2019	180000	0.07	12225378	4.72
	Sale - 29.06.2019	-138000	-0.05	12087378	4.67
	Sale - 13.09.2019	-42000	-0.02	12045378	4.65
	At the end of the year	--	--	12045378	4.65
2	**FRANKLIN INDIA EQUITY FUND**				
	At the beginning of the year	7936776	3.07	--	--
	Sale - 24.05.2019	-565222	-0.22	7371554	2.85
	Sale - 31.05.2019	-575271	-0.22	6796283	2.63
	Sale - 07.06.2019	-1304	0.00	6794979	2.63
	Sale - 14.06.2019	-106672	-0.04	6688307	2.58
	Sale - 05.07.2019	-200000	-0.08	6488307	2.51

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 - 26.07.2019	-488307	-0.19	6000000	2.32
	At the end of the year	--	--	6000000	2.32
3	**GOLDMAN SACHS (SINGAPORE) PTE. - ODI**				
	At the beginning of the year	165897	0.06	--	--
	Sale - 12.04.2019	-14258	-0.01	151639	0.06
	Sale - 19.04.2019	-4174	0.00	147465	0.06
	Sale - 26.04.2019	-23104	-0.01	124361	0.05
	Sale - 03.05.2019	-52492	-0.02	71869	0.03
	Sale - 10.05.2019	-42057	-0.02	29812	0.01
	Purchase - 14.06.2019	3551	0.00	33363	0.01
	Purchase - 21.06.2019	13523	0.01	46886	0.02
	Purchase - 29.06.2019	622556	0.24	669442	0.26
	Purchase - 05.07.2019	450889	0.17	1120331	0.43
	Purchase - 12.07.2019	726172	0.28	1846503	0.71
	Purchase - 19.07.2019	874362	0.34	2720865	1.05
	Purchase - 26.07.2019	500251	0.19	3221116	1.24
	Purchase - 02.08.2019	978054	0.38	4199170	1.62
	Purchase - 09.08.2019	385374	0.15	4584544	1.77
	Purchase - 16.08.2019	152122	0.06	4736666	1.83
	Purchase - 23.08.2019	298018	0.12	5034684	1.95
	Purchase - 30.08.2019	581408	0.22	5616092	2.17
	Purchase - 06.09.2019	343948	0.13	5960040	2.30
	Purchase - 13.09.2019	679582	0.26	6639622	2.57
	Purchase - 20.09.2019	1001112	0.39	7640734	2.95
	Purchase - 27.09.2019	149819	0.06	7790553	3.01
	Purchase - 30.09.2019	239737	0.09	8030290	3.10
	Sale - 18.10.2019	-22627	-0.01	8007663	3.09
	Purchase - 25.10.2019	376	0.00	8008039	3.09
	Sale - 01.11.2019	-1122	0.00	8006917	3.09
	Sale - 08.11.2019	-86254	-0.03	7920663	3.06
	Sale - 15.11.2019	-75452	-0.03	7845211	3.03
	Purchase - 22.11.2019	22133	0.01	7867344	3.04
	Sale - 29.11.2019	-155752	-0.06	7711592	2.98
	Sale - 06.12.2019	-210740	-0.08	7500852	2.90
	Sale - 13.12.2019	-6386	0.00	7494466	2.90
	Purchase - 20.12.2019	15560	0.01	7510026	2.90
	Sale - 10.01.2020	-125677	-0.05	7384349	2.85
	Sale - 17.01.2020	-347919	-0.13	7036430	2.72
	Sale - 24.01.2020	-51182	-0.02	6985248	2.70
	Sale - 31.01.2020	-379334	-0.15	6605914	2.55
	Sale - 07.02.2020	-545464	-0.21	6060450	2.34
	Sale - 14.02.2020	-382516	-0.15	5677934	2.19
	Sale - 21.02.2020	-55828	-0.02	5622106	2.17
	Sale - 28.02.2020	-232925	-0.09	5389181	2.08
	Sale - 06.03.2020	-156522	-0.06	5232659	2.02

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 - 20.03.2020	-152881	-0.06	5079778	1.96
	Sale - 27.03.2020	-126168	-0.05	4953610	1.91
	At the end of the year	--	--	4953610	1.91
4	**LIFE INSURANCE CORPORATION OF INDIA**				
	At the beginning of the year	4039023	1.56	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	4039023	1.56
5	**HSBC SMALL CAP EQUITY FUND**				
	At the beginning of the year	--	--	--	--
	Purchase - 08.11.2019	650000	0.25	650000	0.25
	Purchase - 15.11.2019	550000	0.21	1200000	0.46
	Purchase - 22.11.2019	200000	0.08	1400000	0.54
	Purchase - 20.12.2019	1900000	0.73	3300000	1.28
	Purchase - 03.01.2020	300000	0.12	3600000	1.39
	Purchase - 28.02.2020	300000	0.12	3900000	1.51
	Sale - 27.03.2020	-400000	-0.15	3500000	1.35
	At the end of the year	--	--	3500000	1.35
6	**KOTAK STANDARD MULTICAP FUND**				
	At the beginning of the year	6123082	2.37	--	--
	Sale - 12.04.2019	-4000	0.00	6119082	2.36
	Sale - 31.05.2019	-600000	-0.23	5519082	2.13
	Sale - 29.06.2019	-10000	0.00	5509082	2.13
	Sale - 06.09.2019	-150000	-0.06	5359082	2.07
	Sale - 13.09.2019	-100000	-0.04	5259082	2.03
	Sale - 20.09.2019	-150000	-0.06	5109082	1.97
	Sale - 15.11.2019	-109082	-0.04	5000000	1.93
	Sale - 06.12.2019	-394551	-0.15	4605449	1.78
	Sale - 07.02.2020	-105449	-0.04	4500000	1.74
	Sale - 14.02.2020	-233261	-0.09	4266739	1.65
	Sale - 21.02.2020	-26859	-0.01	4239880	1.64
	Sale - 28.02.2020	-90403	-0.03	4149477	1.60
	Sale - 31.03.2020	-852084	-0.33	3297393	1.27
	At the end of the year	--	--	3297393	1.27
7	**VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND**				
	At the beginning of the year	2493762	0.96	--	--
	Sale - 26.04.2019	-69620	-0.03	2424142	0.94
	At the end of the year	--	--	2424142	0.94
8	**AL MEHWAR COMMERCIAL INVESTMENTS LLC - (TREEFISH)**				
	At the beginning of the year	890047	0.34	--	--
	Purchase - 13.09.2019	257690	0.10	1147737	0.44
	Purchase - 04.10.2019	398331	0.15	1546068	0.60
	Purchase - 28.02.2020	270297	0.10	1816365	0.70
	Purchase - 06.03.2020	337359	0.13	2153724	0.83
	At the end of the year	--	--	2153724	0.83

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
9	**TT ASIA-PACIFIC EQUITY FUND**				
	At the beginning of the year	807445	0.31	--	--
	Purchase - 13.09.2019	192198	0.07	999643	0.39
	Purchase - 04.10.2019	306381	0.12	1306024	0.50
	Purchase - 14.02.2020	12880	0.00	1318904	0.51
	Purchase - 21.02.2020	238179	0.09	1557083	0.60
	Purchase - 28.02.2020	174609	0.07	1731692	0.67
	Purchase - 06.03.2020	217932	0.08	1949624	0.75
	Purchase - 13.03.2020	50419	0.02	2000043	0.77
	At the end of the year	--	--	2000043	0.77
10	**HDFC LIFE INSURANCE COMPANY LIMITED**				
	At the beginning of the year	2000000	0.77	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	2000000	0.77

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
1	**Mr. Sanjay Lalbhai - Chairman and Managing Director**				
	At the beginning of the year	1564	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	1564	0.00
2	**Mr. Punit Lalbhai - Executive Director**				
	At the beginning of the year	3714	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	3714	0.00
3	**Mr. Jayesh Shah - Director and Group Chief Financial Officer**				
	At the beginning of the year	0	0.00	--	--
	Purchase - 19.06.2019	100000	0.04	100000	0.04
	Purchase - 29.08.2019	200000	0.08	300000	0.12
	Purchase - 30.08.2019	115000	0.04	415000	0.16
	At the end of the year	--	--	415000	0.16

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
4	**Dr. Bakul Dholakia - Independent Director**				
	At the beginning of the year	20200	0.01	--	--
	Purchase	8000	0.00	28200	0.01
	At the end of the year	--	--	28200	0.01
5	**Ms. Renuka Ramnath - Independent Director**				
	At the beginning of the year	295	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	295	0.00
6	**Mr. Nilesh Shah - Independent Director**				
	At the beginning of the year	211	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	211	0.00
7	**Mr. R.V. Bhimani - Company Secretary**				
	At the beginning of the year	4	0.00	--	--
	Date wise increase/ decrease in Shareholding during the year	--	--	--	--
	At the end of the year	--	--	4	0.00

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

- Mr. Kulin Lalbhai - Executive Director
- Mr. Dileep Choksi - Independent Director
- Mr. Arpit Patel - 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
At the beginning of the financial year				
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
Total (i+ii+iii)	**1930.42**	**732.88**	**0.00**	**2663.30**
Change during the financial year				
Additions	446.66	0.00	0.00	446.66
Reduction	245.01	533.13	0.00	778.14
Net Change	**201.65**	**-533.13**	**0.00**	**-331.48**
At the end of the financial year				
i) Principal Amount	2112.93	199.75	0.00	2312.67
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	19.14	0.00	0.00	19.14
Total (i+ii+iii)	**2132.07**	**199.75**	**0.00**	**2331.82**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
1	**Gross salary**	**Mr. Sanjay Lalbhai Chairman and Managing Director**	**Mr. Punit Lalbhai Executive Director**	**Mr. Kulin Lalbhai Executive Director**	**Mr. Jayesh Shah Director and Group CFO**	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	20632400	10699980	10724363	15068398	**57125141**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	686460	41370	41370	43140	**812340**
	(c) Profits in lieu of salary u/s 17(3) of the Income Tax Act, 1961	--	--	--	--	**--**
2	Stock option	--	--	--	--	**--**
3	Sweat Equity	--	--	--	--	**--**
4	Commission	28725000	15799000	15799000	18671000	**78994000**
	as % of profit					
	others (specify)	--	--	--	--	**--**
5	Others, please specify					
	NPS, PF, Gratuity and Super Annuation	2401458	1159838	1159838	2246337	**6967471**
	Total (A)	**52445318**	**27700188**	**27724571**	**36028875**	**143898952**
	Ceiling as per the Act	**10% of the net profits of the Company**				

B. Remuneration to other Directors

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of the Directors							Total Amount
1	**Independent Directors**	**Dr. Bakul Dholakia**	**Ms. Renuka Ramnath**	**Mr. Dileep Choksi**	**Mr. Vallabh Bhanshali+**	**Mr. Samir Mehta^**	**Mr. Nilesh Shah**	**Mr. Arpit Patel***	
	(a) Fee for attending board/ committee meetings	100000	40000	90000	0	0	100000	70000	**400000**
	(b) Commission	750000	650000	750000	61780	180822	750000	661643	**3804245**
	(c) Others, please specify	--	--	--	--	--	--	--	**--**
	Total (1)	**850000**	**690000**	**840000**	**61780**	**180822**	**850000**	**731643**	**4204245**
2	**Other Non-Executive Directors**								
	(a) Fee for attending board/ committee meetings	--	--	--	--	--	--	--	**--**
	(b) Commission	--	--	--	--	--	--	--	**--**
	(c) Others, please specify								
	Total (2)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
	Total (B)=(1+2)	**850000**	**690000**	**840000**	**61780**	**180822**	**850000**	**731643**	**4204245**
	Ceiling as per the Act	**1% of the net profits of the Company**							
	Total Managerial Remuneration	**148103197**							
	Overall Ceiling as per the Act	**11% of the net profits of the Company**							

+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.
^The term of five years of Mr. Samir Mehta as an Independent Director of the Company has expired on 29th July 2019 and accordingly he ceased to be an Independent Director of the Company.
*The Company has appointed Mr. Arpit Patel as an Independent Director w.e.f. 17th May 2019 for a term of five years.

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel	
1	Gross Salary	**Mr. R.V. Bhimani Company Secretary**	**Total**
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	2738867	**2738867**
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	32400	**32400**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	**--**
2	Stock Option	--	**--**
3	Sweat Equity	--	**--**
4	Commission	--	**--**
	as % of profit		
	others, specify	--	**--**
5	Others, please specify		
	NPS, PF, Gratuity and Super Annuation	401237	**401237**
	Total	**3172504**	**3172504**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the year ended 31st March 2020.

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 2019-20		**If Total remuneration of the Director is considered**	**If total remuneration of the Director excluding Variable pay and commission is considered**
		Bakul Dholakia	2.16	0.25
		Renuka Ramnath	1.75	0.10
		Dileep Choksi	2.13	0.23
		Nilesh Shah	2.16	0.25
		Sanjay Lalbhai	132.97	60.14
		Jayesh Shah	91.35	44.01
		Punit Lalbhai	70.23	30.17
		Kulin Lalbhai	70.29	30.24
		*** Part of the year**		
		Vallabh Bhansali	0.16	0.00
		Samir Mehta	0.46	0.00
		Arpit Patel	1.86	0.18
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	**Independent Directors**		**%**
		Bakul Dholakia		4
		Renuka Ramnath		1
		Dileep Choksi		0
		Vallabh Bhansali		-90
		Samir Mehta		-69
		Nilesh Shah		4
		Arpit Patel		NA
		Chairman and Managing Director		
		Sanjay Lalbhai		-27
		Director and Group Chief Financial Officer		
		Jayesh Shah		-24
		Executive Directors		
		Punit Lalbhai		-24
		Kulin Lalbhai		-24
		Company Secretary		
		Ramnik Bhimani		0
iii)	The percentage increase in the median remuneration of employees in the financial year	8		
iv)	The number of permanent employees on the rolls of Company	28237		
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 Personeel is (33.02%) and for other employees was about 5.24%. 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 2020.

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, 5 out of 9, are independent members. Given below is the report on Corporate Governance at Arvind.

2. BOARD OF DIRECTORS

(i) Composition of the Board:

The Board has 9 Directors, comprising of Chairman and Managing Director, Director and Group Chief Financial Officer, 2 Executive Directors and 5 Non-Executive Directors. The Non-Executive Directors who are also Independent Directors are leading professionals from varied fields who bring in independent judgment to the Board's discussions and deliberations.

The 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.

The term of five years of Mr. Samir Mehta as an Independent Director of the Company has expired on 29th July 2019 and accordingly he ceased to be an Independent Director of the Company.

During the year, 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.
- appointed Mr. Arpit Patel as an Independent Director w.e.f. 17th May 2019 for a term of five years.
- re-appointed Dr. Bakul Dholakia as an Independent Director w.e.f. 1st August 2019 for a second term of five years.
- re-appointed Ms. Renuka Ramnath as an Independent Director w.e.f. 1st August 2019 for a second term of five years.
- re-appointed Mr. Nilesh Shah as an Independent Director w.e.f. 6th May 2020 for a second term of five years.

The following is the Composition of the Board as at 31st March 2020:

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	5	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	Director & Group Chief Financial Officer	12	2	1
5	Dr. Bakul Dholakia	Independent Director	5	2	2
6	Ms. Renuka Ramnath	Independent Director	14	0	1
7	Mr. Dileep Choksi	Independent Director	12	4	2
8	Mr. Nilesh Shah	Independent Director	4	4	0
9	Mr. Arpit Patel	Independent Director	3	1	2

*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.

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 Lalbhai	The Anup Engineering Limited	Chairman and Non-Executive Director
		Arvind SmartSpaces Limited	Chairman and Non-Executive Director
		Arvind Fashions Limited	Chairman and Non-Executive Director
2	Mr. Punit Lalbhai	The Anup Engineering Limited	Non-Executive Director
		Arvind Fashions Limited	Non-Executive Director
3	Mr. Kulin Lalbhai	Zydus Wellness Limited	Non-Executive Independent Director
		Arvind SmartSpaces Limited	Non-Executive Director
		Arvind Fashions Limited	Non-Executive Director
4	Mr. Jayesh 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	Tata Communications Limited	Chairperson (Independent Director)
		TV18 Broadcast Limited	Non-Executive Independent Director
		PVR Limited	Non-Executive Non Independent Director
7	Mr. Dileep Choksi	Lupin Limited	Independent Director
		Deepak Nitrite Limited	Non-Executive Independent Director
		AIA Engineering Limited	Independent Director
		Swaraj Engines Limited	Non-Executive Independent Director
		ICICI Prudential Life Insurance Company Limited	Independent Director
8	Mr. Nilesh Shah	Arvind Fashions Limited	Non-Executive Independent Director
9	Mr. Arpit Patel	The Anup Engineering Limited	Independent Director

(ii) Key Board Qualifications, Expertise and Attributes:

Name of the Director	Qualifications, Expertise and Attributes
Mr. Sanjay Lalbhai	• Strategic thinking • Track-record of spotting disruptive opportunities ahead of time • Ability to take calibrated risks • 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 skills including running production facilities
Mr. Punit Lalbhai	• Expertise in new materials and sustainable technologies • 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
Mr. Kulin Lalbhai	• Expert in retail technologies and digital transformation • 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
Mr. Jayesh Shah	• Sales and marketing including an understanding of consumer markets in India, US and Europe • General management and financial management skills including mergers and acquisitions • Legal and regulatory management • Industrial relations and overall stakeholder management
Dr. Bakul Dholakia	• Expertise in micro and macro economy • General management and financial management skills including mergers and acquisitions • Legal and regulatory management • Industrial relations and overall stakeholder management
Ms. Renuka Ramnath	• Expertise in Indian consumer and retail markets and e-commerce • General management and financial management skills including mergers and acquisitions • Legal and regulatory management
Mr. Dileep Choksi	• General management and financial management skills including mergers and acquisitions • Legal and regulatory management • Industrial relations and overall stakeholder management
Mr. Nilesh Shah	• Expertise in macro economy • Shareholder value creation • General management and financial management skills including mergers and acquisitions • Legal and regulatory management
Mr. Arpit Patel	• General management and financial management skills including mergers and acquisitions • Legal and regulatory management • Industrial relations and overall stakeholder management

(iii) 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.

(iv) Meetings and Attendance:

During the year, the Board of Directors met 5 times on 11th April 2019, 17th May 2019, 6th August 2019, 25th October 2019 and 31st January 2020. The gap between two Board Meetings was within the maximum time gap prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Attendance of Directors at these Board Meetings and at the last Annual General Meeting was as under:

Sr. No.	Name of Director	Number of Board Meetings held during the period when the Director was on the Board	Number of Board Meetings attended	Whether present at the previous AGM
1	Mr. Sanjay Lalbhai	5	5	Yes
2	Mr. Punit Lalbhai	5	5	Yes
3	Mr. Kulin Lalbhai	5	4	Yes
4	Mr. Jayesh Shah	5	5	Yes
5	Dr. Bakul Dholakia	5	3	No
6	Ms. Renuka Ramnath	5	3	No
7	Mr. Dileep Choksi	5	3	No
8	Mr. Nilesh Shah	5	4	Yes
9	Mr. Arpit Patel*	3	3	Yes
10	Mr. Vallabh Bhanshali+	1	0	N.A.
11	Mr. Samir Mehta^	2	0	N.A.

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

+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.

^The term of five years of Mr. Samir Mehta as an Independent Director of the Company has expired on 29th July 2019 and accordingly he ceased to be an Independent Director of the Company.

(v) 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 Director" 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 fulfils the conditions specified in SEBI (LODR) Regulations, 2015 and are independent of the management.

During the year under review, the Independent Directors met on January 31, 2020, 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.

(vi) 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.

(vii) Number of shares and convertible instruments held by Non-Executive Directors:

Name	Category	Number of equity shares
Dr. Bakul Dholakia	Non-Executive Independent Director	28200
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.

(viii) Familiarisation Programme for Independent Director:

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

The details of familiarisation program imparted to Independent Directors is also posted on the Company's Website at https://www.arvind.com/sites/default/files/field_policy_file/Familiarisation%20Programme%20for%20IDs.pdf

(ix) Code of Conduct for Directors and Senior Management Personnel:

In terms of provisions of the 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.

(x) Prohibition of Insider Trading Code:

The 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.

(xi) 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.

(i) Terms of reference of the committee:

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 crores 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.

(ii) The Composition of the Committee as at 31st March 2020 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 17th May 2019, 6th August 2019, 25th October 2019 and 31st January 2020. 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. Arpit Patel	Chairman	3	3
2	Mr. Dileep Choksi	Member	4	3
3	Mr. Jayesh Shah	Member	4	4
4	Dr. Bakul Dholakia	Member	4	2
5	Mr. Nilesh Shah	Member	4	4

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.

(i) Terms of reference of the committee:

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.

(ii) The Composition of the Committee as at 31st March 2020 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 Nomination and Remuneration Committee Meeting was held on 17th May 2019. The Attendance of Members at meeting was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the period when the Member was on the Board	Number of Meetings attended
1	Dr. Bakul Dholakia	Chairman	1	1
2	Mr. Dileep Choksi	Member	1	1
3	Ms. Renuka Ramnath	Member	1	0

(iii) 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 Committeesand 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.

(iv) 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 2019-20 are as under:

Sr. No.	Name of Director	Salary (₹)	Perquisites & Allowances (₹)	Retirement & Leave Benefits (₹)	Sitting Fees (₹)	Commission/ Bonus (₹)	Stock Option
1	Mr. Sanjay Lalbhai	10416000	10718212	2267920	--	18000000	--
2	Mr. Punit Lalbhai	4140000	6559980	938575	--	9900000	--
3	Mr. Kulin Lalbhai	4140000	6584363	939207	--	9900000	--
4	Mr. Jayesh Shah	6948000	8120398	1562760	--	11700000	--
5	Dr. Bakul Dholakia	--	--	--	100000	750000	--
6	Ms. Renuka Ramnath	--	--	--	40000	650000	--
7	Mr. Dileep Choksi	--	--	--	90000	750000	--
8	Mr. Nilesh Shah	--	--	--	100000	750000	--
9	Mr. Arpit Patel*	--	--	--	70000	661643	--
10	Mr. Vallabh Bhanshali+	--	--	--	0	61780	--
11	Mr. Samir Mehta^	--	--	--	0	180822	--

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

+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.

^The term of five years of Mr. Samir Mehta as an Independent Director of the Company has expired on 29th July 2019 and accordingly he ceased to be an Independent Director of the Company.

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

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

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

Please refer Point No. 6 - Employee Stock Option Scheme in Directors' Report.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

(i) Terms of reference of the Committee:

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.

(ii) The Composition of the Committee as at 31st March 2020 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 2019, 25th October 2019 and 31st January 2020. 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	Dr. Bakul Dholakia	Chairman	3	1
2	Mr. Sanjay Lalbhai	Member	3	3
3	Mr. Jayesh Shah	Member	3	3

(iii) Name and Designation of Compliance Officer:

R. V. Bhimani

Company Secretary

(iv) Details of Complaints/ Queries received and redressed during 1st April 2019 to 31st March 2020 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	27	27	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 Risk Management Committee has 4 Members comprising of 1 Executive Director viz. Mr. Jayesh Shah and 3 Non-Executive Independent Directors viz. Dr. Bakul Dholakia, Mr. Dileep Choksi and Mr. Nilesh Shah.

(i) 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.

(ii) The Composition of the Committee as at 31st March 2020 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 1 Risk Management Committee Meeting was held on 17th May 2019. The Attendance of Members at meeting was as under:

Sr. No.	Name of Member	Position	Number of Meetings held during the y ear	Number of Meetings attended
1	Mr. Dileep Choksi	Member	1	1
2	Dr. Bakul Dholakia	Member	1	1
3	Mr. Jayesh Shah	Member	1	1
4	Mr. Nilesh Shah	Member	1	1

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

(ii) Composition of the Committee as at 31st March 2020 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 3 Meetings were held on 17th May 2019, 6th August 2019 and 25th October 2019. 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	Dr. Bakul Dholakia	Chairman	3	1
2	Mr. Sanjay Lalbhai	Member	3	3
3	Mr. Punit Lalbhai	Member	3	3
4	Mr. Jayesh Shah	Member	3	3

8 MANAGEMENT COMMITTEE

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

(i) 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.

(ii) The Composition of the Committee as at 31st March 2020 and the details of Members participation at the Meetings of the Committee are as under:

During the year, 18 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 Lalbhai	Member	18	16
2	Mr. Punit Lalbhai	Member	18	15
3	Mr. Kulin Lalbhai	Member	18	12
4	Mr. Jayesh K. Shah	Member	18	17

9 INFORMATION ON GENERAL BODY MEETINGS

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

Date	Time	Venue
6th August 2019	09:30 a.m.	J.B. Auditorium, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, Ahmedabad - 380015
30th August 2018		
4th August 2017		

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

2018-19

1. 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.
2. Special Resolution for re-appointment of Mr. Dileep C. Choksi as an Independent Director of the Company.
3. Special Resolution for approval of offer or invitation to subscribe to Non-Convertible Debentures on private placement basis upto ₹ 300 crores.

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.

(iii) Extraordinary General Meeting (EGM):

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

(iv) 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

(i) 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.

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

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

11. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting:

Date	25th September 2020
Time	11:00 a.m.
Mode	Video conferencing or through Other Audio Visual Means

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	:	Second week of August, 2020
Second quarter results / Half yearly results	:	Last week of October, 2020
Third quarter results	:	Last week of January, 2021
Fourth quarter results / Year end results	:	Second week of May, 2021

(iii) Book Closure: Saturday, 19th September 2020 to Friday, 25th September 2020 (both days inclusive)

(iv) Dividend Payment Date: N.A.

(v) Listing on Stock Exchanges:

(A) Equity Shares

Sr. No.	Name of the Stock Exchange	Code/Symbol	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

(B) 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 Segment of BSE Limited.

The Company has, on 03.06.2020, allotted 8.50% - 750 Rated, Listed, Secured, Redeemable, Non-Convertible Debentures (NCDs) of the face value of ₹ 10,00,000/- each, for cash at par, aggregating to ₹ 75 crores on private placement basis and the said NCDs are listed on the Wholesale Debt Market Segment of BSE Limited.

Scrip Code:

956873: ARVIND-8%-8-9-21-PVT
956950: AL-7.79%-29-9-20-PVT
956951: AL-7.79%-29-9-22-PVT
959583: AL-8.5%-2-6-23-PVT

Debenture Trustee (for privately placed debentures):

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills Compound
Pandurang Budhkar Marg, Worli, Mumbai - 400 025
Phone: +91 22 6226 0054/ 50
Email: debenturetrustee@axistrustee.com
Website: www.axistrustee.com

The Company has paid Annual Listing Fees for the year 2020-2021 to the above Stock Exchanges.

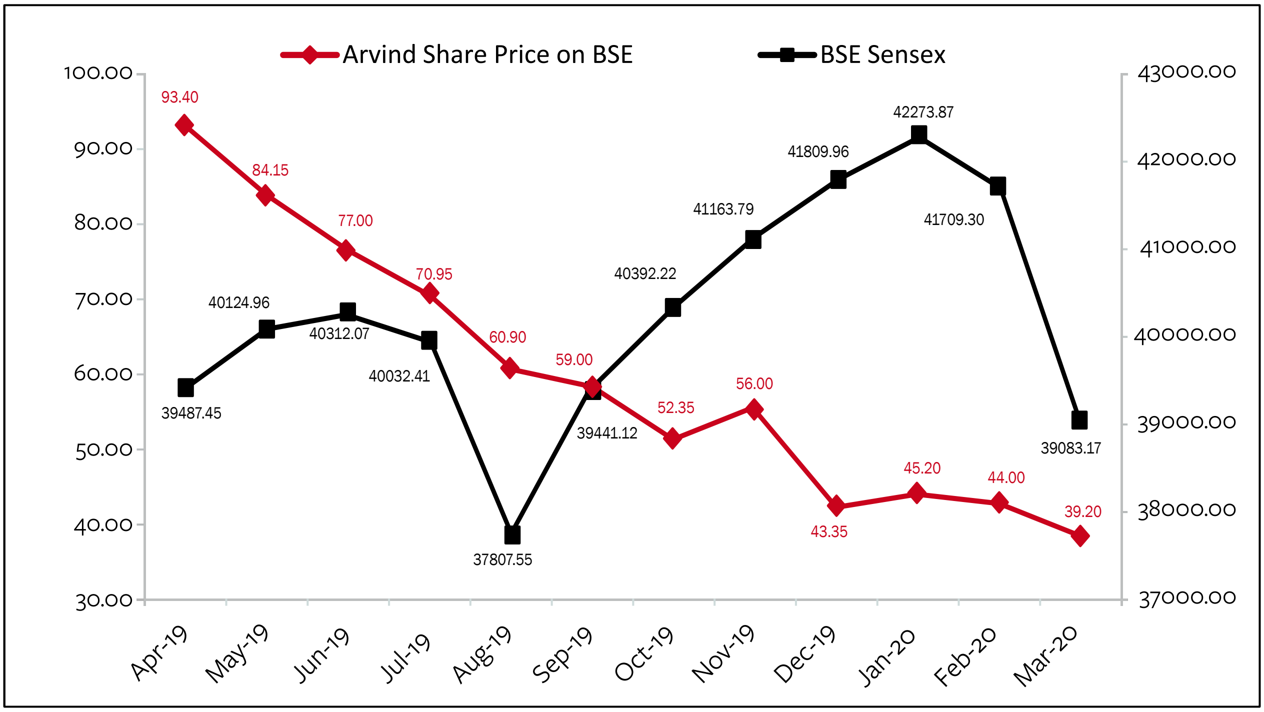
(vi) Market Price Data:

The market price data and volume of the Company's share traded in the BSE Limited and the National Stock Exchange of India Limited during the Financial Year 2019-20 were as under:

Month	Share price on BSE		BSE Sensex		Volume	Share price on NSE		NSE (NIFTY)		Volume
	High (₹)	Low (₹)	High	Low	No. of shares	High (₹)	Low (₹)	High	Low	No. of shares
Apr-19	93.40	82.90	39487.45	38460.25	3514992	93.45	83.00	11856.15	11549.10	40184117
May-19	84.15	70.15	40124.96	36956.10	5220011	84.25	70.15	12041.15	11108.30	50491665
Jun-19	77.00	56.55	40312.07	38870.96	5879550	76.80	56.55	12103.05	11625.10	55645711
Jul-19	70.95	52.75	40032.41	37128.26	11330916	70.90	52.25	11981.75	10999.40	119122666
Aug-19	60.90	44.60	37807.55	36102.35	14981531	60.90	44.55	11181.45	10637.15	131735788
Sep-19	59.00	45.50	39441.12	35987.80	14533515	59.10	45.50	11694.85	10670.25	97473068
Oct-19	52.35	42.00	40392.22	37415.83	6902608	52.30	41.85	11945.00	11090.15	28141677
Nov-19	56.00	42.75	41163.79	40014.23	4273765	55.55	42.80	12158.80	11802.65	25900530
Dec-19	43.35	33.30	41809.96	40135.37	5703766	43.35	34.55	12293.90	11832.30	45385923
Jan-20	45.20	39.15	42273.87	40476.55	4033419	45.25	39.10	12430.50	11929.60	35829213
Feb-20	44.00	36.60	41709.30	38219.97	1682063	44.15	36.90	12246.70	11175.05	17935612
Mar-20	39.20	19.00	39083.17	25638.90	3637895	39.20	19.00	11433.00	7511.10	17915981

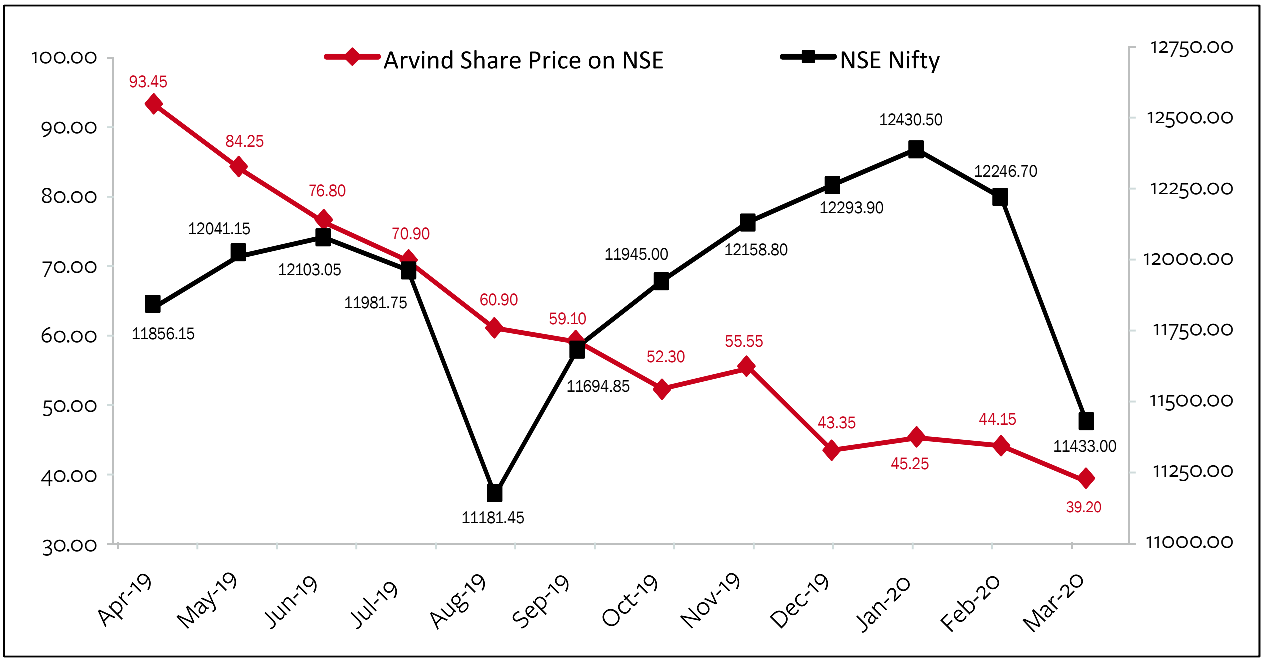
Performance in comparison to broad-based indices viz. BSE Sensex

Arvind Share Price Movement v/s BSE Sensex



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

Arvind Share price Movement v/s NSE Nifty



(vii) 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

(viii) Share Transfer System:

(A) 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.

(B) Share Transfer Details for the period from 1st April 2019 to 31st March 2020:

Transactions	Physical
Number of Transfers	143
Average Number of Transfers per month	12
Number of Shares Transferred	15404
Average Number of shares Transferred per month	1284
Number of Pending Share Transfers	Nil

(C) 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.

(ix) Category wise shareholding as on 31st March 2020:

Sr. No.	Catagory	No. of Shares held	% of Shareholding
1	Promoters and Promoter Group	115799622	44.75
2	Mutual Funds	24850274	9.60
3	Financial Institutions, Banks, Insurance Companies & Central/State Government	7240982	2.80
4	Foreign Portfolio Investors, Foreign Institutional Investors, NRIs, Foreign Banks, Foreign Nationals	43388728	16.77
5	NBFCs registered with RBI	20520	0.01
6	Bodies Corporate	5607247	2.17
7	Individuals	55592161	21.48
8	IEPF	863352	0.33
9	Trusts	1016076	0.39
10	Hindu Undivided Family	2931569	1.13
11	Clearing Members	1453638	0.56
12	Overseas Bodies Corporate	2900	0.00
Total		**258767069**	**100.00**

(x) Distribution of shareholding as on 31st March 2020:

Sr. No.	Shares Range			Number of Shareholders	Total Shares for the Range	% of Issued Capital
1	1	to	500	181001	17676143	6.83
2	501	to	1000	8891	7075756	2.73
3	1001	to	2000	4153	6230013	2.41
4	2001	to	3000	1369	3498526	1.35
5	3001	to	4000	600	2158848	0.83
6	4001	to	5000	497	2348340	0.91
7	5001	to	10000	699	5085660	1.97
8	10001	to	**********	656	214693783	82.97
Total				**197866**	**258767069**	**100.00**

(xi) 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 2020, 25,67,66,669 shares representing 99.23% 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

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

(xiii) Commodity price risk or foreign exchange risk and hedging activities:

Commodity - "Raw Cotton Lint"

1. Risk Management Policy - 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.

To map & mitigate the outright price risk scenario, 'mark to market' valuation of inventory is being done on a weekly basis. At any point in time, we maintain Cotton inventory enough to last - not less than 15 days for all domestically sourced Cotton categories and 60 days of inventory for all import Cotton categories. If we are net long on Cotton and if the mark to market price of a benchmark Cotton category falls more than 5% in valuation, we might hedge our 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, we do a rigorous analysis of data to help us in price view formation.

(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. During these months, the Company builds inventory for those quality sensitive categories - whose availability is less post April. The Company employs similar strategy for sourcing Contamination Free Cotton categories as well.

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

(c) Forex Risk:

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 based out of Mumbai.

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

Exposure in Quantity - 5821 MT

Exposure in INR - ₹ 75.33 Crores

(xiv) Plant Locations:

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

(xv) Unclaimed Dividend:

- 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.
- Dividends on equity shares for the financial years 1994-95 to 1997-98, 2004-05, 2005-06 and 2011-12 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.
- 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.
- 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*
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
2018-19	6th August 2019	11th September 2026

* Actual dates of transfer to IEPF may vary.

(xvi) 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.

(xvii) List of all Credit Ratings obtained by the entity:

Credit Ratings obtained by the Company during the year are available on Company's website at www.arvind.com.

(xviii) 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: investor@arvind.in Website: www.arvind.com	Link Intime India Private Limited 5th Floor, 506 to 508, Amarnath Business Centre-1 (abc-1) Beside Gala Business Centre (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 • Website: www.linkintime.co.in

12. OTHER DISCLOSURES

(i) 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
https://www.arvind.com/sites/default/files/field_policy_file/Related%20Party%20Transactions%20Policy%202019.pdf

(ii) 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.

(iii) 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.

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

(v) 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

https://www.arvind.com/sites/default/files/field_policy_file/Policy%20on%20Material%20Subsidiaries.pdf

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

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

(vi) Vigil Mechanism:

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

The Company has a Whistleblower Policy (WB Policy) that provides a 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

Toll Free No.: 1800 200 8301

Dedicated Email ID: arvind@ethicshelpline.in

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

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

(vii) 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.

(viii) 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.

(ix) Complaints pertaining to Sexual Harassment:

During the financial year 2019-20, the Company has received 1 (one) complaint on sexual harassment. Arvind Internal Complaints Committee (AICC) conducted the proceedings as defined in the Policy. The case was dealt with, as per the policy guidelines and ICC recommendations were given, in a fair and just manner.

(x) 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.

(xi) 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 at 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 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 27th June 2020 and the same was approved.

For and on behalf of the Board

Place: Ahmedabad
Date: June 27, 2020

SANJAY LALBHAI
Chairman & Managing Director

CEO / CFO certifcation

To
The Board of Directors
Arvind Limited
Ahmedabad

Re: Financial Statements for the year 2019-20 - Certification by CEO and CFO

We, Sanjay Lalbhai, Chairman & Managing Director and Jayesh Shah, Director & Group 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 2020 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
June 27, 2020

Sanjay Lalbhai
Chairman & Managing Director

Jayesh Shah
Director & Group CFO

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

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

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2020.

Ahmedabad
June 27, 2020

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 reference no. KR/AL/EL/2019-20/01 dated September 09, 2019.
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, 2020, 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, 2020.
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: June 27, 2020

Management Discussion and Analysis

Economic context and Textile and Apparel market situation

Outlook for global economic growth started on a weak note in 2019 and continued to be weak through the year. Manufacturing activity and trade growth continued to be low key. The year was marked by geopolitical tensions and trade-war rhetoric mainly between the US and China. This clearly reflected in reduced confidence on the future of the global trading system and international cooperation, and impacted investment decisions, and global trade. Several economies signalled and adopted an accommodating monetary policy which cushioned the impact of global tensions on financial market sentiment and activity. Overall, the year wrapped up with World Economic Outlook estimating 2.9% growth in global GDP – tepid by any measure.

From an Indian perspective as well, the Indian economy delivered a mere 4.2% during 2019-20, vs. a revised estimate of 6.1% for the previous year. March 2020 of course saw the start of the Covid-19 pandemic, and the associated lockdowns which brought most economic activity to a grinding halt. The new government had assumed office in summer 2019 with a historic mandate and has been widely expected to take on more difficult reform items. The budget and subsequent announcements presented in 2nd quarter delivered mixed results – while the financial markets continued to hit historic highs, the general economic and job growth continued to be challenged.

Sales of clothing and apparel saw modest growth at an overall level. The momentum had started to build-up by 3rd quarter, but the sudden collapse in March impacted the overall volumes for several leading players. The Indian government on its part has continued to be engaged constructively with the sector. In the recent budget for FY20-21, there were several industry friendly measures announced including removal of anti-dumping duty from PTA, set-up of National Technical Textile Mission and review of Rules of Origin in FTAs to ensure that industry interests are not compromised. Most crucial, the government decided to walk out of the contemplated RCEP treaty, which brought much needed relief to the sector.

Indian textile industry is highly sensitive to cotton market as over 70% of its output is based on cotton - unlike the global situation where articles made of man-made fibres account for a larger share. Cotton prices saw sharp swings during the financial year. The year started with ICE hovering around 77 cents per pounds, Shankar-6 and Cotlook-A quoting even higher. By middle of the financial year, the prices had softened to 60 cents, to bounce back to 70 cents level by Dec-Jan and soften again to 60 cents by April 2020. Players with very high exposure had to suffer large mark-to-market losses as a result during price down-turns. Looking ahead, it appears that the cotton demand, and hence the prices will remain soft, though the government may interject and buy at higher MSP to support the farmers.

Arvind's business performance summary

₹ in Crores

Particulars	For the year ended			
	March 31, 2020		March 31, 2019	
	Amount	% of sales	Amount	% of sales
Revenue from Operations	7,369		7,142	
Other Income	55		84	
Total Revenue	**7,424**		**7,226**	
Cost of Material Consumed	3,300	46%	2,915	40%
Purchase of Stock in Trade	366	5%	387	5%
Change in Inventory	69	1%	-41	-1%
Project Expenses	74	1%	103	1%
Employee Cost	942	13%	900	12%
Power & Fuel	456	6%	510	7%
Stores Consumption	520	7%	538	7%
Other Expenses	949	13%	1,114	15%
EBIDTA	**748**	**10%**	**800**	**11%**
EBIDTA w/o Other Income	**692**	**10%**	**717**	**10%**
Depreciation	290	4%	235	3%
Finance Cost	237	3%	220	3%
Share of Profit/(loss) of Joint venture	-2		1	
Profit Before Exceptional Items and Tax	**218**	**3%**	**346**	**5%**
Exceptional Item	-50		-46	
Profit before Tax	**168**	**2%**	**300**	**4%**

During FY2020, Arvind delivered a good overall performance, quite in line with its stated business plan until February 2020.

Given the relatively soft market environment since the beginning of the financial year, Arvind has been consistently targeting a modest top-line growth, but sharper improvement on profitability resulting from back-end efficiencies, cost management, fixed cost reduction and tighter working capital discipline. Accordingly, significant portion of management attention has been focused on pushing operating and financial discipline throughout the year.

Fabric volumes remained steady, and price realizations also moved within a narrow band. Garment volumes saw healthy growth as new facilities started to deliver customer shipments. Despite the set-back in March due to Covid-19, garment volumes for the year moved up from 34 million pieces in the previous year to 42 million pieces. B2B business continued its usual focus on ensuring key account wallet share through product innovation and customer service. The B2C business saw completion of its restructuring program that was started during the previous FY – conversion of company owned stores to franchisee operations was completed successfully. The company also started getting interest from new parties for new franchises.

All three Advanced Materials businesses – Human Protection, Industrials and Advanced Composites delivered strong organic growth as planned. These businesses consolidated their respective market position, expanded wallet share in key accounts, stopped loss-making product lines and maintained high degree of discipline in managing operations and financials.

Arvind-Envisol, the water treatment business shifted its focus on building the Indian ETP business in the industrial and other segments. Envisol also invested significant efforts in augmenting its portfolio of technologies and solutions, that will position it well in the market effluent treatment market over long term. Finally, this business entered into several customer and partner relationships to expand the footprint into newer geographies like China and Bangladesh.

The last two weeks of March led to stoppage of production and dispatch leading to a significant loss of revenue and earnings. The management estimates that the company had to forgo sales to the tune of ₹ 250 crores, which translated into a contribution/EBITDA loss of around ₹ 75 crores as our costs did not come down commensurate to the revenue loss.

Results review

Overall revenues of the Company grew 3% in FY20 primarily driven by 13% growth in Advanced Materials and 5% increase in textile revenues, in turn coming from expansion in garmenting volumes. Operating Earnings (excluding other income) before Interest Depreciation and Taxes (EBITDA) margins stayed at 9.4%, which were similar to 9.6% clocked last year. Margins in Advanced Materials firmed up from 12.5% to 13.4%. Other businesses include our fledgling water and waste water solutions business, which is a project based business that had a strong base effect during the last year. Consolidated PBT was down 36% and stood at ₹ 220 crores. Profit after Tax, excluding the exceptional items stood at ₹ 146 crores, which was down 48% as compared to previous year.

Revenue

Although on 11-month basis, the revenues were up 8%, with both Textiles and AMD delivering 10% and 20% growth respectively, Covid-19 impact changed the picture significantly. As a result, for the full year, total revenue of the company grew only by 3% in FY20 powered by two primary drivers – a sharp increase in garmenting volumes, as well as Advanced Materials. Textile volumes – both Denim and Wovens saw minor declines. Denim volumes for the year reduced from 85 million meters to 80 million meters. Wovens volumes reduced from 139 million meters to 125 million meters. Garmenting volumes increased to 42 million pieces from 34 million in the previous year as our factory expansion in Bangalore area and our new garmenting facilities in Ethiopia, Ranchi and Ahmedabad area have started delivering customer shipments.

Cost of Material consumed:

Although the cotton prices saw sharp swings during the year, average cotton prices for the full year for Arvind were same as that in the previous year and stood at ₹ 118 per kg. Other direct materials costs which largely consists of cost of Dyes & Chemicals and Spare parts consumed reduced by ~3% to ₹ 520 crores. Power & Fuel cost for the year was also reduced by ~11% and stood at ₹ 456 crores. Reduction in power and fuel cost is largely due to converting inhouse facilities in to job work facilities for asset-light model and reduction in power rates at IEX.

Our employee cost increased by ~5% to ₹ 942 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 continued to remain at 13% of operating revenues.

Operating Margin:

For the year under review, EBITDA margins reduced by 60 bps to 9.4%, primarily due to pre-operative expenses in new garment facilities earlier during the year, and subsequently because of Covid-19 related disruptions as mentioned earlier. In absolute terms, EBITDA fell 3% to ₹ 692 crores for FY2020.

Finance Cost:

Finance cost for the year stood at ₹ 237 crores, after considering effect of AS116.

Depreciation:

Depreciation for the year was up 24% as we capitalised more units under our garmenting business. As a percentage of revenue depreciation increased from around 3% last year, to 4% this year.

Profit before Taxes:

PBT for the full year was down by 36%, and stood at ₹ 220 crores.

Net Profit:

Profit after taxes and after providing for ₹ 50 crores worth of exceptional items, stood at ₹ 96 crores for the year. This was 60% lesser than last year's number of ₹ 237 crores (48% less without accounting for one time exceptional items).

Working Capital:

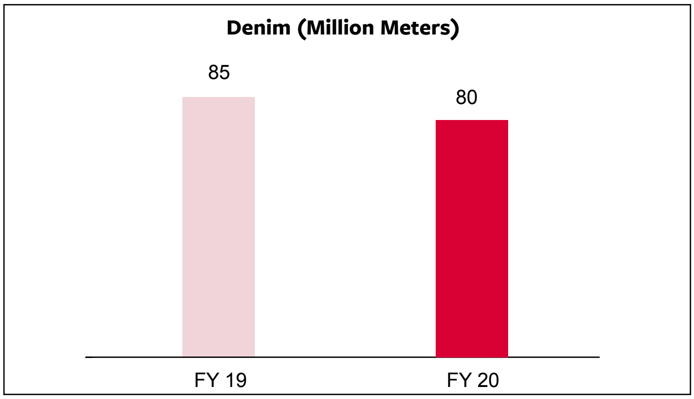
Gross Current assets at the end of the year were down by ~13% while the current liabilities were lower by ~2%. Net Working capital reduced for the year resulting into improved Working capital turns.

Debt:

Our total borrowings (long & short term) at the end of FY20 stood at ₹ 2,456 crores. This sharp reduction in our overall borrowing by almost ₹ 250 crores was a result of tighter operating and financial discipline that helped reduce working capital requirements quite significantly.

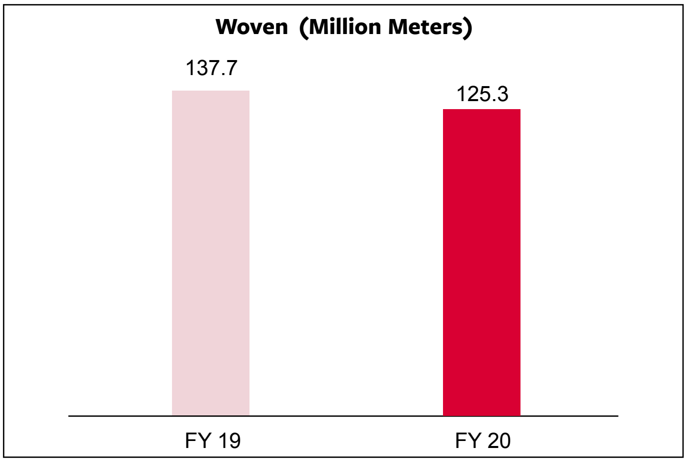
Denim

Denim fabric business saw a decrease in volume from 85M meters to 80M meters. Denim business continues to face over-capacity in domestic market and new capacity additions in Bangladesh. For the first three quarters Denim volumes were a healthy 20M meters plus. Especially for Q2 and Q3, they compared well with the previous year numbers as well. Its in Q4 when the shipments came down by 20% to 17.4M meters, and the price realization also softened a bit. For the full year though, Denim realizations remained healthy, and this helped clock revenues of ₹ 1,517 crores (about 5% lower than last year).



Woven

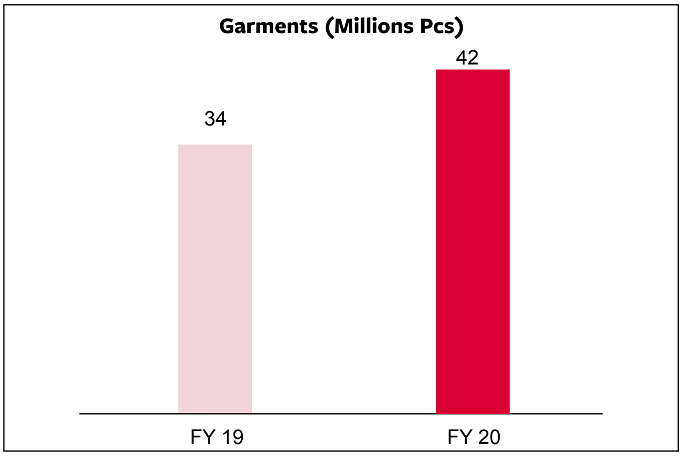
Woven volumes also were lower by approximately 12M meters, and stood at 125M meters for the full year. Similar to Denim, Woven volumes were comparable to those in the previous year for the first three quarters. Its only as a result of Covid-19 impact in Q4 that we saw a 28% reduction in Woven volumes, which stood at close to 25M meters as against 34M meter level during the fourth quarter of the previous two years. Prior to Covid-19, the B2B business continued its planned performance by consolidating position in key export and domestic brand accounts. Revenue saw a decline to ₹ 1,689 crores from ₹ 1,763 crores. Our B2C business, which was restructured as a largely franchisee operation during the previous year, saw good market acceptance as we continued to get interest for new franchises. The retail suiting business which was built as a direct to retail business over last 5 years, was restructured to become a wholesaler led business during the year, just like Shirting.



Garment

During the year, we completed the implementation of garmenting expansion. This includes modernization and capacity expansion at our Bangalore/Karnataka plants, as well as customer shipment momentum from our greenfield factories in Ranchi and Ahmedabad area. The total garment shipments, excluding essentials jumped from 34 million pieces to 42 million pieces during the year.

Going forward, we are also leveraging close partnership with our garmenting partners to present a virtual integrated package to our brand customers. This will be key to continuing our garmenting capacity expansion in near future, as uncertainty will be hallmark of market demand.



Advanced Materials

Advanced Materials Division (AMD) continued its momentum and delivered another strong performance during FY2020. This business grew its top-line from ₹ 486 crores in FY18 to ₹ 630 crores in FY19, and despite the March end disruptions, ended the year at ₹ 713 crores EBITDA, improved from 10.4% to 12.9% during the 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. Newly introduced sports goods made with carbon-fibre-reinforced composites, got strong customer reviews and saw volumes and order commitments go up. Lastly for AMD, the Industrial products businesses – which include various kinds of liquid and gas filtration, belting, coated fabrics and yarn – also saw nice pick-up on the revenue side, and delivered healthy contributions.

Other businesses

Among other businesses that the company deals in, Arvind Envisol deals in design, erection, commissioning, operations and maintenance of water and waste water treatment plants for Industrial Waste Water & Zero Liquid Discharge Solutions. It provides world's most cost-effective environmental solutions to protect our scarce natural resources. This business clocked revenues of ₹ 283 crores, as compared to ₹ 325 crores previous year. This is a project based business which is scaling up steadily, and as such the revenues tend to fluctuate based on billing milestones.

Financial Ratios

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has identified the following ratios as key financial ratios:

Ratio	2020	2019
Debtors Turnover	7.0	8.0
Inventory Turnover	5.8	4.5
Interest coverage ratio	2.2	2.6
Current Ratio	1.0	1.0
Debt Equity Ratio	0.9	1.0
Operating Profit Margin%	9%	10%
Net Profit Margin%	2%	4%
Return on Net Worth	5%	10%

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 (NVGs) 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

E-mail id: sustainability@arvind.in

Financial Year reported: FY 2019-20

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. 257.

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

Section B: Financial details of the Company

Paid up Capital (INR): ₹ 258.77 Crores

Total Turnover (INR) : ₹ 6705.31 Crores

Total profit after taxes (INR) : ₹ 171.38 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, 2020 was ₹ 5.86 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. 37.

Section C: Other Details

Any Subsidiary Company/ Companies:

Yes. Refer to Annexure-E to the Director's Report in the Annual Report, Page No. 49.

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: Director & Group CFO

   Telephone Number: 079-68268000

   Email id: 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

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 marginalized	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 18001and 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 next 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 overall 23 complaints from employees and business partners during the year, out of which 18 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:

- Recycled Denim
- Neo Denim
- Recycled Polyester
- Khadi Denim
- Scafé Denim
- Linen Denim
- Excel Denim
- Advanced Denim
- 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:

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

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 25% 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:

While water cannot be substituted completely in the manufacturing processes, we taker water saving initiatives to manage it responsibly. We have adopted some of Levi's waterless washing rules to conserve water during the washing process. Among these, Arvind practices Remove Desize step, Low liquor ratio for stone wash, combine fixing and Softener prominently to conserve water.

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 stonewashes

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 30% 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

In India, most farms are rain fed and monsoons are unpredictable. Crop failures and under-realisation of investment lead to financial impoverishment, and sometimes, farmer suicides. Farmer's interests, therefore, must be safeguarded.

Social

Automation is limited to only a few big farmers. Hence, the high unskilled labour quotient opens the possibilities for social evils like forced labour, in humane work conditions, gender and caste-based discrimination and child labour.

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

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

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

	UOM	FY19-20
Total Soft waste	Tone	9818.896
Total hard waste	Tone	5427.918
Chindi	Tone	2455.626

<u>Principle 3 - Businesses should promote the well-being of all employees</u>

1. Total number of employees

Staff: 3742

Workers: (Excluding contractual workers) 24459

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

Contractual workers:

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

3. Number of permanent women employees:

Staff: 385

Worker: 11967

4. Number of permanent employees with disabilities:

Total physically challenged Staff employees: 3

Male: 2

Female: 1

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

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

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

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

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

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

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 2019-20, the Company has received one complaint on sexual harassment.

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

More than 2500 employees have been provided training in FY 2019-20.

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
- Distributors

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 -Fulfill their requirements of Sustainable products -Understand their Sustainability Goals	• Periodic one-to-one interactions with key customers • Personal meetings by our design and technology teams with customer groups at regular intervals throughout the year • B2B customer portal has been launched during reporting period to facilitate a continuous dialogue • Feedback gathered during customer visits and audits to the manufacturing locations
Investors	Understand concerns and expectations, create higher shared value Understand the Sustainability risk perception of investors	• Regular dissemination of financial performance through website, newspapers and published accounts • In-depth interactions in analyst meets and investor presentations • Redressal of Specific queries on sustainability from investors
Employees & Workers	Understand their career ambitions, job satisfaction parameters, support career growth, training and development Share organisation's vision, short-term and long-term goals, workplace needs and expectations	• Structured interactive appraisals, career path guidance, training programmes, employee rewards and recognitions (Arvind Stores), development programmes • Feedback mechanism for FLM using various channels
Local Community	Maintain enduring relations with local communities	• Interactions by IR department • SHARDA Trust's activities
Media	Communicate key developments, milestone events, growth plans etc. Build larger outreach on Sustainability issues as well as create need for Sustainable outcomes	• Media interaction events, press conferences etc. • Media announcements of quarterly reports, annual report and major tie-ups • Media visits to facilities to demonstrate progress on Sustainability

Stakeholder Group	Objective Engagement	Methodologies
Government Agencies	Understand compliance and applicable regulations. Brief them on steps taken and discuss opportunities to collaborate on pressing issues	• Personal meetings • Submission of relevant compliance documents • Presence in industry forums
Suppliers	Sharing of mutual expectations and needs, especially with regard to quality, cost and timely delivery, growth plans and sharing of best practices	• Periodic interactions between Arvind's buying and sourcing teams • Training programmes, quality workshops

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

   No.

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

   No.

Principle 5 - Businesses should respect and promote human rights

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

   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

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 the Company.

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

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

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

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

   We have implemented total 24 MW rooftop solar so far 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 2019-2020.

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 on the Higg Index 3.0 for 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 four 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
   https://www.arvind.com/sites/default/files/field_policy_file/CSR%20Policy%202019.pdf

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

   The projects / programmes are undertaken by in-house agencies and in partnership with other organisations too depending upon the expertise that is required by the project / programs.

   The in-house agency Arvind Foundation was set up in 2015 as an umbrella organization to strengthen and expand the CSR initiatives. Strategic Help Alliance for Relief to Distressed Areas (SHARDA) and Narottam Lalbhai Rural Development Fund (NLRDF) are other in-house organisations that have been undertaking programs of social renewal. In addition, our CSR initiatives have strong partnership with Government, Civil Society Organisations and Corporate CSRs. Section 5.04 of our CSR Policy substantiates this partnership idea.

   This Business Responsibility Report also establishes the above statement. While some initiatives are undertaken by SHARDA Trust and NLRDF, some are directly undertaken by Arvind Foundation. Other initiatives have also been undertaken on Company's behalf by Niramaya Charitable Trust and Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) as they bring specific expertise to carry out these initiatives.

   The following paragraphs give a brief account of CSR Initiatives:

   Without limiting the purpose, scope and flexibility of CSR initiatives, during 2019-20, the Company defined three broader themes to bring larger focus in our CSR initiatives namely **Educational Advancement, Rural Advancement and Cultural Advancement.**

   Educational Advancement:

   Gyanda: Under the broad theme of Educational Advancement, Gyanda is an ongoing supplementary education program designed for primary, secondary and higher secondary school going children in urban areas. It is carried out by SHARDA Trust. Gyanda is operational since 2006-07. More than 5,000 students from lower socio-economic strata have benefitted so far. At present, Gyanda has enrolment of more than 1,100 students. The program has also been introduced in rural areas with preliminary activities.

   Leadership for transformation program: To strengthen Gyanda, a 2 year learning and development program for the Gyanda team (both educators and administrators) continued during 2019-20. This program has been designed and delivered by the Riverside Learning Centre Ahmedabad. About 30 participants are undergoing this program to further ensure expansion of the program across urban and rural set ups.

   Student Mentorship Program: The senior students of Gyanda are all set to get into professional life. A holistic preparatory education program was started to prepare students for living life purposefully and joyfully. 110 students from standard 11 and above are learning in this program.

   Rural Advancement:

   The Arvind Rural Transformation Initiative (ARTI) is being undertaken in Ahmedabad, Gandhinagar and Narmada districts of Gujarat. Initiatives for improving the education environment in village schools, organising exposure trips for students are few initial initiatives before launch of rural Gyanda. Improving farm productivity through trainings and exposure visits and undertaking health camps are some other initiatives undertaken around our factory at Khatraj in Gandhinagar. We propose to set up a multipurpose community centre to support ARTI.

   Livelihood Promotion through tribal home stay project: As part of ARTI, the Home Stay Project in villages in Garudeshwar Taluka in Narmada District was undertaken. The Taluka hosts the World's tallest statue – The Statue of Unity and has potential of additional alternative income for the native tribal families.

   Inner Well Being: An Inner Wellbeing Program in rural Gujarat and Rajasthan is under implementation since last four years. The belief that physical and social developments are meaningful only if people are also well from within gave rise to this initiative. In 2019-20, we conducted sessions in close to 200 places and reached out to around 15,000 people.

   Women empowerment (CSR in spirit):

   Started in the year 2014, the projects has so far enrolled more than 900 women. This program helps women to acquire stitching skills, get employment in the Company, stay in company managed dormitories, upgrading their qualification and skills in their free time and build their aspiration to move from blue collar to white collar work.

In addition to above initiatives, through our in-house agency NLRDF, different programs were undertaken. **Parivartan: Transforming Lives through Improved Complementary Feeding and Hygiene Practices** project was implemented on behalf of UNICEF in 100 villages. The Better Cotton Initiative (BCI) Project in 10000 acre land, 4500 farmers across 37 villages have benefitted through this programme.

Cultural Advancement

Promotion of Indology: Lalbhai Dalpatbhai Bhartiya Sanskriti Vidyamandir (LDBSV) was supported towards its efforts to preserve India's rich heritage through this ongoing project to create a comprehensive, research-oriented digital repository of paper/palm-leaf manuscripts housed in Lalbhai Dalpatbhai Institute of Indology.

Indigo Museum: The Company has approved the unique plan to set up an Indigo Museum to capture the story of indigo and associated materials. Indigo was often referred to as Blue Gold as it was an ideal trading commodity - high value, compact and long lasting. This is our way to pay respect to our heritage.

Working with Artisans: A project titled **"Walking Hand-in-Hand - Taking Unnamed Artisans to the World Stage"** continued in second year. The project is being implemented by CDS Art Foundation which supports such artisans who work on exquisite textiles by identifying, encouraging and supporting and enabling them to not only support their craft but also be employment providers in their community.

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

   Yes, we have. Impact assessment is an important tool to judge the efficacy and the effectiveness of the programme. For Arvind Limited, majority of our CSR initiatives are long term ongoing programs and hence a continuous monitoring and evaluation is part of our program planning and implementation. The impact management, hence, is an ongoing process to judge the efficacy over a period of time. We got 3rd party Impact Assessment conducted for our flagship program - Gyanda. A CSR Consultancy Firm Inverted Comma conducted the study. The qualitative and quantitative data on the impact the education program has created and the areas that we should work on strengthening the initiative helped us plan our expansion strategy.

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

   Direct Contribution:

   - ₹ 2.25 Crores (Rupees Two Crores and Twenty Five Lacs) on different CSR programs.
   - ₹ 3.75 Crores (Rupees Three Crores and Seventy Five Lacs) carried forward for setting up a Multipurpose Community Centre as part of ongoing program ARTI.
   - Making it total of ₹ 6.00 Crores as statutory requirement of 2% CSR expense.

   In addition, ₹ 3.40 Crores (Rupees Three Crores and Forty Lacs) were spent through funds of SHARDA and NLRDF.

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

   Yes, we have. Participation of the community is key to any successful initiative. As our programs are ongoing long-term programs, all the programs aim at participation of stakeholders - the community, Government, civil society partners and the other Company's CSRs. Continuous community dialogue and engagement along with exposure and training enable the community to participate meaningfully. The feedback from the community is incorporated in planning to increase the efficacy of our efforts.

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

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

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

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

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

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

   Not applicable.

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

   Not during recently concluded financial year.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARVIND LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Arvind Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, and 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.

Emphasis of Matter

We draw attention to Note 44 of the standalone financial statements, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

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.

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
1	**Revenue recognition – cut off** Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	**Principal Audit Procedures performed:** Our audit process consisted testing of the design and operating effectiveness of the internal controls and substantive testing are as follows: We tested the Company's control over timing of revenue recognition around year end. • At the year end, we have performed the cut off testing for late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales.
2	**Physical verification of Inventories** The Company's management conducts physical verification of inventories during the year at reasonable intervals, however, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories. Subsequent to the year-end, Management has carried out physical verification of inventories before starting any operational activity at all locations. We were not able to participate in observation of the physical verification of inventories, due to the COVID-19 pandemic situation and have performed alternate procedures to test existence of inventory as at year-end, in accordance with the requirements of the auditing standards; and identified 'Inventories - Existence' as a key audit matter.	**Principal Audit Procedures performed:** We have performed following alternate procedures to audit the existence of inventories as at the year-end, since we were unable to physically observe the inventory verification: • evaluated the design and implementation of the controls over physical verification of inventories and tested the operating effectiveness of the controls during the year. • for inventory at third party warehouses, obtained direct confirmations, and as appropriate performed roll-back procedures to compare with inventory quantities at year end, on a sample basis. Also, read the warehousing agreements to understand the obligations of the warehouse owner with respect to maintenance of the inventory records for the Company and their ability to provide confirmation on the inventories held by them on behalf of the Company. • Post ease in lockdown, the management of the company have again carried

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
		out physical verification of inventory for major locations which was attended by the independent firm of Chartered Accountant under the instructions of Audit engagement team. Audit engagement team had observed the process through virtual medium and performed roll back procedures evidencing the movement in stocks from the date of such verification to the year end, on a sample basis. • Verified the analytical reviews performed by the management such as consumption analysis and stock movement analysis for locations not covered in physical verification for the year for raw material and finished goods at locations, on a sample basis.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, 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, 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) 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.

   d) In our opinion, the aforesaid standalone 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 as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

   g) With respect to the other matters to be included in the Auditor's Report in accordance with 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.

   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 Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. Following is the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Financial Year for which amount pertains	Amount involved (₹ In crores)	Number of days delay in depositing the amount	Date of deposit
2011-12	₹ 0.30	25 days	27-11-2019

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval
Partner
(Membership no. 106189)
(UDIN: 20106189AAAAEY8343)

Place: Ahmedabad
Date: June 27, 2020

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, 2020 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 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, 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 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, 2020, 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)
(UDIN: 20106189AAAAEY8343)

Place: Ahmedabad
Date: June 27, 2020

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):

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.

(b) 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.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and 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	28	3,35,209 Sq. Mtr.	₹ 85.52 crores	₹ 85.52 crores	The Company is in process to register title deed in its name.
Freehold Acquired Building	6	9,056 Sq. Mtr.	₹ 12.82 crores	₹ 8.32 crores	
Freehold Land	5	2,78,942 Sq. Mtr.	₹ 19.65 crores	₹ 19.65 crores	The title deeds are in the name of Arvind Brands and Retail Limited and Dholka Textile 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 August 24, 2017, with effect from April 1, 2016. The Company is in process to register title deed in its name.
Freehold Acquired Building	9	1,329 Sq. Mtr.	₹ 1.66 crores	₹ 1.52 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.

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.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) 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 Cause 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:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Goods and Service Tax, Custom Duty, Income tax, Cess and other material statutory dues applicable to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Goods and Service Tax, Custom Duty, Income tax, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) Details of Income Tax, Excise Duty, Custom Duty, Service Tax, Sales Tax and Value Added Tax dues which have not been deposited as on March 31, 2020 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	₹ 9.74	2004-05, 2008-09 20014-15, 2015-16	Commissioner of Income Tax Appeal
		₹ 6.82	2005-06, 2006-07, 2011-12, 2012-13	Income Tax Appellate Tribunal
		₹ 0.12	2005-06	High Court
The Central Excise Act, 1944	Excise Duty	₹ 9.17	1999-00, 2000-01	Supreme Court
		₹ 1.06	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	₹ 8.14	2004-05 to 2016-17	Assistant Commissioner
		₹ 0.77	2013-14, 2014-15	Principal Commissioner
		₹ 1.27	2004-05 to 2007-08, 2012-13	Commissioner
		₹ 0.44	2003-04 to 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)
Maharashtra Value Added Tax Act, 2003	Value Added Tax	₹ 5.73	2014-15	Assistant Commissioner
Central Sales Tax Act, 1956	Central Sales Tax	₹ 0.60	2005-06	Deputy Commissioner
		₹ 0.62	2007-08	Joint Commissioner (Appeal)
		₹ 4.73	2014-15	Assistant Commissioner

(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, 2020 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 other than pending temporary deployment pending application of proceeds.

(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)
(UDIN: 20106189AAAAEY8343)

Place: Ahmedabad
Date: June 27, 2020

Standalone Balance Sheet as at March 31, 2020

₹ in Crores

Particulars	Notes	As at March 31, 2020 (Refer 45(I))	As at March 31, 2019 (Refer 45 (II))
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**3,256.96**	3,027.31
(b) Capital work-in-progress		**70.29**	187.92
(c) Investment properties	6	**35.81**	35.65
(d) Intangible assets	7	**78.28**	109.35
(e) Intangible assets under development		**0.29**	1.66
(f) Right of Use Assets	38	**89.72**	-
(g) Financial assets			
(i) Investments	8 (a)	**525.47**	516.53
(ii) Loans	8 (c)	**0.94**	1.34
(iii) Other financial assets	8 (f)	**30.05**	33.11
(h) Other non-current assets	9	**8.73**	21.55
Total non-current assets (A)		**4,096.54**	3,934.42
Current assets			
(a) Inventories	10	**1,038.46**	1,364.93
(b) Financial assets			
(i) Trade receivables	8 (b)	**898.32**	714.38
(ii) Cash and cash equivalents	8 (d)	**20.61**	23.12
(iii) Bank balance other than (ii) above	8 (e)	**9.51**	8.07
(iv) Loans	8 (c)	**305.15**	255.11
(v) Other financial assets	8 (f)	**87.37**	182.05
(c) Current tax assets (net)	11	**19.58**	76.46
(d) Other current assets	9	**248.53**	366.31
Total current assets (B)		**2,627.53**	2,990.43
Assets classified as held for Sale (C)		**90.48**	89.03
TOTAL ASSETS (A) + (B) + (C)		**6,814.55**	7,013.88
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	**258.77**	258.62
(b) Other equity	13	**2,594.92**	2,557.50
Total equity (A)		**2,853.69**	2,816.12
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 (a)	**953.21**	969.15
(ii) Lease Liabilities	38	**91.70**	-
(iii) Other financial liabilities	14 (c)	**6.35**	1.67
(b) Long-term provisions	15	**42.16**	44.76
(c) Deferred tax liabilities (net)	28	**22.01**	39.31
(d) Government grants	16	**68.55**	59.94
Total non-current liabilities (B)		**1,183.98**	1,114.83
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	14 (a)	**1,111.83**	1,536.34
(ii) Lease Liabilities	38	**26.30**	-
(iii) Trade payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	14 (b)	**8.93**	-
- Total Outstanding dues other then Micro Enterprises and Small Enterprises	14 (b)	**1,109.38**	1,194.45
(iv) Other financial liabilities	14 (c)	**417.86**	295.13
(b) Short-term provisions	15	**13.06**	9.96
(c) Government grants	16	**6.71**	4.60
(e) Other current liabilities	17	**82.81**	42.45
Total current liabilities (C)		**2,776.88**	3,082.93
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		**6,814.55**	7,013.88

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: June 27, 2020

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: June 27, 2020

Standalone Statement of profit and loss for the year ended March 31, 2020

₹ in Crores

	Particulars	Notes	Year ended March 31, 2020 (Refer 45 (I))	Year ended March 31, 2019 (Refer 45 (II))
	CONTINUING OPERATION			
I.	**INCOME**			
	(a) Revenue from operations	18	**6,705.31**	6,435.96
	(b) Other income	19	**80.16**	103.85
	TOTAL INCOME		**6,785.47**	6,539.81
II.	**EXPENSES**			
	(a) Cost of raw materials and accessories consumed	20	**3,158.37**	2,822.50
	(b) Purchase of stock-in-trade	21	**214.71**	154.70
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	**64.27**	3.27
	(d) Project expenses		**27.69**	4.44
	(e) Employee benefits expense	23	**776.12**	779.19
	(f) Finance costs	24	**224.10**	213.38
	(g) Depreciation and amortisation expense	25	**240.54**	209.75
	(h) Other expenses	26	**1,770.74**	2,038.73
	TOTAL EXPENSES		**6,476.54**	6,225.96
III.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I-II)**		**308.93**	313.85
IV.	Exceptional items	27	**58.82**	70.85
V.	**PROFIT BEFORE TAX (III-IV)**		**250.11**	243.00
VI.	**Tax expense**	28		
	(a) Current tax		**48.71**	53.56
	(b) Short provision related to earlier years		**11.95**	31.97
	(c) Deferred tax (Credit)/ charge		**18.07**	(56.00)
	Total tax expense		**78.73**	29.53
VII.	**PROFIT FOR THE YEAR FROM CONTINUING OPERATION (V-VI)**		**171.38**	213.47
VIII.	PROFIT/(LOSS) BEFORE TAX FOR THE YEAR FROM DISCONTINUED OPERATIONS	45	**-**	(20.70)
IX.	Tax Expense of Discontinued Operations		**-**	(6.67)
X	**PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS(VIII-IX)**		**-**	(14.03)
XI	PROFIT/(LOSS) BEFORE TAX FOR THE YEAR FROM CONTINUING AND DISCONTINUED OPERATIONS (V+VIII)		**250.11**	222.30
XII	Tax Expense of Continuing And Discontinued Operations (VI+IX)		**78.73**	22.86
XIII.	**PROFIT FOR THE YEAR (XI-XII)**		**171.38**	199.44
XIV.	**Other comprehensive income/(Loss)**			
A.	**Items that will not be reclassified to Profit and Loss**			
	(i) Equity Instruments through Other Comprehensive Income (FVOCI)		**-**	0.07
	(ii) Remeasurement gain/(loss) of defined benefit plans		**0.60**	(17.12)
	(iii) Income tax related to items no (ii) above		**(0.21)**	5.98
	Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods		**0.39**	(11.07)
B.	**Items that will be reclassified to Profit & Loss**			
	(i) Effective portion of gain/(loss) on cash flow hedges		**(77.34)**	31.53
	(ii) Income tax related to items no (i) above		**27.03**	(11.02)
	Net other comprehensive income/(loss) that will be reclassified to profit or loss in subsequent periods		**(50.31)**	20.51
	TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX (XIV) = (A+B)		**(49.92)**	9.44
XV.	**TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX (XIII+XIV)**		**121.46**	208.88
XVI.	**Earning per equity share [nominal value per share ₹ 10]**	36		
	Continuing Operations :			
	- Basic		**6.62**	8.25
	- Diluted		**6.62**	8.25
	Discontinued Operations :			
	- Basic		**-**	(0.54)
	- Diluted		**-**	(0.54)
	Continuing and Discontinued Operations :			
	- Basic		**6.62**	7.71
	- Diluted		**6.62**	7.71

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: June 27, 2020

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: June 27, 2020

Standalone Statement of cash flows for the year ended March 31, 2020

₹ in Crores

	Particulars	Year ended March 31, 2020 (Refer 45(I))		Year ended March 31, 2019 (Refer 45(II))	
A	**Cash Flow from Operating activities**				
	Profit after taxation		**171.38**		199.44
	Adjustments to reconcile profit after tax to net cash flows:				
	Depreciation and Amortization expense	**240.54**		214.54	
	Interest Income	**(35.48)**		(39.92)	
	Tax Expense	**78.73**		22.86	
	Finance Costs	**224.10**		215.12	
	Dividend Income	**(5.50)**		(2.20)	
	Allowances for doubtful debts	**3.28**		1.93	
	Sundry Debit Written off	**1.27**		0.33	
	Sundry Credit Balances written back	**-**		(3.79)	
	Share of Loss from LLP	**0.30**		0.17	
	Provision for Non moving inventory	**39.69**		26.34	
	Foreign Exchange Loss / (Gain)	**(9.05)**		5.31	
	Fixed Assets written off	**-**		0.41	
	Profit on Sale of Property, plant and equipment	**2.19**		(10.54)	
	Excess Provision written back	**(0.48)**		(3.45)	
	Share based payment expense	**1.12**		1.28	
	Government grant income	**(6.31)**		(4.03)	
	Loss of Mark to market of derivative financial instruments	**11.40**		-	
	Provision for Diminution in value of share application money	**1.49**		-	
	Provision for Diminution in Value of Investments	**21.79**		16.07	
	Allowances for doubtful loan	**0.81**		8.80	
	Reversal of Excise Duty Provision	**(4.95)**		-	
	Reversal of GST Credit	**-**		27.55	
	Financial guarantee commission income	**(1.10)**		(4.85)	
			563.84		471.93
	Operating Profit before Working Capital Changes		**735.22**		671.37
	Adjustments for changes in working capital :				
	(Increase) / Decrease in Inventories	**308.04**		(87.82)	
	(Increase) / Decrease in trade receivables	**(177.67)**		13.49	
	(Increase) / Decrease in other current assets	**117.57**		(13.84)	
	(Increase) / Decrease in other financial assets	**47.49**		(24.56)	
	Increase / (Decrease) in trade payables	**(72.11)**		250.80	
	Increase / (Decrease) in other financial liabilities	**(9.72)**		(18.66)	
	Increase / (Decrease) in other current liabilities	**35.18**		(2.97)	
	Increase / (Decrease) in provisions	**1.11**		(7.57)	
	Net Changes in Working Capital		**249.89**		108.87
	Cash Generated from Operations		**985.11**		780.24
	Direct Taxes paid (Net of Tax refund)		**(2.20)**		(54.91)
	Net Cash Flow from Operating Activities (A)		**982.91**		725.33
B	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment and intangible assets	**(321.61)**		(410.92)	
	Proceeds from disposal of Property, plant and equipment	**16.31**		39.94	
	Disposal of Property, plant and equipment due to Demerger (Refer note 45(II))	**-**		18.49	
	Purchase of Investments	**(31.02)**		(76.33)	
	Disposal of Investments due to Demerger (Refer note 45(II))	**-**		430.92	
	Changes in other bank balances not considered as cash and cash equivalents	**(1.23)**		(0.41)	
	Loans repaid (net)	**(50.46)**		(44.00)	
	Dividend Received	**5.50**		2.20	
	Interest Received	**45.97**		7.98	
	Net Cash Flow from/(used in) Investing Activities (B)		**(336.54)**		(32.13)

Standalone Statement of cash flows for the year ended March 31, 2020 (Contd.)

₹ in Crores

Particulars		Year ended March 31, 2020 (Refer 45(I))		Year ended March 31, 2019 (Refer 45(II))	
C Cash Flow from Financing Activities					
Proceeds from Issue of Share Capital		**0.86**		-	
Dividend Paid (including Dividend Distribution Tax)		**(61.82)**		(74.41)	
Proceeds from long term Borrowings		**446.65**		591.69	
Amount recovered for long term Borrowings due to Demerger (Refer note 45(II))		**-**		(5.38)	
Repayment of long term borrowings		**(360.98)**		(371.85)	
Proceeds from short term Borrowings		**2,576.69**		2,378.36	
Amount recovered for short term Borrowings due to Demerger (Refer note 45(II))		**-**		(17.77)	
Repayment of short term borrowings		**(3,001.20)**		(2,485.68)	
Repayment towards Lease Liabilities		**(33.47)**		-	
Interest Paid		**(216.73)**		(214.72)	
Net Cash Flow used in Financing Activities	**(C)**		**(650.00)**		(199.76)
Net Increase/(Decrease) in cash and cash equivalents	**(A)+(B)+(C)**		**(3.63)**		493.44
Cash and Cash equivalent at the beginning of the year			**22.84**		7.26
Add: Adjustment due to Demerger (Refer note 45 (II))			**-**		(477.86)
Cash and Cash equivalent at the end of the year			**19.21**		22.84

Reconciliation of cash and cash equivalents

Particulars	Year ended March 31, 2020 (Refer 45(I))	Year ended March 31, 2019 (Refer 45(II))
Cash and cash equivalents :		
Cash on Hand	**0.01**	0.01
Cheques on hand	**3.77**	-
Balances with Banks	**16.83**	23.11
Cash and cash equivalents as per Balance Sheet (Refer note 8 (d))	**20.61**	23.12
Less: Book Overdrafts (Refer note 14 (c))	**(1.40)**	(0.28)
Cash and cash equivalents as per Cash flow Statement	**19.21**	22.84

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, 2019	Net cash flows	Non Cash Changes: Other changes *	Non Cash Changes: Impact due to IndAS 116	Non Cash Changes: Fair value adjustment on interest free inter corporate deposits	As at March 31, 2020
Borrowings :							
Long term borrowings	15 (a)	1,115.17	85.67	-	-	-	1,200.84
Short term borrowings	15 (a)	1,536.34	(424.51)	-	-	-	1,111.83
Interest accrued on borrowings	15 (c)	11.78	(11.78)	19.11	-	-	19.11
Lease Liabilities	38	-	(44.02)	-	162.02	-	118.00
Total		**2,663.29**	**(394.64)**	**19.11**	**162.02**	**-**	**2,449.78**

* 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

Place: Ahmedabad
Date: June 27, 2020

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: June 27, 2020

Standalone Statement of changes in equity for the year ended March 31, 2020

₹ 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, 2019	258.62	-	258.62
For the year ended March 31, 2020	258.62	0.15	258.77

B. Other equity

Particulars	Reserves and Surplus								Items of Other Comprehensive Income		Total other equity
	Capital Reserve	Share based payment reserve	Capital Rede-mption Reserve	Securities premium	Amalg-amation Reserve	Debenture Redem-ption Reserve	General Reserve	Retained Earnings	Effective portion of gain or loss on cash flow hedges	Equity Ins-truments through Other Co-mprehens-ive Income (FVOCI)	
Balance as at April 1, 2018	**26.71**	**11.09**	**69.50**	**564.77**	**34.20**	**50.00**	**35.65**	**2,104.00**	**3.27**	**0.42**	**2,899.61**
Profit for the year	-	-	-	-	-	-	-	199.44	-	-	199.44
Other comprehensive income for the year	-	-	-	-	-	-	-	(11.14)	20.51	0.07	9.44
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**188.30**	**20.51**	**0.07**	**208.88**
Add: Issue of Shares under Employee Stock Option Plan	-	1.28	-	-	-	-	-	-	-	-	1.28
Add: 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)
Balance as at March 31, 2019	**26.71**	**12.37**	**69.50**	**564.77**	**34.20**	**50.00**	**35.65**	**1,740.03**	**23.78**	**0.49**	**2,557.50**
Balance as at April 1, 2019	**26.71**	**12.37**	**69.50**	**564.77**	**34.20**	**50.00**	**35.65**	**1,740.03**	**23.78**	**0.49**	**2,557.50**
Profit for the year	-	-	-	-			-	171.38	-	-	171.38
Other comprehensive income for the year	-	-	-	-			-	0.39	(50.31)	-	(49.92)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**171.77**	**(50.31)**	**-**	**121.46**
Less: Utilized during the year	-	-	-	(5.19)	-	-	-	-	-	-	(5.19)
Add: Issue of Shares under Employee Stock Option Plan	-	1.13	-	0.71	-	-	-	-	-	-	1.84
Add / (Less) : Transfer from share based payment reserve	-	-	-	1.72	-	-	-	-	-	-	1.72
Add / (Less) : Transfer to securities premium	-	(1.72)	-	-	-	-	-	-	-	-	(1.72)
Less: Ind AS 116 transition Adjustment (Refer note 38)	-	-	-	-	-	-	-	(29.00)	-	-	(29.00)
Add : Deferred Tax on Ind AS 116 transition Adjustment (Refer note 38)	-	-	-	-	-	-	-	10.13	-	-	10.13
Less: Dividend Paid during the year	-	-	-	-	-	-	-	(51.75)	-	-	(51.75)
Less: Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	(10.07)	-	-	(10.07)
Balance as at March 31, 2020	**26.71**	**11.78**	**69.50**	**562.01**	**34.20**	**50.00**	**35.65**	**1,831.11**	**(26.53)**	**0.49**	**2,594.92**

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

Place: Ahmedabad
Date: June 27, 2020

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: June 27, 2020

Notes to the Financial Statement for the year ended March 31, 2020

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 June 27, 2020.

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, 2020 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. Leases

The Company has adopted Ind AS 116 – Leases effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly previous period information has not been restated.

The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether

a) the contract involves the use of identified asset

b) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease and

c) the Company has the right to direct the use of the asset.

At the date of commencement of lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a team of twelve months or less (short-term leases) and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of lease.

The right-to-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-to-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

Notes to Standalone Financial Statement

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the lease assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2. Amendment to Ind AS 12, Income Taxes

The Appendix C 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 clarification do not have any material impact on the financial statement of the Company.

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 clarification do not have any material impact on the financial statement of the Company.

3. 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 clarification do not have any material impact on the financial statement of the Company.

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

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date

Notes to Standalone Financial Statement

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

Notes to Standalone Financial Statement

for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

Business Combination under Common Control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and the control is not transitory. The transactions between entities under common control are specifically covered by 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.

Notes to Standalone Financial Statement

External valuers are involved for valuation of significant assets, such as properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable on yearly basis.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

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

Notes to Standalone Financial Statement

The management believes that the useful life as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

Depreciation for assets purchased/sold during a period is proportionately charged for the period of use.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

3.8. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right of use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an 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. 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 basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

Notes to Standalone Financial Statement

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 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.

Notes to Standalone Financial Statement

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, are recognised in the Statement of Profit and Loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.14. 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.

Notes to Standalone Financial Statement

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 the instruments. For recognition and measurement of financial assets and financial liabilities, refer policy as mentioned below:

Initial recognition of financial assets and financial liabilities:

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequent measurement of financial assets:

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

(a) Financial assets at amortised cost

(b) Financial assets at fair value through other comprehensive income (FVTOCI)

(c) Financial assets at fair value through profit or loss (FVTPL)

(d) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(a) Financial assets at amortised cost:

A financial asset is measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

(b) Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI financial asset is reported as interest income using the EIR method.

(c) Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable of financial assets at fair value through profit or loss are immediately recognised profit or loss.

The Company may elect to designate a financial asset, which otherwise meets amortized cost or fair value through other comprehensive income criteria, as at fair value through profit or loss. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

(d) Equity instruments:

All equity investments in scope of Ind-AS 109 other than Investment in subsidiaries, Joint Ventures and Associates are measured at fair value. Equity instruments which are held for trading, are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity Investment in subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 - Separate Financial Statements.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available

Notes to Standalone Financial Statement

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:

(a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability

Notes to Standalone Financial Statement

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 (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.

Notes to Standalone Financial Statement

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 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 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, provident fund, Compensatory Pension Scheme and post-retirement medical benefit schemes are Company's defined benefit plans.

Gratuity fund scheme, Compensatory Pension Scheme and Post-retirement medical benefit schemes

The present value of the obligation under Defined benefit schemes 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 recognize the obligation on the net basis.

Notes to Standalone Financial Statement

Company Administered Provident Fund

In case of a specified class of employees of Company receive benefits from a provident fund, is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Arvind Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government-administered pension fund. 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.

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.

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

Notes to Standalone Financial Statement

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,
- 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.

Notes to Standalone Financial Statement

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 ₹165.53 crores (March 31, 2019: ₹187.50 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
Gross Carrying Amount										
As at April 1, 2018	**1,100.10**	**262.19**	**516.66**	**1,399.90**	**72.22**	**40.78**	**37.96**	**28.04**	**31.82**	**3,489.67**
Additions	44.94	-	19.39	227.76	8.76	11.67	0.01	3.19	10.70	326.42
Transfer	22.15	(22.15)	-	-	-	-	-	-	-	-
Transfer to Assets Held for Sale (Refer note 7 below)	31.65	57.38	-	-	-	-	-	-	-	89.03
Deductions due to Demerger (refer note 4 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
As at April 1, 2019	**1,131.87**	**182.66**	**534.79**	**1,599.81**	**74.91**	**45.99**	**33.38**	**29.98**	**41.60**	**3,674.99**
Additions	25.72	-	44.42	339.84	8.26	7.78	0.40	3.96	3.75	434.13
Transfer from Investment Properties	-	-	7.55	-	-	-	-	-	-	7.55
Transfer to Stock In Trade (refer note 8 below)	21.26	-	-	-	-	-	-	-	-	21.26
Deductions	-	-	-	18.38	1.24	5.67	2.61	0.12	0.05	28.07
As at March 31, 2020	**1,136.33**	**182.66**	**586.76**	**1,921.27**	**81.93**	**48.10**	**31.17**	**33.82**	**45.30**	**4,067.34**
Accumulated Depreciation and Impairment										
As at April 1, 2018	**-**	**-**	**63.22**	**335.82**	**19.74**	**10.10**	**16.43**	**13.91**	**17.18**	**476.40**
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 4 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
As at April 1, 2019	**-**	**-**	**85.52**	**462.94**	**25.06**	**13.06**	**20.14**	**17.91**	**23.05**	**647.68**
Depreciation for the year	-	-	24.17	118.32	7.66	5.69	4.72	4.57	6.18	171.31
Transfer from Investment Properties	-	-	0.96	-	-	-	-	-	-	0.96
Deductions	-	-	-	5.51	0.49	1.99	1.47	0.06	0.05	9.57
As at March 31, 2020	**-**	**-**	**110.65**	**575.75**	**32.23**	**16.76**	**23.39**	**22.42**	**29.18**	**810.38**
Net Carrying Amount										
As at March 31, 2020	**1,136.33**	**182.66**	**476.11**	**1,345.52**	**49.70**	**31.34**	**7.78**	**11.40**	**16.12**	**3,256.96**
As at April 1, 2019	1,131.87	182.66	449.27	1,136.87	49.85	32.93	13.24	12.07	18.55	3,027.31

Notes :

1. Freehold Land amounting to ₹ 37.81 crores in respect of which registration are pending in the favour of the Company and Land amounting to ₹ 19.65 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 ₹ 47.71 crores for land.
2. 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.
3. Details of Borrowing Cost and Exchange Differences Capitalised:

Particulars	Other Adjustments			
	For the year		Transfer from Capital Work in Progress	
	2019-20	2018-19	**2019-20**	2018-19
Borrowing Cost	**1.63**	0.59	**0.59**	-
Exchange Differences	**-**	-	**-**	-
Total	**1.63**	0.59	**0.59**	-

4. Please refer note 45 (II) for the scheme of Demerger of the Companies.
5. Additions in Plant and Machinery includes ₹ 3.99 Crores (Previous Year ₹ 8.02 Crores) which are purchased for the Research and Development purpose. For details refer note 46.
6. For Properties pledged as security, refer note 14 (a).
7. During the previous year, Freehold Land of ₹ 31.65 Crores & Leasehold Land of ₹ 57.38 Crores are transferred to Assets Held for Sale. 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.
8. During the year , Freehold Land of ₹ 21.26 Crs is transferred to Stock In Trade.
9. Refer note 45(I) for the scheme of business combination.

Notes to Standalone Financial Statements

₹ in Crores

Note 6 : Investment Properties

Investment property	Land	Building	Total
Gross Carrying Amount			
As at April 1, 2018	**21.44**	**23.56**	**45.00**
Additions	-	0.02	0.02
Deductions due to Demerger (refer note 4 below)	-	7.57	7.57
As at April 1, 2019	**21.44**	**16.01**	**37.45**
Additions	-	7.12	7.12
Transfer to Property, plant and equipment	-	7.55	7.55
As at March 31, 2020	**21.44**	**15.58**	**37.02**
Accumulated Depreciation			
As at April 1, 2018	**-**	**1.87**	**1.87**
Depreciation for the year	-	0.57	0.57
Deductions due to Demerger (refer note 4 below)	-	0.64	0.64
As at April 1, 2019	**-**	**1.80**	**1.80**
Depreciation for the year	-	0.37	0.37
Transfer to Property, plant and equipment	-	0.96	0.96
As at March 31, 2020	**-**	**1.21**	**1.21**
Net Carrying Amount			
As at March 31, 2020	**21.44**	**14.37**	**35.81**
As at April 1, 2019	21.44	14.21	35.65

Notes:

(1) Buildings of investment property includes ₹ 9.84 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, 2020**	Year ended March 31, 2019
Rental income derived from Investment properties	**4.35**	2.49
Less: Direct operating expenses (including repairs and maintenance)	**0.01**	0.02
Profit arising from investment properties before depreciation	**4.34**	2.47
Less : Depreciation	**0.37**	0.57
Profit arising from investment properties	**3.97**	1.90

(3) Fair value of the Investment properties

Fair value of the Investment properties are as under

Fair value	Land	Building	Total
Balance as at April 1, 2019	**26.47**	**19.11**	**45.58**
Fair value difference for the year	1.51	0.39	1.90
Additions during the year	-	12.74	12.74
Transfer to Property, plant and equipment	-	13.02	13.02
Balance as at March 31, 2020	**27.98**	**19.22**	**47.20**

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
Gross Carrying Amount				
As at April 1, 2018	**47.22**	**24.80**	**79.88**	**151.90**
Additions	49.51	-	-	49.51
Deductions	0.70	-	-	0.70
Deductions due to Demerger (refer note (ii) below)	1.05	-	8.52	9.57
As at March 31, 2019	**94.98**	**24.80**	**71.36**	**191.14**
Additions	3.94	1.11	-	5.05
As at March 31, 2020	**98.92**	**25.91**	**71.36**	**196.19**
Accumulated Depreciation				
As at April 1, 2018	**26.58**	**10.24**	**23.58**	**60.40**
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
As at March 31, 2019	**34.47**	**15.14**	**32.18**	**81.79**
Amortisation for the year	16.40	4.86	14.86	36.12
As at March 31, 2020	**50.87**	**20.00**	**47.04**	**117.91**
Net Carrying Amount				
As at March 31, 2020	**48.05**	**5.91**	**24.32**	**78.28**
As at April 1, 2019	60.51	9.66	39.18	109.35

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 As at March 31, 2020	No. of Shares/unit As at March 31, 2019	Amount As at March 31, 2020	Amount As at March 31, 2019
(a) Investment in equity shares (fully paid up):					
I. Subsidiaries - measured at cost (unquoted) :					
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	**10.04**	9.28
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	**9,60,772**	7,18,676	**260.07**	242.61
Arvind Envisol PLC	1,000 ETB	**46**	46	**0.01**	0.01
Arvind Foundation	10	**10,000**	10,000	**0.01**	0.01
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
Less: Provision for Impairment (Refer note 27)				**(9.76)**	-
				4.35	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
(Incluing Equity Component of Preference Shares ₹ 2.32 crores)					
Less: Provision for Impairment (Refer note 27)				**(2.33)**	(2.33)
				-	-
Arvind BKP Berolina Private Limited	10	**10,000**	10,000	**0.01**	0.01
Arvind Smart Textiles Limited*	10	**1,10,000**	1,10,000	**5.81**	5.81
Arvind Goodhill Suit Manufacturing Private Limited	10	**5,45,700**	5,45,700	**26.79**	26.79
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
Arvind Polser Engineered Composite Panels Private Limited	10	**2,88,897**	10,000	**6.98**	0.01
Arya Omnitalk Wireless Solutions Private Limited*	10	**10,02,500**	10,02,500	**1.35**	1.35
Arvind Niloy Exports Private Limited	100 Taka	**1,61,265**	1,61,265	**1.24**	1.24
Less: Provision for Impairment (Refer note 27)				**(1.24)**	-
				-	1.24
Westech Advanced Materials Limited (Shares without par value)		**28,28,363**	28,28,363	**18.13**	18.13
Arvind Enterprise FZC	1000 AED (150000 AED)	**183**	1	**0.32**	0.26
Total (I)				**405.58**	391.33
II. Joint Ventures - measured at cost (unquoted) :					
Arya Omnitalk Radio Trunking Services Private Limited*	10	**10,05,000**	10,05,000	**6.06**	6.06
Adient Arvind Automotive Fabrics India Private Limited	10	**81,42,750**	81,42,750	**8.14**	8.14
Less: Provision for Impairment (Refer note 27)				**(5.00)**	-
				3.14	8.14
PVH Arvind Manufacturing PLC	1,000 ETB	**18,177**	-	**5.33**	-
Less: Provision for Impairment (Refer note 27)				**(5.33)**	-
				-	-
Arvind Norm CBRN Systems Pvt. Ltd.	10	**5,000**	5,000	**0.01**	0.01
Arudrama Development Private Limited	100	**50,000**	50,000	**2.05**	2.05
Total (II)				**11.26**	16.26

Notes to Standalone Financial Statements

₹ in Crores

Note 8 : Financial assets

8 (a) Investments (Contd.)

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit As at March 31, 2020	No. of Shares/unit As at March 31, 2019	Amount As at March 31, 2020	Amount As at March 31, 2019
III. Limited Liability Partnerships:					
(a) Subsidiaries - measured at cost (unquoted)					
Enkay Converged Technologies LLP				**0.02**	0.02
Maruti and Ornet Infrabuild LLP				**26.77**	26.77
(b) Joint ventures - measured at cost (unquoted)					
Arvind and Smart Value Homes LLP				**63.72**	64.02
(c) Others - measured at amortised cost (unquoted)					
637 Developers				**-**	0.01
Total (III)				**90.51**	90.82
IV. Others - Fair value through Other Comprehensive Income:					
(i) Unquoted					
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**	2.09
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited**	250	**140**	140	**(₹35,000/-)**	(₹35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited**	100	**10**	10	**(₹1,000/-)**	(₹1,000/-)
Total (IV)				**2.10**	2.10
Total Equity Investments ((I) + (II) + (III) + (IV)) Total (a)				**509.45**	500.51
(b) Investments in Preference Shares of Subsidiaries - measured at amortised cost (Fully Paid up): Unquoted					
9% Redeemable Non- Cumulative - Arvind Premium Retail Limited	10	**60,000**	60,000	**4.94**	4.47
Less: Provision for Impairment (Refer note 27)				**(4.94)**	(4.47)
				-	-
0.001% Compulsory Convertible Non-Cumulative - Arvind True Blue Limited	10	**1,60,00,000**	1,60,00,000	**16.00**	16.00
Total (b)				**16.00**	16.00
(c) Investment in debentures - measured at amortised cost (Unquoted):					
9% Optionally Convertible Debentures of Arya Omnitalk Radio Trunking Services Private Limited	10	**2,500**	2,500	**0.02**	0.02
Total (c)				**0.02**	0.02
(d) Investment in government securities - measured at amortised cost:					
National Saving Certificates (Lodged with Sales Tax and Government Authorities)				**(₹ 23,000/-)**	(₹ 23,000/-)
Total (d)				**-**	-
Total Investments (a)+(b)+(c)+(d)				**525.47**	516.53
Aggregate amount of quoted investments				**-**	-
Aggregate amount of unquoted investments				**525.47**	516.53
Aggregate impairment in value of investment				**38.20**	16.40

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, 2020	March 31, 2019
Arvind and Smart Value Homes LLP	Arvind Limited	50%	**63.72**	64.02
	Tata Value Homes Limited	50%	**63.48**	63.77
Enkay Converged Technologies LLP	Arvind Limited	1%	**0.02**	0.02
	Syntel Telecom Limited	99%	**1.48**	1.48
Maruti and Ornet Infrabuild LLP	Arvind Limited	99%	**26.78**	26.78
	Arvind Internet Limited	1%	**11.50**	11.50
637 Developers	Arvind Limited	35%	**-**	0.01
	Dahyabhai Maneklal Pvt. Ltd.	15%	**-**	(₹ 75,876/-)
	Jigen Shah	12%	**-**	0.01
	Darshan Jhaveri	7%	**-**	(₹ 35,409/-)
	Pankaj Shah	3%	**-**	(₹15,175/-)
	Chetas Shah	2%	**-**	(₹ 10,117/-)
	Shann Zevari	17.75%	**-**	0.01
	Mischa Gorchov	8.25%	**-**	(₹41,732/-)

* 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	
		2019-20	2018-19
Arya Omnitalk Wireless Solutions Private Limited	Financial guarantee given	**-**	0.10
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	**-**	0.02
Arvind Smart Textiles Limited	Financial guarantee given	**-**	1.80
Arvind Envisol Limited	Financial guarantee given	**0.76**	1.08

** 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, 2020	As at March 31, 2019
Unsecured, considered good	**898.32**	714.38
Unsecured, considered doubtful	**-**	0.23
Less : Allowance for doubtful debts	**-**	(0.23)
Total Trade receivables	**898.32**	714.38
Receivables from Directors or from firm / Private company where director is interested (Refer note 35 for further details)	**6.33**	4.65

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, 2020	Year ended March 31, 2019
Balance as per last financial statements	**0.23**	2.83
Add : Allowance for the year (Refer note 26)	**-**	-
Add : Transfer due to Demerger (Refer note 45 (II))	**-**	(2.60)
Less : Write off of bad debts and other adjustment (net of recovery)	**(0.23)**	-
Balance at the end of the year	**-**	0.23

Notes to Standalone Financial Statements

₹ in Crores

8 (c) Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Non-current		
Loans to employees	0.94	1.34
Total Non-current Loans (A)	0.94	1.34
Current		
Loans to		
- Related parties (Refer note 35)	282.24	121.24
- Employees	0.44	0.53
- Others	22.47	133.34
	305.15	255.11
Considered Doubtful		
Loans to related parties (Refer note 35)	14.85	14.03
Less : Allowance for doubtful loan	(14.85)	(14.03)
	-	-
Total Current Loans (B)	305.15	255.11
Total (A) + (B)	306.09	256.45
Loans to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	-	-

8 (d) Cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	0.01	0.01
Cheques on hand	3.77	-
Balance with Banks		
In Current accounts and debit balance in cash credit accounts	16.69	23.11
In Savings account	0.14	-
Total cash and cash equivalents	20.61	23.12

8 (e) Other bank balance

Particulars	As at March 31, 2020	As at March 31, 2019
Unpaid dividend accounts	3.92	3.71
Deposits held as Margin Money*	5.59	4.36
Total other bank balances	9.51	8.07

* 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, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Non-current		
Security deposits	**26.31**	25.88
Bank deposits with maturity of more than 12 months	**0.08**	0.35
Share Application Money	**5.15**	6.88
Less : Allowance for doubtful share application money (Refer note 27)	**(1.49)**	-
	3.66	6.88
Total Other Non-current Financial Asset (A)	**30.05**	33.11
Current		
Interest Subsidy Receivable	**32.84**	25.73
Receivable other than trade	**26.00**	30.00
Security deposits	**3.56**	3.29
Interest Accrued on financial assets measured at amortised cost	**21.48**	31.96
Foreign exchange forward contracts (Cash flow hedge)	**0.03**	37.03
Income receivable	**3.46**	8.55
Others	**-**	45.49
Total Other Current Financial Asset (B)	**87.37**	182.05
Total (A) + (B)	**117.42**	215.16

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, 2020	As at March 31, 2019
Non-current		
Capital advances	**8.35**	21.38
Pre-paid expense	**0.38**	0.17
Other than Capital Advances		
Advances to suppliers, Doubtful	**0.05**	0.05
Less : Provision for doubtful advances	**(0.05)**	(0.05)
	-	-
Total Other Non-current Other Asset (A)	**8.73**	21.55
Current		
Advance to suppliers		
To Related Parties	**6.21**	18.50
To Others	**40.93**	64.80
Balance with Government Authorities (Refer note below (i))	**112.16**	187.19
Export incentive receivable	**72.96**	60.15
Pre-paid expense	**14.38**	20.23
Pre-paid Gratuity (Refer note 34)	**-**	11.99
Other Advances	**1.89**	3.45
Total Other Current Asset (B)	**248.53**	366.31
Total (A) + (B)	**257.26**	387.86
Advance to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	**2.17**	1.60

(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, 2020	As at March 31, 2019
Raw materials		
Raw materials and components	**227.95**	453.65
Raw materials in transit	**-**	0.10
Fuel	**2.31**	3.58
Land plots and materials at site	**31.59**	10.11
Stores and spares	**49.53**	84.66
Work-in-progress	**378.62**	446.80
Finished goods	**320.12**	338.00
Waste	**2.89**	1.91
Stock-in-trade	**25.45**	26.12
Total	**1,038.46**	1,364.93

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 39.69 Crores (March, 2019: ₹ 26.34 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, 2020	As at March 31, 2019
Tax Paid in Advance (Net of Provision)	**19.58**	76.46
Total	**19.58**	76.46

Note 12 : Equity share capital:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	**₹ in Crores**	No. of shares	₹ in Crores
Authorised share capital				
Equity shares of ₹ 10 each	**57,45,00,000**	**574.50**	57,45,00,000	574.50
Preference shares of ₹ 100 each	**1,00,00,000**	**100.00**	1,00,00,000	100.00
Issued, subscribed and paid-up share capital				
Equity shares of ₹ 10 each	**25,87,67,069**	**258.77**	25,86,17,069	258.62
Add : Forfeited shares	**900**	**(₹ 4,500/-)**	900	(₹ 4,500/-)
Total	**25,87,67,969**	**258.77**	25,86,17,969	258.62

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	**₹in Crores**	No. of shares	₹in Crores
Outstanding at the beginning of the year	**25,86,17,069**	**258.62**	25,86,17,069	258.62
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan	**1,50,000**	**0.15**	-	-
Outstanding at the end of the year	**25,87,67,069**	**258.77**	25,86,17,069	258.62

(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

₹ in Crores

Note 12 : Equity share capital: (Contd.)

(iii) Details of shareholder holding more than 5% Shares in the Company:

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities Private Limited	9,55,61,810	36.93	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, 2020:

i) The Company has not allotted any equity shares as fully paid up without payment being received in cash.

ii) The Company has not allotted any equity shares by way of bonus issue.

iii) The Company has not bought back any equity shares.

Note 13 : Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital reserve		
Balance as per last financial statements	26.71	26.71
Balance at the end of the year	26.71	26.71
(b) General reserve		
Balance as per last financial statements	35.65	35.65
Balance at the end of the year	35.65	35.65
(c) Amalgamation reserve		
Balance as per last financial statements	34.20	34.20
Balance at the end of the year	34.20	34.20
(d) Securities premium account		
Balance as per last financial statements	564.77	564.77
Add: Received during the year	0.71	-
Add: Transfer from share based payment reserve	1.72	-
Less: Utilized during the year	(5.19)	-
Balance at the end of the year	562.01	564.77
(e) Capital redemption reserve		
Balance as per last financial statements	69.50	69.50
Balance at the end of the year	69.50	69.50
(f) Debenture Redemption Reserve		
Balance as per last financial statements	50.00	50.00
Balance at the end of the year	50.00	50.00
(g) Share based payment reserve (Refer note 37)		
Balance as per last financial statements	12.37	11.09
Add: Addition during the year	1.13	1.28
Add: Transfer to Securities Premium Account	(1.72)	-
Balance at the end of the year	11.78	12.37

Notes to Standalone Financial Statements

Note 13 : Other Equity (Contd.)

₹ in Crores

Particulars		As at March 31, 2020	As at March 31, 2019
(h)	**Retained earnings**		
	Balance as per last financial statements	**1,740.03**	2,104.00
	Add: Profit for the year	**171.38**	199.44
	Add: Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation (net of tax)	**0.39**	(11.14)
	Add: Adjustment due to demerger (Refer note 45 (II))	**-**	(477.86)
	Less: Ind AS 116 transition Adjustment (Refer note 38)	**(29.00)**	-
	Add : Deferred Tax on Ind AS 116 transition Adjustment (Refer note 38)	**10.13**	-
		1,892.93	1,814.44
	Add: Payment of dividend on equity shares	**(51.75)**	(62.07)
	Add: Dividend distribution tax on dividend	**(10.07)**	(12.34)
	Balance at the end of the year	**1,831.11**	1,740.03
(j)	**Items of Other comprehensive income**		
(i)	**Equity Instruments through OCI (net of tax)**		
	Balance as per last financial statements	**0.49**	0.42
	Add: Addition during the year	**-**	0.07
	Balance at the end of the year	**0.49**	0.49
(ii)	**Cash Flow hedge reserve**		
	Balance as per last financial statements	**23.78**	3.27
	Add/(Less): Addition during the year	**(77.34)**	31.53
	Add/(Less): Tax impact on additions	**27.03**	(11.02)
	Balance at the end of the year	**(26.53)**	23.78
Total Other equity		**2,594.92**	2,557.50

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, 2020	As at March 31, 2019
A. Non-current portion		
(Secured)(at amortised cost)		
(ai) Term loan		
- from Banks	**853.46**	647.73
- from others	**-**	2.49
(Unsecured)(at amortised cost)		
(aii) Term loan		
- from Related parties (Refer note 35)	**-**	119.36
(aiii) Non-convertible Debentures	**99.75**	199.57
	953.21	969.15
B. Current maturities (Refer note I below)		
(Secured)(at amortised cost)		
(bi) Term loan		
- from Banks	**145.14**	130.02
- from others	**2.50**	16.00
(Unsecured)(at amortised cost)		
(bii) Non convertible Debentures	**100.00**	-
	247.64	146.02
Total long-term borrowings (i)	**1,200.85**	1,115.17
C. Short-term Borrowings		
(Secured)(at amortised cost)		
(ci) Working Capital Loans repayable on demand from Banks	**1,111.83**	1,108.06
(Unsecured)(at amortised cost)		
(cii) Under Buyer's Credit Arrangement	**-**	163.95
(ciii) Commercial Papers	**-**	250.00
(civ) Discounted Trade Receivable	**-**	14.33
Total short-term borrowings (ii)	**1,111.83**	1,536.34
Total borrowings (i + ii)	**2,312.68**	2,651.51

Notes:

I) Installments falling due within a year in respect of all the above Loans aggregating ₹ 247.64 crore (March 31, 2019 : ₹ 146.02 crore) have been grouped under "Current maturities of long-term debt" (Refer note 14(c)).

II) Nature of security:

Term loan of ₹ 1,001.10 Crores

Loans amounting to ₹ 956.52 Crores (March 31, 2019 : ₹ 425.60 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 aquired by the Company at any time in future .

Loans amounting to ₹ NIL Crores (March 31, 2019 : ₹ 180.83 Crores) 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 aquired 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 ₹ NIL Crores (March 31, 2019 : ₹ 100.69 Crores) 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 ₹ 40.00 Crores (March 31, 2019 : ₹ 79.94 Crores) have been initiated.

Loans of ₹ 4.58 Crores (March 31, 2019 : ₹ 9.18 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
From Banks			
(a) Term Loan			
(I) Secured Rupee Loans	994.02	8.45% to 8.95%	Repayable in quarterly instalments ranging between 1 to 25.
(II) Secured Vehicle Loan	4.58	7.85% to 10.06%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans.
(b) Non-Convertible Debentures	199.57	8.04% to 8.25%	Repayable in Sep 2020 (50%), Sep 2021 (25%) and Sep 2022 (25%)
From Others			
Secured Rupee Loans	2.50	9.45%	Repayable on May 20, 2020.

Nature of Security

Cash Credit and Other Facilities from Banks

(a) Secured by first pari passu charge on all the Company's Current Assets presently relating to the Manufacturing Locations and all the Current Assets acquired by the Company at any time after the execution of and during the continuance of the Indenture of Mortgage.

(b) Secured by a second pari passu charge over all the Immovable Properties relating to Textile Plants, Movable Properties presently relating to the Company and all the movable properties aquired by the Company at any time in future after execution of and during the continuance of the Indenture of Mortgage.

Rate of Interest

i. Working Capital Loans from banks carry interest rates ranging from 4.65% to 9.70% per annum.

ii. Inter Corporate Deposit carries interest rate of 8.75% per annum.

14 (b) Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Acceptances	**118.90**	258.81
Other trade payables (Refer note below)		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	**8.93**	-
- Total Outstanding dues other then Micro Enterprises and Small Enterprises	**990.48**	935.64
Total	**1,118.31**	1,194.45

Notes to Standalone Financial Statements

₹ in Crores

Note 14 : Financial liabilities

14 (b) Trade payables (Contd.)

Note

(i) Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2020. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Particulars	**As at March 31, 2020**	As at March 31, 2019
(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	**8.93**	-
- 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	**-**	-

(ii) For amount payable to related parties, refer note 35.

14 (c) Other financial liabilities

Particulars	**As at March 31, 2020**	As at March 31, 2019
Non-current		
Financial guarantee contract	**1.34**	1.67
Mark to market of derivative financial instruments	**5.01**	-
Total Other Non-current financial liabilities (A)	**6.35**	1.67
Current		
Current maturity of long term borrowings (Refer note 14 (a))	**247.64**	146.02
Interest accrued but not due		
- On Borrowings	**19.11**	11.78
- On Others	**0.03**	-
Payable to employees	**82.19**	93.66
Deposits from customers and others	**6.38**	6.46
Financial guarantee contract	**0.17**	-
Mark to market of derivative financial instruments	**47.20**	0.46
Unpaid dividends	**3.92**	3.71
Book overdraft	**1.40**	0.28
Payable for Capital Goods	**9.57**	32.48
Other Payables	**0.25**	0.28
Total Other Current financial liabilities (B)	**417.86**	295.13
Total (A) + (B)	**424.21**	296.80

Notes to Standalone Financial Statements

₹ in Crores

Note 15 : Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Long-term		
Provision for employee benefits (Refer note 34)		
Provision for gratuity	**0.11**	-
Provision for leave encashment	**28.33**	27.35
Provision for compensatory pension*	**2.34**	2.38
Provision for Medical benefits	**11.38**	15.03
Total Long term Provisions (A)	**42.16**	44.76
Short-term		
Provision for employee benefits (Refer note 34)		
Provision for gratuity	**3.27**	-
Provision for leave encashment	**7.06**	6.72
Provision for superannuation	**1.78**	2.07
Provision for compensatory pension*	**0.29**	0.15
Provision for Medical benefits	**0.66**	1.02
Total Short-term provisions (B)	**13.06**	9.96
Total (A) + (B)	**55.22**	54.72

* Including ₹ 1.02 Crores (March 31, 2019 : ₹ 0.43 crores) pertaining to employees for which the liability of the Company is crystalised. Hence, it is a liability towards defined contribution plan.

Note 16 : Government grants

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred income	**68.55**	59.94
Total Non-current Government Grants (A)	**68.55**	59.94
Current		
Deferred income	**6.71**	4.60
Total Current Government Grants (B)	**6.71**	4.60
Total (A) + (B)	**75.26**	64.54

Government grants

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Balance at the beginning of the year	**64.54**	39.72
Received during the year (net)	**17.03**	28.85
Released to statement of profit and loss (net)(Refer note 19)	**(6.31)**	(4.03)
Balance at the end of the year	**75.26**	64.54

Notes to Standalone Financial Statements

₹ in Crores

Note 17 : Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advance from customers	**60.84**	21.33
Statutory dues (provident fund and tax deducted at source etc.)	**16.97**	18.36
Deferred income of loyalty program reward points (Refer note (a) below)	**0.16**	0.09
Other liabilities	**4.84**	2.67
Total	**82.81**	42.45

(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, 2020	Year Ended March 31, 2019
Balance at the beginning of the year	**0.09**	0.34
Add : Deferment during the year (Net)	**0.07**	(0.25)
Balance at the end of the year	**0.16**	0.09

Note 18 : Revenue from operations

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of products	**6,412.12**	6,222.78
Sale of services	**22.79**	20.14
Other Operating income		
Waste sale	**76.58**	98.60
Gain/(Loss) on forward contracts	**31.77**	(48.30)
Export incentives	**131.20**	134.78
Foreign exchange fluctuation on vendors and customers (Net)	**11.89**	(4.20)
Liabilities no longer required written back	**0.48**	3.18
Others	**18.48**	8.98
Total	**6,705.31**	6,435.96

Disaggregation of Revenue from contracts with customers
Revenue based on Geography

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Domestic	**3,934.15**	3,571.57
Export	**2,771.16**	2,864.39
Revenue from Operations	**6,705.31**	6,435.96

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, 2020	Year Ended March 31, 2019
Textile	**5,985.59**	5,795.19
Advanced Material	**628.78**	528.66
Others	**90.94**	112.11
Revenue from Operations	**6,705.31**	6,435.96

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, 2020**	Year Ended March 31, 2019
Revenue from contract with customers as per the contract price	**6,910.37**	6,593.55
Less : Adjustment made to contract price on account of:		
a) Discounts and Rebates	**55.94**	57.09
b) Sales Return	**121.79**	75.13
c) Bonus / incentive	**26.73**	24.67
d) Customer loyalty programme	**0.60**	0.70
Revenue from Operations	**6,705.31**	6,435.96

Note 19 : Other income

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Interest income on financial assets measured at amortized cost		
- Fixed Deposits	**0.37**	0.30
- Loans and Advances	**23.62**	36.18
- Others	**11.50**	3.43
Scrap income	**12.92**	16.56
Dividend income	**5.50**	2.20
Government grants (Refer note 16)	**6.31**	4.03
Financial guarantee commission	**1.10**	4.85
Rent	**4.45**	2.28
Share of Profit/(Loss) from LLP	**(0.30)**	(0.17)
Profit on sale of Property, plant and equipment (Net)	**(2.19)**	10.54
Miscellaneous income	**16.88**	23.65
Total	**80.16**	103.85

Note 20 : Cost of raw materials and accessories consumed

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Inventory at the beginning of the year	**453.65**	370.68
Add : Purchases during the year	**2,932.67**	2,909.58
	3,386.32	3,280.26
Less : Inventory at the end of the year	**227.95**	453.65
Adjustment due to Demerger (Refer note 45(II))	**-**	4.11
Total	**3,158.37**	2,822.50

Note 21 : Purchases of stock-in-trade

Particulars	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Purchase of stock-in-trade	**214.71**	154.70
Total	**214.71**	154.70

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, 2020	Year Ended March 31, 2019
Inventories at the end of the year			
Finished goods		**320.12**	338.00
Inventories-in-trade		**25.45**	26.12
Work-in-Progress		**378.62**	446.80
Project work-in-progress		**31.59**	10.11
Waste		**2.89**	1.91
	(A)	**758.67**	822.94
Inventories at the beginning of the year			
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)	**822.94**	839.48
(Increase) / Decrease in Inventories	**(B-A)**	**64.27**	16.54
Adjustment due to Demerger (Refer note 45(II))		**-**	(13.27)
Total		**64.27**	3.27

Note 23 : Employee benefits expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, Wages, Gratuity, Bonus and Commission (Refer note 34)	**713.82**	709.89
Contribution to provident and other funds (Refer note 34)	**44.61**	49.07
Staff welfare and training expenses	**16.57**	18.75
Share based payment to employees (Refer note 37)	**1.12**	1.48
Total	**776.12**	779.19

Note 24 : Finance costs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest expense on Financial Liabilities measured at amortised cost		
- Loans	**184.62**	190.72
- Related Parties	**5.03**	5.48
- Debentures	**16.28**	16.02
- Lease Liabilities (Refer note 38)	**12.21**	-
- Others	**1.72**	1.08
Exchange differences regarded as an adjustment to borrowing costs	**4.14**	-
Other borrowing cost	**0.10**	0.08
Total	**224.10**	213.38

Note 25 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, plant and equipment (Refer note 5)	**171.31**	185.02
Depreciation on Investment properties (Refer note 6)	**0.37**	0.57
Amortization of Intangible assets (Refer note 7)	**36.12**	28.57
Depreciation on ROU Assets (Refer note 38)	**32.74**	-
Adjustment due to Demerger (Refer note 45(II))	**-**	(4.41)
Total	**240.54**	209.75

Notes to Standalone Financial Statements

₹ in Crores

Note 26 : Other expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Power and fuel	444.54	503.26
Stores and spares consumed	513.55	532.97
Processing charges	233.08	349.54
Miscellaneous Labour charges	95.33	85.37
Rent (Refer note 38)	10.08	47.36
Insurance	9.46	5.99
Printing, stationery and communication	15.13	17.29
Commission and Brokerage	24.72	19.65
Rates and taxes	9.28	6.31
Repairs :		
To Building	3.08	2.98
To Machineries (including spares consumption)	128.26	135.14
To others	4.49	5.57
Freight, insurance and clearing charge	101.18	113.59
Advertisement and publicity	22.21	30.66
Software Expenses	9.59	8.94
Legal and Professional charges	30.01	38.72
Conveyance and Travelling expenses	33.80	33.64
Director's sitting fees	0.04	0.03
Sundry advances written off	1.27	0.33
Auditor's remuneration (Refer note (i) below)	1.55	1.22
Bank charges	14.68	13.96
Corporate Social Responsibility expenses (Refer note 39)	5.70	6.93
Property, plant and equipment written off	-	0.16
Miscellaneous expenses	59.71	79.12
Total	**1,770.74**	2,038.73

(i) Break up of Auditor's remuneration		
Payment to Auditors as		
Auditors	1.30	0.80
For Other Services	0.23	0.42
For reimbursement of expenses	0.02	-
Total	**1.55**	1.22

Note 27 : Exceptional items

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Retrenchment compensation	18.71	18.43
(b) Provision for Impairment/Loss on Sale of Investments/Loans/share application money	24.09	24.87
(c) 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
(d) Reversal of Excise Duty Provision	(4.95)	-
Impact Due to Covid19		
(a) Loss of mark to market of derivative financial instruments	11.40	-
(b) Allowances for doubtful receivables	3.28	-
(c) Reversal of Benefit under Garment and Apparel Policy, 2017	6.29	-
Total	**58.82**	70.85

Notes to Standalone Financial Statements

₹ in Crores

Note 28 : Income tax

The major component of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as follows:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Statement of Profit and Loss		
Current income tax	**48.71**	53.56
Short provision related to earlier years	**11.95**	31.97
Deferred tax expense / (Credit)	**18.07**	(62.67)
Income tax expense in the Statement of Profit and Loss	**78.73**	22.86
Statement of Other comprehensive income (OCI)		
Current income tax	**(1.58)**	(5.17)
Deferred tax expense / (Credit)	**(25.24)**	10.21
Income tax expense / (Credit) recognised in OCI	**(26.82)**	5.04

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2020 and March 31, 2019.

A. Current tax

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting profit before tax from continuing operations	**250.11**	243.00
Accounting profit before tax from discontinued operations	**-**	(20.70)
Tax Rate	**34.944%**	34.944%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	**87.40**	77.68
Adjustment		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	**(5.71)**	(6.32)
Unused tax losses - Capital losses	**(10.20)**	(28.94)
Exempt income	**(1.92)**	(0.77)
Additional deduction for research and product development cost	**(5.30)**	(7.06)
Expenditure not deductible for tax/not liable to tax	**1.59**	2.80
Short Provision of the earlier years	**11.95**	31.97
MAT credit pertaining to earlier years	**1.72**	(46.46)
Other adjustments	**(0.80)**	(0.04)
Total income tax expense	**78.73**	22.86
Effective tax rate	**31.48**	10.29

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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
Accelerated depreciation for tax purposes	**232.99**	196.72	**36.27**	20.37
Impact of fair valuation of Land	**108.70**	114.41	**(5.71)**	(6.32)
Provision for doubtful debt	**(6.43)**	(5.00)	**(1.43)**	(1.62)
Expenditure allowable on payment basis	**(20.77)**	(15.18)	**(5.59)**	(2.79)
Expenditure allowable over the period (Section 35D/35DD)	**(15.23)**	(15.04)	**(0.19)**	0.91
Unused long-term capital loss	**(39.14)**	(28.94)	**(10.20)**	(28.94)
Unused tax credit available for offsetting against future taxable income (MAT Credit Entitlement)	**(165.53)**	(187.50)	**21.97**	(35.12)
Others	**(72.58)**	(20.16)	**(42.29)**	1.05
Deferred tax expense/(income)			**(7.17)**	(52.46)
Net deferred tax liabilities	**22.01**	39.31		
Reflected in the balance sheet as follows				
Deferred tax liabilities	**341.69**	311.13		
Deferred tax assets	**(319.68)**	(271.82)		
Deferred tax liabilities (net)	**22.01**	39.31		

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, 2020 (March 31, 2019: ₹ 387.16 crores). Out of the same, tax credits on losses of ₹ 219.14 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	**Year Ended March 31, 2020**	Year Ended March 31, 2019
Amount of Contract Revenue Recognized During the Year	**2.19**	2.88
Contracts in progress at the end of the reporting period		
Contract cost incurred and recognised profits less recognised losses	**58.17**	55.98
Less: Progress Billings	**58.17**	55.98
	-	-
Recognized and included in the financial statements as amounts due:		
-from customers under construction contracts	**10.72**	-
-to customers under construction contracts	**-**	-
	10.72	-
Amount of Advance Received from Customers	**9.37**	-
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, 2020	As at March 31, 2019
Contingent liabilities not provided for		
(i) Claims against Company not acknowledged as debts	**7.52**	7.59
(ii) Guarantees given	**82.97**	806.16
(iii) Disputed demands in respect of		
Excise and Customs duty	**13.74**	23.64
Value added tax and Central sales tax	**16.61**	17.71
Income tax (Refer note (d) below)	**12.93**	35.07
Service tax	**10.75**	5.54

Notes :

(a) It is not practicable for the Company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Company believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(d) During the year under the consideration, the Company has reassessed the position of its contingent liability pertaining to Income tax matters as at March 31, 2020 based on the advice received from its tax counsel. Many issues raised by Income tax department are either covered by judgement of respective judicial authorities in Company's own case in different assessment years or for other assesses, in favour of assesee, which supports Company's contention. Hence, considering the probability of occurrence as remote for such issues, the Company has not considered them as part of Contingent liability in the current year.

Note 31 : Capital commitment and other commitments

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (Net of advances)	**27.06**	74.90
(b) Other commitments		
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 ₹ 17.86 crores (March 31, 2019: ₹ 30.19 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.	**107.14**	181.13

Note 32 : Foreign Exchange Derivatives and Exposures not hedged

The Company holds derivative financial instruments such as foreign currency forward, option and swap 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, 2020 and March 31, 2019.

Notes to Standalone Financial Statements

Note 32 : Foreign Exchange Derivatives and Exposures not hedged (Contd.)

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, 2020 and consequently may impact the statement of profit or loss for that year depending upon the change in the foreign exchange rates movements.

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, 2020				As at March 31, 2019			
		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)
Cash Flow Hedges (Routed through OCI)									
Forward Sales Contracts									
Maturing less than 3 months	USD	73.10	27.35	199.94	(8.23)	70.59	71.05	501.50	6.46
Maturing between 3 to 6 months	USD	73.96	30.44	225.14	(8.23)	71.43	42.41	302.95	4.46
Maturing between 6 to 9 months	USD	74.17	21.16	156.94	(6.88)	72.13	11.50	82.96	1.35
Maturing between 9 to 12 months	USD	74.56	7.85	58.53	(2.69)	-	-	-	-
Total	USD		86.80	640.55	(26.03)		124.96	887.41	12.27
Option contracts *									
Maturing less than 3 months	USD	-	-	-	(0.55)	-	-	-	7.68
Maturing between 3 to 6 months	USD	-	-	-	(2.23)	-	-	-	6.57
Maturing between 6 to 9 months	USD	-	-	-	(3.07)	-	-	-	5.58
Maturing between 9 to 12 months	USD	-	-	-	(3.88)	-	-	-	4.47
Total	USD		-	-	(9.73)		-	-	24.30
Swap Deals									
Maturing less than 3 months		-	-	-	-	-	-	-	-
Maturing between 3 to 6 months		-	-	-	-	-	-	-	-
Maturing between 6 to 9 months		-	-	-	-	-	-	-	-
Maturing between 9 to 12 months		-	-	-	-	-	-	-	-
Maturing after 12 months		74.15	24.95	185.00	(5.01)	-	-	-	-
Total			24.95	185.00	(5.01)		-	-	-
Other Hedges (Routed through Profit & Loss)									
Forward Purchase Contracts									
Maturing less than 3 months	USD	71.97	26.57	191.22	(10.63)	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	-	-	-	-	-	-	-	-
Total	USD		26.57	191.22	(10.63)		1.00	6.95	-
Option Contracts									
Maturing less than 3 months	USD	74.18	9.00	66.77	(0.77)	-	-	-	-
Maturing between 3 to 6 months	USD	-	-	-	-	-	-	-	-
Maturing between 6 to 9 months	USD	-	-	-	-	-	-	-	-
Maturing between 9 to 12 months	USD	-	-	-	-	-	-	-	-
Total	USD		9.00	66.77	(0.77)		-	-	-

* 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 Standalone Financial Statements

Note 32 : Foreign Exchange Derivatives and Exposures not hedged (Contd.)

B. Exposure Not Hedged

Nature of exposure	Currency	As at March 31, 2020		As at March 31, 2019	
		FC In Mn	₹ in Crores	FC In Mn	₹ in Crores
Receivables	USD	23.92	181.02	61.21	423.27
	EUR	1.34	11.10	0.93	7.20
	GBP	0.02	1.81	(GBP 4583)	0.04
	AUD	0.05	2.13	0.06	0.28
	ZAR	-	-	0.28	0.13
Payable towards borrowings	USD	-	-	18.54	128.20
	EUR	-	-	4.69	36.42
Receivable towards loans	USD	7.37	55.77	2.80	19.38
Payable to creditors	USD	3.64	27.56	5.44	37.60
	EUR	0.23	18.83	1.26	9.80
	GBP	(GBP 3832)	0.04	(GBP 186)	(₹ 16,838/-)
	AUD	(AUD 4371)	0.02	(AUD 11658)	0.06
	JPY	1.68	0.12	6.60	0.41
	CHF	0.03	2.32	0.03	0.21
	HKD	(HKD 6945)	(₹ 67,783)	(HKD 7264)	0.01

Note 33 : Segment Reporting

Identification of Segments:

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the company.

Operating Segments:

(a) **Textiles :** Fabrics, Garments and Fabric Retail.

(b) **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.

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, 2020 and March 31, 2019 are as follows:

Particulars	For the Year ended / As at March 31, 2020					
	Textiles	Advanced Material	Other	Brand Apparels*	Elimi nation	Total
REVENUE						
External Revenue	5,985.59	628.78	90.94	-	-	**6,705.31**
Inter segment Revenue	1.50	-	-	-	(1.50)	**-**
Enterprise revenue	**5,987.09**	**628.78**	**90.94**	**-**	**(1.50)**	**6,705.31**
RESULT						
Segment Result Before Finance cost	496.41	75.05	(55.85)	-	-	**515.61**
Less: Finance Cost						**(224.10)**
Less: Unallocable expenses (net of income)						**(41.40)**
Less: Tax expense						**(78.73)**
Net profit/(loss) after tax	**496.41**	**75.05**	**(55.85)**	**-**	**-**	**171.38**
Segment Assets	4,367.87	406.00	149.88	-	-	**4,923.75**
Unallocated Assets						**1,890.80**
Total Assets	**4,367.87**	**406.00**	**149.88**	**-**	**-**	**6,814.55**
Segment Liabilities	1,441.45	58.50	54.78	-	-	**1,554.73**
Unallocated Liabilities						**93.45**
Total Liabilities	**1,441.45**	**58.50**	**54.78**	**-**	**-**	**1,648.18**
Depreciation and amortisation expense	175.58	14.51	22.35	-	-	**212.44**
Unallocated Depreciation and amortisation expense						**28.10**
Total Depreciation and amortisation expense	**175.58**	**14.51**	**22.35**	**-**	**-**	**240.54**
Capital Expenditure	390.82	23.73	13.48	-	-	**428.03**
Unallocated Capital Expenditure						**33.53**
Total Capital Expenditure (Refer note (a))	**390.82**	**23.73**	**13.48**	**-**	**-**	**461.56**
Material non-cash items other than Depreciation and amortisation	33.10	10.01	0.59	-	-	**43.70**
Unallocated Material non-cash items other than Depreciation and amortisation						**24.64**
Total Material non-cash items other than Depreciation and amortisation	**33.10**	**10.01**	**0.59**	**-**	**-**	**68.34**

Notes to Standalone Financial Statements

Note 33 : Segment Reporting (Contd.)

₹ in Crores

Particulars	For the Year ended / As at March 31, 2019					
	Textiles	Advanced Material	Other	Brand Apparels*	Elimi nation	Total
REVENUE						
External Revenue	5,795.19	528.66	112.11	52.53	-	**6,488.49**
Inter segment Revenue	5.57	0.06	-	-	(5.63)	**-**
Enterprise revenue	**5,800.76**	**528.72**	**112.11**	**52.53**	**(5.63)**	**6,488.49**
RESULT						
Segment Result Before Finance cost	509.04	40.64	(43.23)	(18.97)	-	**487.48**
Less: Finance Cost						**(215.11)**
Less: Unallocable expenses (net of income)						**(50.07)**
Less: Tax expense						**(22.86)**
Net profit/(loss)	**509.04**	**40.64**	**(43.23)**	**(18.97)**	**-**	**199.44**
Segment Assets	4,585.27	448.31	144.40	-	-	**5,177.98**
Unallocated Assets						**1,835.90**
Total Assets	**4,585.27**	**448.31**	**144.40**	**-**	**-**	**7,013.88**
Segment Liabilities	1,279.57	67.98	47.99	-	-	**1,395.54**
Unallocated Liabilities						**150.71**
Total Liabilities	**1,279.57**	**67.98**	**47.99**	**-**	**-**	**1,546.25**
Depreciation and amortisation expense	158.63	12.74	16.45	3.14	-	**190.96**
Unallocated Depreciation and amortisation expense						**21.94**
Total Depreciation and amortisation expense	**158.63**	**12.74**	**16.45**	**3.14**	**-**	**212.90**
Capital Expenditure	380.82	21.51	1.85	0.18	-	**404.36**
Unallocated Capital Expenditure						**54.20**
Total Capital Expenditure (Refer note (a))	**380.82**	**21.51**	**1.85**	**0.18**	**-**	**458.56**
Material non-cash items other than Depreciation and amortisation	24.35	2.14	0.16	3.82	-	**30.47**
Unallocated Material non-cash items other than Depreciation and amortisation						**25.05**
Total Material non-cash items other than Depreciation and amortisation	**24.35**	**2.14**	**0.16**	**3.82**	**-**	**55.52**

*Branded Apparels Business has been discontinued with effect from November 30, 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, capital work-in-progress and Right of Use assets (recognised pursuant to adoption of IND AS 116 effective from April 1, 2019).

(b)

Particulars	Year Ended / As at March 31, 2020	Year Ended / As at March 31, 2019
Segment Revenue*		
(a) In India	**3,934.15**	3,624.00
(b) Rest of the world	**2,771.16**	2,864.49
Total	**6,705.31**	6,488.49
Carrying Cost of Segment Non Current Assets@		
(a) In India	**3,540.08**	3,383.44
(b) Rest of the world	**-**	-
Total	**3,540.08**	3,383.44

* 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, 2020 and 2019.

Notes to Standalone Financial Statements

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 34.45 Crores (March 31, 2019: ₹ 32.63 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense".

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Continuing Business	Discontinued Business	Total	Continuing Business	Discontinued Business	Total
(i) Contribution to Provident Fund [Note (a)]	17.95	-	17.95	15.01	0.08	15.09
(ii) Contribution to Pension Fund [Note (a)]	14.71	-	14.71	15.38	0.03	15.41
(iii) Contribution to Superannuation Fund [Note (b)]	1.79	-	1.79	2.13	-	2.13
Total	34.45	-	34.45	32.52	0.11	32.63

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) 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 actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India.

(d) 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.

Note 34 : Disclosure pursuant to Employee benefits (Contd.)
Changes in defined benefit obligation and plan assets as at March 31, 2020:

₹ in Crores

Particulars	As at April 1, 2019	Charged to statement of profit and loss			Emplo-yees' contri-bution	Emplo-yer's cont ribution	Transfer In	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase due to business com-bination	As at March 31, 2020
		Service cost	Net interest expense /(income)	Sub-total included in statement of profit and loss (Note 23)					Return on plan assets (excluding amounts included in net interest income)	Actuarial changes arising from changes in demog-raphic assum-ptions	Actuarial changes arising from changes in financial assum-ptions	Actuarial changes arising from changes in Experience adju-stments	Sub-total included in OCI		
Gratuity															
Defined benefit obligation	117.11	12.82	8.74	21.56	-	-	-	(21.29)	-	1.38	(0.61)	(4.12)	(3.35)	0.11	114.14
Fair value of plan assets	(129.09)	-	(9.64)	(9.64)	-	-	-	19.39	8.58	-	-	-	8.58	-	(110.76)
Net Benefit liability/(asset)	**(11.98)**	**12.82**	**(0.90)**	**11.92**	**-**	**-**	**-**	**(1.90)**	**8.58**	**1.38**	**(0.61)**	**(4.12)**	**5.23**	**0.11**	**3.38**
Post employment Medical benefits															
Defined benefit obligation	16.05	0.40	1.20	1.60	-	-	-	(0.50)	-	(3.00)	(0.16)	(1.96)	(5.12)	-	12.03
Net Benefit liability/(asset)	**16.05**	**0.40**	**1.20**	**1.60**	**-**	**-**	**-**	**(0.50)**	**-**	**(3.00)**	**(0.16)**	**(1.96)**	**(5.12)**	**-**	**12.03**
Provident Fund Scheme															
Defined benefit obligation	410.25	12.31	31.03	43.34	35.21	-	4.66	(72.62)	-	-	-	-	-	-	420.84
Fair value of plan assets	(411.07)	-	(31.03)	(31.03)	(35.21)	(12.31)	(4.66)	72.62	0.72	-	-	-	0.72	-	(420.94)
Deficit/(Surplus)	**(0.82)**	**12.31**	**-**	**12.31**	**-**	**(12.31)**	**-**	**-**	**0.72**	**-**	**-**	**-**	**0.72**	**-**	**(0.10)**
Effects of asset ceiling, if any*	0.82	-	-	-	-	-	-	-	(0.72)	-	-	-	(0.72)	-	0.10
Net Benefit liability/(asset)	**-**	**12.31**	**-**	**12.31**	**-**	**(12.31)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Compensatory Pension Scheme															
Defined benefit obligation	2.10	0.05	0.16	0.21	-	-	-	-	-	-	0.04	(0.74)	(0.70)	-	1.61
Net Benefit liability/(asset)	**2.10**	**0.05**	**0.16**	**0.21**	**-**	**-**	**-**	**-**	**-**	**-**	**0.04**	**(0.74)**	**(0.70)**	**-**	**1.61**
Total benefit liability/(asset)	**6.17**	**25.58**	**0.46**	**26.04**	**-**	**(12.31)**	**-**	**(2.40)**	**8.58**	**(1.62)**	**(0.73)**	**(6.82)**	**(0.59)**	**0.11**	**17.02**

Notes to Standalone Financial Statements

Note 34 : Disclosure pursuant to Employee benefits (Contd.)
Changes in defined benefit obligation and plan assets as at March 31, 2019:

₹ in Crores

Particulars	As at April 1, 2018	Charged to statement of profit and loss			Emplo-yees' contri-bution	Emplo-yer's cont ribution	Transfer In	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Increase due to business com-bination	As at March 31, 2019
		Service cost	Net interest expense /(income)	Sub-total included in statement of profit and loss (Note 23)					Return on plan assets (excluding amounts included in net interest income)	Actuarial changes arising from changes in demog-raphic assum-ptions	Actuarial changes arising from changes in financial assum-ptions	Actuarial changes arising from changes in Experience adju-stments	Sub-total included in OCI		
Gratuity															
Defined benefit obligation	103.04	10.93	8.02	18.95	-	-	-	(20.17)	-	10.19	20.55	(15.45)	15.29	-	117.11
Fair value of plan assets	(119.27)	-	(9.28)	(9.28)	-	-	-	-	(0.54)	-	-	-	(0.54)	-	(129.09)
Net Benefit liability/(asset)	**(16.23)**	**10.93**	**(1.26)**	**9.67**	**-**	**-**	**-**	**(20.17)**	**(0.54)**	**10.19**	**20.55**	**(15.45)**	**14.75**	**-**	**(11.98)**
Post employment Medical benefits															
Defined benefit obligation	12.88	0.36	1.00	1.36	-	-	-	(0.49)	-	(2.79)	2.90	2.19	2.30	-	16.05
Net Benefit liability/(asset)	**12.88**	**0.36**	**1.00**	**1.36**	**-**	**-**	**-**	**(0.49)**	**-**	**(2.79)**	**2.90**	**2.19**	**2.30**	**-**	**16.05**
Provident Fund Scheme															
Defined benefit obligation	377.80	12.65	32.42	45.07	35.90	-	5.02	(53.54)	-	-	-	-	-	-	410.25
Fair value of plan assets	(383.85)		(32.42)	(32.42)	(35.90)	(12.65)	(5.02)	53.54	5.23	-	-	-	5.23	-	(411.07)
Deficit/(Surplus)	**(6.05)**	**12.65**	**-**	**12.65**	**-**	**(12.65)**	**-**	**-**	**5.23**	**-**	**-**	**-**	**5.23**	**-**	**(0.82)**
Effects of asset ceiling, if any*	6.05	-	-	-	-	-	-	-	(5.23)	-	-	-	(5.23)	-	0.82
Net Benefit liability/(asset)	**-**	**12.65**	**-**	**12.65**	**-**	**(12.65)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Compensatory Pension Scheme															
Defined benefit obligation	1.92	0.05	0.15	0.20	-	-	-	(0.10)	-	-	0.02	0.06	0.08	-	2.10
Net Benefit liability/(asset)	**1.92**	**0.05**	**0.15**	**0.20**	**-**	**-**	**-**	**(0.10)**	**-**	**-**	**0.02**	**0.06**	**0.08**	**-**	**2.10**
Total benefit liability/(asset)	**(1.43)**	**23.99**	**(0.11)**	**23.88**	**-**	**(12.65)**	**-**	**(20.76)**	**(0.54)**	**7.40**	**23.47**	**(13.20)**	**17.13**	**-**	**6.17**

*The Company has an obligation to make good the shortfall, if any.

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, 2020 (%) of total plan assets	As at March 31, 2019 (%) of total plan assets
Central Government Securities	**0.00%**	0.00%
Public Sector/Financial Institutional Bonds	**0.00%**	0.00%
Portfolio with Mutual Fund	**99.97%**	99.94%
Others (including bank balances)	**0.03%**	0.06%
(%) of total plan assets	**100%**	100%

Notes to Standalone 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 Provident Fund are as follows:

Particulars	**As at March 31, 2020 (%) of total plan assets**	As at March 31, 2019 (%) of total plan assets
Government Securities (Central & State)	**55.34%**	52.82%
Public Sector and Private Sector Bonds	**36.35%**	39.05%
Portfolio with Mutual Fund	**5.60%**	4.83%
Others (including bank balances)	**2.71%**	3.30%
(%) of total plan assets	**100%**	100%

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

Particulars	**As at March 31, 2020**	As at March 31, 2019
Discount rate	**6.56%**	7.47%
Future salary increase	**5.00%**	6.00%
Medical cost inflation	**5.00%**	6.00%
Expected rate of return on plan assets	**6.56%**	7.47%
Attrition rate	**10.00%**	7.00%
Morality rate during employment	**Indian assured lives Mortality (2006-08)**	Indian assured lives Mortality (2006-08)
Morality rate after employment	**N.A.**	N.A.

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach :

Particulars	**As at March 31, 2020**	As at March 31, 2019
Discount rate	**6.50%**	7.47%
Average remaining tenure of investment portfolio	**5.16 years**	5.09 years
Guaranteed rate of return	**8.50%**	8.65%

A quantitative sensitivity analysis for significant assumption is as shown below for the defined benefit plan:

Particulars	**Sensitivity**	**Increase / (decrease) in defined benefit obligation (Impact)**	
		Year ended March 31, 2020	Year ended March 31, 2019
Gratuity			
Discount rate	1% increase	**(5.49)**	(6.93)
	1% decrease	**6.19**	7.95
Salary increase	1% increase	**6.22**	7.99
	1% decrease	**(5.62)**	(7.08)
Attrition rate	1% increase	**0.35**	0.58
	1% decrease	**(0.42)**	(0.68)
Post employment medical benefits			
Discount rate	1% increase	**(0.84)**	(1.12)
	1% decrease	**0.82**	1.09
Medical cost inflation	1% increase	**0.69**	0.91
	1% decrease	**(0.60)**	(0.80)
Attrition rate	1% increase	**(0.36)**	(0.48)
	1% decrease	**0.47**	0.63
Compensatory Pension Scheme			
Discount rate	1% increase	**(0.04)**	(0.07)
	1% decrease	**0.04**	0.04

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.

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.

Notes to Standalone Financial Statements

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, 2020**	As at March 31, 2019
Gratuity		
Within the next 12 months	**25.93**	23.62
From 2 to 5 years	**44.67**	38.82
Beyond 5 years	**43.54**	54.67
	114.14	117.11
Post employment medical benefits		
Within the next 12 months	**0.66**	1.01
From 2 to 5 years	**2.86**	3.23
Beyond 5 years	**8.51**	11.81
	12.03	16.05
Compensatory Pension Scheme		
Within the next 12 months	**0.38**	0.51
From 2 to 5 years	**1.23**	1.59
Beyond 5 years	**-**	-
	1.61	2.10
Total expected payments	**127.78**	135.26

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

Particulars	**As at March 31, 2020 In Years**	As at March 31, 2019 In Years
Gratuity	**7**	8
Post employment medical benefits	**7**	7
Compensatory Pension Scheme	**3**	2

The Company does not have any contributions expected towards planned assets for the next year.

C. Other Long term employee benefit plans:

Leave encashment

The Company has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Company has recognised following as expenses and included in note No. 24 "Employee benefit expense".

Particulars	**Year ended March 31, 2020**			Year ended March 31, 2019		
	Continuing Business	**Discontinued Business**	**Total**	Continuing Business	Discontinued Business	Total
Leave Encashment	**12.29**	**-**	**12.29**	15.88	0.08	12.37
Total	**12.29**	**-**	**12.29**	15.88	0.08	12.37

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	
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	
16	Arvind Ruf & Tuf Private Limited	
17	Arvind Smart Textiles Limited	
18	Arvind Enterprise FZC	
19	Arvind BKP Berolina Private Limited (Previously known as Arvind Transformational Solutions Private Limited)	
20	Arvind PD Composites Private Limited	
21	Arvind Goodhill Suit Manufacturing Private Limited	
22	Arvind Niloy Exports Private Limited, Bangladesh	
23	Arvind OG Nonwovens Private Limited	
24	Arvind Premium Retail Limited	
25	Arvind True Blue Limited	
26	Arya Omnitalk Wireless Solutions Private Limited	
27	Arvind Overseas (M) Inc., Mauritius	
28	Arvind Spinning Limited	
29	Maruti Ornet and Infrabuild LLP	
30	Enkay Converged Technologies LLP	
31	Arvind Foundation	
32	Arvind Polser Engineered Composite Panels Private Limited	w.e.f. February 11, 2019
33	AJ Environmental Solutions Company	w.e.f. October 25, 2019
(II)	**Joint Ventures**	
1	Arya Omnitalk Radio Trunking Services Private Limited	
2	Arvind Norm CBRN Systems Private Limited	w.e.f. December 31, 2018
3	Adient Arvind Automotive Fabrics India	w.e.f. October 25, 2018
4	Arudrama Developers Private Limited	
5	Arvind and Smart Value Homes LLP	
6	PVH Arvind Manufacturing PLC, Ethiopia	w.e.f. October 01, 2019
(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 (up to July 28, 2019)
8	Ms. Renuka Ramnath	Non-Executive Director
9	Mr. Vallabh Roopchand Bhansali	Non-Executive Director (Up to May 10, 2019)
10	Mr. Nilesh Dhirajlal Shah	Non-Executive Director
11	Mr. Arpit Kantilal Patel	Non-Executive Director (W.e.f. May 17, 2019)

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	
5	Arvind Fashions Limited	w.e.f. November 30, 2018
6	Arvind Lifestyle Brands Limited	w.e.f. November 30, 2018
7	Arvind Beauty Brands Retail Private Limited	w.e.f. November 30, 2018
8	Calvin Klein Arvind Fashion Private Limited	w.e.f. November 30, 2018
9	Tommy Hilfiger Arvind Fashions Private Limited	w.e.f. November 30, 2018
10	AML Employees Welfare Trust	up to October 21, 2018
11	White Ocean Business Ventures LLP	
(VI)	**Trusts and Others**	
1	Arvind Mills Employees' Provident Fund	
2	Arvind Mills Employees' Gratuity Fund	
3	Lalbhai Group of Companies Officers' Superannuation Fund	

Notes to Standalone 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 :

₹ in Crores

Particulars	Subsidiaries		Joint Ventures		Key Management Personnel and relatives		Trusts		Company under the control of Key Managerial Personnel		Total	
	Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at		Year ended / as at	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
(I) Transactions during the year												
Purchase of Goods	**83.34**	51.75	**1.42**	-	**-**	-	**-**	-	**4.62**	(3.89)	**89.38**	47.86
Purchase of Property, plant and equipment	**18.65**	9.22	**-**	-	**-**	-	**-**	-	**-**	-	**18.65**	9.22
Sales of Goods	**147.88**	108.37	**0.01**	0.80	**-**	-	**-**	-	**39.95**	7.30	**187.84**	116.47
Sale of Property, plant and equipment	**2.23**	0.41	**-**	2.64	**-**	-	**-**	-	**-**	-	**2.23**	3.05
Services Rendered	**9.72**	28.28	**2.00**	-	**-**	-	**-**	-	**8.81**	4.74	**20.53**	33.02
Rent Income	**2.61**	1.56	**1.50**	0.35	**-**	-	**-**	-	**0.68**	-	**4.79**	1.91
Expenses Recovered	**5.64**	2.47	**3.28**	3.95	**-**	-	**-**	-	**22.37**	1.62	**31.29**	8.04
Remuneration	**-**	-	**-**	-	**11.28**	16.94	**-**	-	**-**	-	**11.28**	16.94
Sitting Fees paid to Non-Executive Directors	**-**	-	**-**	-	**0.04**	0.03	**-**	-	**-**	-	**0.04**	0.03
Commission to Non-Executive Directors	**-**	-	**-**	-	**0.38**	0.40	**-**	-	**-**	-	**0.38**	0.40
Services Received	**18.80**	15.96	**0.21**	-	**-**	-	**-**	-	**0.94**	-	**19.95**	15.96
Rent Expenses	**0.02**	-	**-**	-	**-**	-	**-**	-	**-**	0.20	**0.02**	0.20
Reimbursement of expenses	**-**	1.85	**-**	-	**-**	-	**-**	-	**18.28**	6.19	**18.28**	8.04
Interest Expenses	**2.95**	1.13	**-**	-	**-**	-	**-**	-	**2.08**	4.34	**5.03**	5.47
Donation Given	**2.00**	3.50	**-**	-	**-**	-	**-**	-	**-**	-	**2.00**	3.50
Contribution Given for Employee Benefit Plans	**-**	-	**-**	-	**-**	-	**31.28**	39.24	**-**	-	**31.28**	39.24
Share of Profit from LLP	**-**	(0.01)	**(0.29)**	(0.16)	**-**	-	**-**	-	**-**	-	**(0.29)**	(0.17)
Dividend Income	**2.79**	2.00	**2.71**	-	**-**	-	**-**	-	**-**	0.20	**5.50**	2.20
Interest Income	**17.57**	22.85	**-**	-	**-**	-	**-**	-	**-**	-	**17.57**	22.85
Guarantee Commission Income	**1.10**	1.32	**-**	0.02	**-**	-	**-**	-	**2.14**	3.51	**3.24**	4.85
Impairment in value of Shares	**11.46**	16.07	**10.33**	-	**-**	-	**-**	-	**-**	-	**21.79**	16.07
Impairment in value of Loan	**0.82**	8.80	**-**	-	**-**	-	**-**	-	**-**	-	**0.82**	8.80
Loan Given	**415.35**	1,613.01	**-**	-	**-**	-	**-**	-	**-**	-	**415.35**	1,613.01
Receipt towards Loan Given	**257.85**	1,582.63	**-**	-	**-**	-	**-**	-	**-**	-	**257.85**	1,582.63
Loan Taken	**7.55**	249.47	**-**	-	**-**	-	**-**	-	**-**	186.66	**7.55**	436.13
Repayment of Loan	**82.55**	174.47	**-**	-	**-**	-	**-**	-	**44.36**	187.56	**126.91**	362.03
Share Application Money Given	**3.66**	(₹ 1,690/-)	**-**	-	**-**	-	**-**	-	**-**	-	**3.66**	(₹ 1,690/-)
Investment made	**25.96**	85.22	**5.33**	8.17	**-**	-	**-**	-	**-**	-	**31.29**	93.39
Withdrawal of capital Contribution	**-**	-	**0.29**	0.16	**-**	-	**-**	-	**-**	-	**0.29**	0.16
(II) Balances as at year end												
Guarantees	**82.97**	121.61	**-**	-	**-**	-	**-**	-	**-**	684.55	**82.97**	806.16
Trade Receivables	**64.30**	54.75	**4.58**	1.24	**-**	-	**-**	-	**52.68**	7.57	**121.56**	63.56
Investments	**476.24**	450.53	**85.33**	80.29	**-**	-	**-**	-	**-**	-	**561.57**	530.82
Provision for Impairment of Investment	**(27.87)**	(16.40)	**(10.33)**	-	**-**	-	**-**	-	**-**	-	**(38.20)**	(16.40)
Loan Given	**297.08**	135.26	**-**	-	**-**	-	**-**	-	**-**	-	**297.08**	135.26
Allowance for Doubtful Loan	**(14.85)**	(14.03)	**-**	-	**-**	-	**-**	-	**-**	-	**(14.85)**	(14.03)
Other Current Assets	**1.45**	12.12	**2.13**	1.04	**-**	-	**-**	11.99	**2.91**	6.48	**6.49**	31.63
Other Current Financial Assets	**15.56**	46.34	**-**	-	**-**	-	**-**	-	**-**	18.72	**15.56**	65.06
Other Non Current Assets	**2.15**	-	**-**	-	**-**	-	**-**	-	**0.25**	0.25	**2.40**	0.25
Long Term Borrowings	**-**	75.00	**-**	-	**-**	-	**-**	-	**-**	44.36	**-**	119.36
Trade Payable	**23.45**	11.87	**-**	-	**-**	-	**-**	-	**9.68**	8.07	**33.13**	19.94
Other Current Financial Liabilities	**0.08**	0.96	**-**	-	**-**	-	**-**	-	**-**	-	**0.08**	0.96
Short Term Porvision	**-**	-	**-**	-	**-**	-	**5.05**	-	**-**	-	**5.05**	-

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, 2020	Balance as at March 31, 2019
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	**5.23**	5.23
Less : Allowance for doubtful loan		**(5.23)**	(5.23)
		-	-
Arvind Premium Retail Limited	General Business Purpose	**9.61**	8.80
Less : Allowance for doubtful loan		**(9.61)**	(8.80)
		-	-
Arvind Worldwide Inc. USA	General Business Purpose	**20.43**	18.67
Syntel Telecom Limited	General Business Purpose	**24.88**	14.58
Arvind Internet Limited	General Business Purpose	**0.21**	0.21
Arvind Ruf & Tuf Private Limited	General Business Purpose	**86.24**	16.14
Arvind True Blue Limited	General Business Purpose	**76.41**	39.39
Arvind Smart Textiles Limited	General Business Purpose	**37.14**	28.68
Arvind BKP Berolina Private Limited (Previously known as Arvind Transformational Solutions Private Limited)	General Business Purpose	**(₹20,000/-)**	(₹10,000/-)
Arvind Polser Engineered Composite Panels Private Limited	General Business Purpose	**3.83**	3.56
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	General Business Purpose	**20.05**	-
Arvind Enterprise FZC	General Business Purpose	**13.05**	-
Total(A)		**282.24**	121.23
Corporate Guarantee given on behalf of			
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	**-**	606.62
Arvind Fashions Limited	Facilitate Trade Finance	**-**	77.93
Arvind Envisol Limited	Facilitate Trade Finance	**28.00**	96.99
Arvind Smart Textiles Limited	Facilitate Trade Finance	**54.97**	24.62
Total(B)		**82.97**	806.16
Total(A+B)		**365.21**	927.39

List of Related Parties	Purpose	Maximum Outstanding During March 31, 2020	Maximum Outstanding During March 31, 2019
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	**5.23**	5.23
Arvind Worldwide Inc. USA	General Business Purpose	**20.43**	18.67
Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	General Business Purpose	**21.94**	-
Arvind Enterprise FZC, Sharjah	General Business Purpose	**13.05**	-
Arvind Lifestyle Brands Limited	General Business Purpose	**-**	1.02
Arvind Envisol Limited	General Business Purpose	**16.56**	329.96
Syntel Telecom Limited	General Business Purpose	**25.88**	17.07
Arvind Internet Limited	General Business Purpose	**0.21**	0.21
Enkay Converged Technologies LLP	General Business Purpose	**(₹ 50,000/-)**	-
Arvind Ruf & Tuf Private Limited	General Business Purpose	**86.24**	119.15
Arvind Premium Retail Limited	General Business Purpose	**9.61**	8.80
Arvind True Blue Limited	General Business Purpose	**76.40**	39.50
Arvind Polser Engineered Composite Panels Private Limited	General Business Purpose	**8.92**	3.56
Arvind Smart Textiles Limited	General Business Purpose	**79.12**	29.10
Arvind BKP Berolina Private Limited (Previously known as Arvind Transformational Solutions Private Limited)	General Business Purpose	**(₹ 20,000/-)**	(₹ 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, 2019: 8.75%). Loans in USD given to the related party carries an interest rate of 3.90% (March 31, 2019 : 3.90%).

(3) Loans in INR taken from the related party carries an interest rate 8.75% - 8.80% (March 31, 2019 : 8.00% - 8.80%)

(4) Financial guarantee given to Bank on behalf of subsidiaries 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 provided commitment of ₹ 4.19 Crores to the related party as at March 31, 2020 (March 31, 2019: ₹ NIL).

(f) Transactions with key management personnel

The remuneration of key management personnel during the year was as follows :

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits	**11.13**	16.61
Post employment benefits	**0.25**	0.33
Other long-term employment benefits	**0.01**	0.12
Others - Contribution towards Provident Fund	**0.31**	0.31
Total compensation paid to key management personnel	**11.70**	17.37

The remuneration of key management personnel is determined by the Remuneration committee.

Note 36 : Earning per share:

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
Continuing Operation			
Profit attributable to ordinary equity holders	in Crores	**171.38**	213.47
Weighted average number of equity shares for basic EPS (a)	No.	**25,87,33,462**	25,86,17,069
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	**86,648**	2,47,073
Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)	No.	**25,88,20,110**	25,88,64,142
Nominal value of equity shares		**10**	10
Basic earning per share		**6.62**	8.25
Diluted earning per share		**6.62**	8.25
Discontinued Operation			
Profit attributable to ordinary equity holders	in Crores	**-**	(14.03)
Weighted average number of equity shares for basic EPS (a)	No.	**25,87,33,462**	25,86,17,069
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	**86,648**	2,47,073
Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)	No.	**25,88,20,110**	25,88,64,142
Nominal value of equity shares		**10**	10
Basic earning per share		**-**	(0.54)
Diluted earning per share		**-**	(0.54)
Continuing and Discontinued Operation			
Profit attributable to ordinary equity holders	in Crores	**171.38**	199.44
Weighted average number of equity shares for basic EPS (a)	No.	**25,87,33,462**	25,86,17,069
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)	No.	**86,648**	2,47,073
Weighted average number of Ordinary shares in computing diluted earnings per share (a) + (b)	No.	**25,88,20,110**	25,88,64,142
Nominal value of equity shares		**10**	10
Basic earning per share		**6.62**	7.71
Diluted earning per share		**6.62**	7.71

Notes to Standalone Financial Statements

Note 37 : Share based payments

Arvind Limited (AL)

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. The following table sets forth the particulars of the options outstanding as on March 31, 2020 under ESOP 2008:

Scheme	ESOS 2008				
Date of grant	May 23, 2014	August 22, 2016	May 17, 2019	May 17, 2019	October 25, 2019
Expiry Date	April 30, 2019	August 22, 2017	May 16, 2020	May 16, 2020	September 30, 2023
Number of options granted	10,50,000	9,00,000	2,00,000	1,57,000	2,00,000
Exercise price per option*	₹ 57.51	₹ 90.81	₹ 72.15	₹ 10.00	₹ 45.45
Fair Value of option on Grant date*	₹ 36.65	₹ 14.00	₹ 9.21	₹ 64.95	₹ 13.31
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, 2020		Year Ended March 31, 2019	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	15,76,000	76.53	15,76,000	266.72
Vested during the year	6,76,000	57.51	-	-
Granted during the year	5,57,000	45.04	-	-
Exercised during the year	1,50,000	57.51	-	-
Outstanding at the end of the year*	19,83,000	69.12	15,76,000	76.53
Exercisable at the end of the year	14,26,000	78.53	9,00,000	90.81

C. Share Options Exercised during the year:

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
Options exercised during the year	1,50,000	June 14, 2019	73.19

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 ₹ 69.12 (as at March 31,2019: ₹ 76.53), and a weighted average remaining contractual life of 3.42 years (as at March 31, 2019: 3.26 years). The range of exercise price is from ₹ 10.00 to ₹ 90.81.

Notes to Standalone Financial Statements

₹ in Crores

Note 37 : Share based payments (Contd.)

E. Significant Assumptions of Valuation on New Grant:

Weighted Average Information:

(i)	Share price (₹)	63.93
(ii)	Exercise price (₹)	45.04
(iii)	Expected volatility	27.62%
(iv)	Risk-free interest rate	6.41%
(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 volatility of the Company's stock price on stock exchanges 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

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, 2020**	Year ended March 31, 2019
Share Based Payment to Employees (Original Charge on Grant)	**1.13**	1.46
Share Based Payment to Employees (Charge on Modification)	**-**	0.02
Total employee share based payment expense	**1.13**	1.48*

* 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. Accordinlgy, 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 : Leases

A. For transition, The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, The Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which The Company has chosen to apply the practical expedient as per the standard.

Notes to Standalone Financial Statements

₹ in Crores

Note 38 : Leases (Contd.)

The Company has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from April 01, 2019 and recognised Right of Use assets and Lease Liability as on April 01, 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax amounting to Rs. 18.87 crores (Deferred Tax Rs. 10.13 crores) has been adjusted in retained earnings.

B. The Company has taken land, factory buildings, godowns, offices, plant and machinaries and other facilities on lease.

Disclosures as per Ind AS 116 - Leases are as follows:

C. The changes in the carrying value of ROU assets for the year ended on March 31, 2020 are as follows :

Particulars	Land & Building	Others	Total
Recognition of ROU Asset on account of adoption of Ind AS 116	87.22	54.79	142.01
Additions during the year	5.14	-	5.14
Deletions/cancellation/modification during the year	(1.56)	(23.13)	(24.69)
Depreciation	(17.85)	(14.89)	(32.74)
Balance at the end of the year	**72.95**	**16.77**	**89.72**

The aggregate depreciation expense on ROU assets is included under depreciation expense in the Statement of Profit and Loss.

D. The movement in lease liabilities for the year ended on March 31, 2020 are as follows :

Particulars	March 31, 2020
Recognition of lease liabilities on account of adoption of Ind AS 116	171.01
Additions during the year	5.14
Deletions during the year	(26.34)
Finance cost accrued during the year	12.21
Payment of lease labilities	(44.02)
Balance at the end of the year	**118.00**

The break-up of current and non-current lease liabilities as on March 31, 2020 is as under :

Particulars	March 31, 2020
Current	26.30
Non Current	91.70
Total	**118.00**

E. The details of contractual maturities of lease liabilities as on March 31, 2020 on discounted basis are as follows:

Particulars	March 31, 2020
Less than one year	26.30
One to five years	71.76
More than five years	19.94
Total	**118.00**

F. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

G. The amount recognised in the statement of profit or loss are as follows:

Particulars	Year Ended March 31, 2020
Depreciation expense of right-of-use assets	32.74
Interest expense on lease liabilities	12.21
Rent expense - short-term lease and leases of low value assets	10.08
Total	**55.03**

Notes to Standalone Financial Statements

₹ in Crores

Note 39 : Corporate Social Responsibility (CSR) Activities:

(a) The Company is required to spend 5.86 Crores (March 31, 2019 : 7.24 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, 2020			Year ended March 31, 2019		
	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	**2.15**	**3.55**	**5.70**	6.93	-	6.93
(iii) Expenditure on Administrative Overheads for CSR	**0.10**	**-**	**0.10**	0.37	-	0.37

Note 40 : Financial Instruments by category

(i) Financial assets by category

Particulars	As at March 31, 2020					As at March 31, 2019				
	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)	**416.84**	**-**	**2.10**	**-**	**418.94**	407.59	-	2.10	-	409.69
- Preference Shares	**16.00**	**-**	**-**	**-**	**16.00**	16.00	-	-	-	16.00
- Debentures	**-**	**-**	**-**	**0.02**	**0.02**	-	-	-	0.02	0.02
- Government securities	**-**	**-**	**-**	**(₹23,000/-)**	**(₹ 23,000/-)**	-	-	-	(₹ 23,000/-)	(₹ 23,000/-)
- Limited liability partnership	**90.51**	**-**	**-**	**-**	**90.51**	90.82	-	-	-	90.82
Trade receivables	**-**	**-**	**-**	**898.32**	**898.32**	-	-	-	714.38	714.38
Loans	**-**	**-**	**-**	**306.09**	**306.09**	-	-	-	256.45	256.45
Cash and cash equivalents	**-**	**-**	**-**	**20.61**	**20.61**	-	-	-	23.12	23.12
Other bank balances	**-**	**-**	**-**	**9.51**	**9.51**	-	-	-	8.07	8.07
Other financial assets	**-**	**-**	**0.03**	**117.39**	**117.42**	-	-	37.03	178.13	215.16
Total Financial assets	**523.35**	**-**	**2.13**	**1,351.94**	**1,877.42**	514.41	-	39.13	1,180.17	1,733.71

(ii) Financial liabilities by category

Particulars	As at March 31, 2020			As at March 31, 2019		
	Fair value through Profit and Loss (FVTPL)	**Amortised cost**	**Total**	Fair value through Profit and Loss (FVTPL)	Amortised cost	Total
Borrowings	**-**	**2,065.04**	**2,065.04**	-	2,505.49	2,505.49
Lease Liabilities	**-**	**118.00**	**118.00**	-	-	-
Trade payable	**-**	**1,118.31**	**1,118.31**	-	1,194.45	1,194.45
Other Financial Liabilities	**1.51**	**422.70**	**424.21**	1.67	295.13	296.80
Total Financial liabilities	**1.51**	**3,724.05**	**3,725.56**	1.67	3,995.07	3,996.74

For Financial instruments risk management objectives and policies, refer note 42.

Notes to Standalone Financial Statements

₹ in Crores

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, 2020	As at March 31, 2019	**As at March 31, 2020**	As at March 31, 2019
Financial assets				
Amortised Cost				
Investment in Debentures	**0.02**	0.02	**0.02**	0.02
Investment in Government Securities	**(₹ 23,000/-)**	(₹ 23,000/-)	**(₹ 23,000/-)**	(₹ 23,000/-)
Total	**0.02**	0.02	**0.02**	0.02
Financial liabilities				
Amortised Cost				
Borrowings	**2,312.68**	2,651.51	**2,310.26**	2,649.09
Total	**2,312.68**	2,651.51	**2,310.26**	2,649.09

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.

(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, 2020 and March 31, 2019

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	2.10	-	-	2.10
Foreign exchange forward contracts (Cash flow hedge)	0.03	-	0.03	-
As at March 31, 2019				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares	2.10	-	-	2.10
Foreign exchange forward contracts (Cash flow hedge)	37.03	-	37.03	-

Quantitative disclosures fair value measurement hierarchy for financial liabilities as at March 31, 2020 and March 31, 2019

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020				
Liabilities measured at fair value				
Financial guarantee contract	1.51	-	-	1.51
As at March 31, 2019				
Liabilities measured at fair value				
Financial guarantee contract	1.67	-	-	1.67

Notes to Standalone Financial Statements

₹ in Crores

Note 41 : Fair value disclosures for financial assets and financial liabilities: (Contd.)

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfer between level 1, 2 and 3 during the year.

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.

(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, 2020, approximately 8.94% of the Company's Borrowings are at fixed rate of interest (March 31, 2019 : 29%).

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, 2020	March 31, 2019
Increase in 50 basis points	**(10.53)**	(9.45)
Decrease in 50 basis points	**10.53**	9.45

(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.

Notes to Standalone Financial Statements

₹ in Crores

Note 42 : Financial instruments risk management objectives and policies: (Contd.)

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, 2020	+2%	3.07	0.18
	-2%	(3.07)	(0.18)
March 31, 2019	+2%	5.15	(0.78)
	-2%	(5.15)	0.78

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 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, 2020 and March 31, 2019.

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.

Notes to Standalone Financial Statements

₹ in Crores

Note 42 : Financial instruments risk management objectives and policies: (Contd.)

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
Year ended March 31, 2020					
Interest bearing borrowings*	1,216.45	775.23	266.91	72.86	2,331.45
Lease liabilities	26.30	43.43	28.33	19.94	118.00
Trade payables	1,118.31	-	-	-	1,118.31
Other financial liabilities#	422.87	0.41	0.50	0.43	424.21
	2,783.93	**819.07**	**295.74**	**93.23**	**3,991.97**
Year ended March 31, 2019					
Interest bearing borrowings*	1,627.36	706.84	243.06	238.64	2,815.90
Lease liabilities	-	-	-	-	-
Trade payables	1,194.45	-	-	-	1,194.45
Other financial liabilities#	295.13	0.97	-	0.70	296.80
	3,116.94	**707.81**	**243.06**	**239.34**	**4,307.15**

* 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 ₹ 19.14 Crores (March 31, 2019 : ₹ 11.78 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, 2020**	As at March 31, 2019
(a) Interest bearing loans and borrowings (note 14)	**2,312.68**	2,651.51
(b) Less: cash and bank balance (including other bank balance and book overdraft)	**(28.72)**	(30.91)
(c) Net debt (a) - (b)	**2,283.96**	2,620.60
(d) Equity share capital (note 12)	**258.77**	258.62
(e) Other equity (note 13)	**2,594.92**	2,557.50
(f) Total capital (d) + (e)	**2,853.69**	2,816.12
(g) Total capital and net debt (c) + (f)	**5,137.65**	5,436.72
(h) Gearing ratio (c)/(g)	**44.46%**	48.20%

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, 2021. 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.

Notes to Standalone Financial Statements

₹ in Crores

Note 44 : COVID - 19

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on March 23, 2020 and the Company temporarily suspended the operations in all the units of the Company in compliance with the lockdown instructions issued by the Central and respective State Governments. COVID-19 has substantially impacted the normal business operations of the Company by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020. Production and supply of goods has commenced at various dates during the month of May 2020 and in a staggered manner at some of the manufacturing locations of the Company after obtaining permissions from the appropriate government authorities. The Company has made detailed assessment of its liquidity position for the next year including unutilised sanctioned credit limits and avenues to raise new funds / refinancing, recoverability of its assets comprising of property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions and estimates made by the Management of the Company, the Company expects to recover the carrying amount of these assets. It expects short term challenges in operating environment and has undertaken various cost containment initiatives which will yield results in medium to long term. At this time, the Company expects demand to pick up in long term and attain pre-covid levels of performance. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand.

The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 on revenue from operations, profitability and recoverability of investments and account receivables. The outcome of the same may be different from that estimated as at the date of approval of these Ind AS financial statements. The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Note 45 : Business Combinations

(I). The company has acquired the Leaseing division of "Amol Minechem Limited (formerly known as Amol Dicalite Limited)" w.e.f. November 8, 2019 at a consideration of ₹ 9.75 crores and the Weaving division of "Aveshan Textile Limited" w.e.f March 31, 2020 at a consideration of ₹ 1.00 crore. Value of net assets acquired is determined at ₹ 9.75 crores for Amol Minechem Limited and Value of net assets acquired is determined at ₹1.00 crore for Anveshan Textile Limited, consequently no goodwill has been recognized for both the acquisitions in accordance with Ind AS 103 – "Business Combination".

Amol Minechem Limited was engaged in the business of leasing of assets and Aveshan Textile Limited was engaged in the business of the Weaving Jobwork.

Based on the fair value of the assets acquired the purchase price paid has been allocated among various assets as below:

Particulars	Amol Minechem Limited	Aveshan Textile Limited	Total
Assets:			
Property, plant and equipment	9.17	42.13	51.30
Current Assets	0.99	1.53	2.52
Total Assets acquired (A)	**10.16**	**43.66**	**53.82**
Liabilities:			
Non-current Liabilities	-	0.25	0.25
Current Liabilities	0.41	42.41	42.82
Total Liabilities assumed (B)	**0.41**	**42.66**	**43.07**
Net Identifiable Assets Acquired (A - B)	**9.75**	**1.00**	**10.75**

Notes to Standalone Financial Statements

₹ in Crores

Note 45 : Business Combinations (Contd.)

(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.

(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.

(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
1		**Income**			
	(a)	Revenue from Operations	8.44	21.56	5.30
	(b)	Other Income	-	-	-
		Total Income	**8.44**	**21.56**	**5.30**
2		**Expenses**			
	(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
		Total Expenses	**9.13**	**21.39**	**5.39**
3		**Profit before tax (1-2)**	**(0.69)**	**0.17**	**(0.09)**
4		**Tax Expense:**			
		- Current Tax	-	0.01	-
		- Deferred Tax charge /(credit)	-	0.05	(0.03)
		Total Tax Expense / (credit)	**-**	**0.06**	**(0.03)**
5		**Profit after tax (3-4)**	**(0.69)**	**0.11**	**(0.06)**

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
1	**Income**			
	(a)	Revenue from Operations	52.54	67.86
	(b)	Other Income	-	0.50
		Total Income	**52.54**	**68.36**
2	**Expenses**			
	(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
		Total Expenses	**73.24**	**90.75**
3	**Profit before tax (1-2)**		**(20.70)**	**(22.39)**
4	**Tax Expense:**			
	- Current Tax		-	-
	- Deferred Tax charge/(credit)		(6.67)	(7.80)
	Total Tax Expense / (credit)		**(6.67)**	**(7.80)**
5	**Profit after tax (3-4)**		**(14.03)**	**(14.59)**

Total Discontinued Business

	Particulars		For the period April 01, 2018 to November 29, 2018*	Year Ended March 31, 2018
1	**Income**			
	(a)	Revenue from Operations	52.54	94.72
	(b)	Other Income	-	0.50
		Total Income	**52.54**	**95.22**
2	**Expenses**			
	(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
		Total Expenses	**73.24**	**117.53**
3	**Profit before tax (1-2)**		**(20.70)**	**(22.31)**
4	**Tax Expense:**			
	- Current Tax		-	0.01
	- Deferred Tax charge/(credit)		(6.67)	(7.78)
	Total Tax Expense / (credit)		**(6.67)**	**(7.77)**
5	**Profit after tax (3-4)**		**(14.03)**	**(14.54)**

* 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
ASSETS			
Non-current Assets			
(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
Sub-Total - Non-current Assets	**7.97**	**15.95**	**16.10**
Current Assets			
(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
Sub-Total - Current Assets	**10.90**	**25.64**	**24.48**
TOTAL - ASSETS	**18.87**	**41.59**	**40.58**
Liabilities			
Non - Current Liabilities			
(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	-	-	-
Sub-Total - Non-current Liabilities	**3.44**	**1.09**	**2.25**
Current Liabilities			
(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	-	-	-
Sub-Total - Current Liabilities	**7.54**	**3.38**	**30.24**
TOTAL LIABILITIES	**10.98**	**4.47**	**32.49**
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
ASSETS	
Non-current Assets	
(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	-
Sub-Total - Non-current Assets	**440.89**
Current Assets	
(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
Sub-Total - Current Assets	**76.15**
TOTAL - ASSETS	**517.04**
Liabilities	
Non - Current Liabilities	
(a) Financial Liabilities	
(i) Borrowings	4.35
(ii) Other Financial Liabilities	-
(b) Provisions	0.51
(c) Deferred Tax Liabilities (Net)	-
(d) Government Grants	-
Sub-Total - Non-current Liabilities	**4.86**
Current Liabilities	
(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	-
Sub-Total - Current Liabilities	**42.52**
TOTAL LIABILITIES	**47.38**
Net assets transferred through corresponding debit to the General Reserve (i)	**469.66**
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, 2020	Year ended March 31, 2019
Naroda Centre		
Capital expenditure	-	-
Revenue expenditure	3.68	4.43
Total expenditure at Naroda Centre	3.68	4.43
Santej Centre		
Capital expenditure	3.19	7.61
Revenue expenditure	22.43	25.73
Total expenditure at Santej Centre	25.62	33.34
Khatraj Centre		
Capital expenditure	0.80	0.41
Revenue expenditure	1.58	3.44
Total expenditure at Khatraj Centre	2.38	3.85
Pune Centre		
Capital expenditure	-	-
Revenue expenditure	1.59	2.23
Total expenditure at Pune Centre	1.59	2.23
Total	33.27	43.85

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 Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of June 27, 2020, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

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: June 27, 2020

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 loss in its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2020, 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 accordingly explanation given to us, and based on the reports of other auditors on separate financial statements of subsidiaries and joint ventures referred to in the Other Matters section below, 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 , 2020, 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, and its joint ventures 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 by the 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.

Emphasis of Matter

We draw attention to Note 44 of the consolidated financial statements, which describes the uncertainties and the impact of COVID-19 pandemic on the Group's operations and results as assessed by the management. Our report is not modified in respect of this matter.

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.

Sr. No.	Key Audit Matter Description	How the key Audit Matter Was Addressed in the Audit
1	**Revenue recognition – cut off** Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned. There is a risk that revenue is recognized on sale of goods around the year end without substantial transfer of control and is not in accordance with Ind AS-115 "Revenue from Contracts with Customers".	**Principal Audit Procedures performed:** Our audit process consisted testing of the design and operating effectiveness of the internal controls and substantive testing performed by us and by the Component auditor are as follows: • We obtained an understanding of process and evaluated the design, implementation and operating effectiveness of management's internal controls in relation to revenue recognition from sale of goods. We tested the Company's control over timing of revenue recognition around year end. • At the year end, we have performed the cut off testing for late cut off to test that the revenue is recorded in the appropriate period. We have traced sales with proof of delivery (POD) to confirm the recognition of sales. 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.
2	**Physical verification of Inventories** The Parent Company's management conducts physical verification of inventories during the year at reasonable intervals, however, on account of the COVID-19 related lockdown restrictions, management was unable to perform year end physical verification of inventories.	**Principal Audit Procedures performed:** We have performed following alternate procedures to audit the existence of inventories as at the year-end, since we were unable to physically observe the inventory verification: • evaluated the design and implementation of the controls over physical verification of inventories and tested the operating

Sr. No.	Key Audit Matter	How the key Audit Matter Was Addressed in the Audit
	Subsequent to the year-end, Parent company Management has carried out physical verification of inventories before starting any operational activity at all locations. We were not able to participate in observation of the physical verification of inventories, due to the COVID-19 pandemic situation and have performed alternate procedures to test existence of inventory as at year-end, in accordance with the requirements of the auditing standards; and identified 'Inventories - Existence' as a key audit matter.	effectiveness of the controls during the year. • for inventory at third party warehouses, obtained direct confirmations, and as appropriate performed roll-back procedures to compare with inventory quantities at year end, on a sample basis. Also, read the warehousing agreements to understand the obligations of the warehouse owner with respect to maintenance of the inventory records for the Company and their ability to provide confirmation on the inventories held by them on behalf of the Company. • Post ease in lockdown, the management of the company have again carried out physical verification of inventory for major locations which was attended by the independent firm of Chartered Accountant under the instructions of Audit engagement team. Audit engagement team had observed the process through virtual medium and performed roll back procedures evidencing the movement in stocks from the date of such verification to the year end, on a sample basis. • Verified the analytical reviews performed by the management such as consumption analysis and stock movement analysis for locations not covered in physical verification for the year for raw material and finished goods at locations, on a sample basis.

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 Director's report of even date and annexures thereof, 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 the 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 of its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to 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 the entities or business activities 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 or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such 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 17 subsidiaries, whose financial statements reflect total assets of Rs. 1302.53 crore as at 31st March, 2020, total revenues of Rs.904.66 crore and net cash outflows amounting to Rs. 4.08 crore for the year ended on that date, as considered in the consolidated financial statements. These financial 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.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

(b) We did not audit the financial statements of 7 subsidiaries, whose financial statements reflect total assets of ₹ 108.66 crores as at March 31, 2020, total revenues of ₹ 57.02 crores and net cash outflows amounting to ₹ 12.15 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 loss of ₹ 2.29 crores for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of 6 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures 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, returns 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 IndAS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and its joint venture companies incorporated in India is disqualified as on March 31, 2020 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 venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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 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. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. Following is the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company.

Financial Year for which amount pertains	Amount involved (₹ In crores)	Number of days delay in depositing the amount	Date of deposit
2011-12	₹ 0.30	25 days	27-11-2019

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval
Partner
(Membership no. 106189)
(UDIN: 20106189AAAAEZ6557)

Place: Ahmedabad
Date: June 27, 2020

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, 2020, we have audited the internal financial controls over financial reporting of Arvind Limited (hereinafter referred to as "Parent") its 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 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 its 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 the other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on 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 15 subsidiary companies and 5 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No: 117366W/W-100018)

Kartikeya Raval
Partner
(Membership no. 106189)
(UDIN: 20106189AAAAEZ6557)

Place: Ahmedabad
Date: June 27, 2020

Consolidated Balance Sheet as at March 31, 2020

₹ in Crores

Particulars	Notes	As at March 31, 2020 (Refer 45 (i))	As at March 31, 2019 (Refer 45 (ii))
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	**3,530.28**	3,234.00
(b) Capital work-in-progress		**112.47**	260.10
(c) Investment properties	6	**34.37**	34.13
(d) Goodwill	7	**26.70**	26.19
(e) Other Intangible assets	7	**96.05**	126.82
(f) Intangible assets under development		**0.36**	1.79
(g) Right of Use Assets	38	**147.61**	-
(h) Financial assets			
(i) Investments	8 (a)	**90.41**	78.49
(ii) Loans	8 (c)	**0.94**	1.34
(iii) Other financial assets	8 (f)	**41.33**	46.86
(i) Deferred tax assets (net)	29	**35.58**	11.29
(j) Other non-current assets	9	**11.65**	22.23
Total non-current assets (A)		**4,127.75**	3,843.24
Current assets			
(a) Inventories	10	**1,276.83**	1,598.43
(b) Financial assets			
(i) Trade receivables	8 (b)	**1,047.67**	897.12
(ii) Cash and cash equivalents	8 (d)	**50.24**	70.62
(iii) Bank balance other than (ii) above	8 (e)	**33.84**	9.95
(iv) Loans	8 (c)	**39.51**	162.99
(v) Other financial assets	8 (f)	**125.14**	140.05
(c) Current tax assets (net)	11	**24.22**	77.85
(d) Other current assets	9	**349.76**	444.36
Total current assets (B)		**2,947.21**	3,401.37
Assets classified as held for Sale (C)		**90.48**	89.03
TOTAL ASSETS (A) + (B) + (C)		**7,165.44**	7,333.64
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	**258.77**	258.62
(b) Other equity	14	**2,449.81**	2,491.82
Equity attributable to equity holders of the Parent		**2,708.58**	2,750.44
(c) Non-controlling interest		**57.96**	86.32
Total equity (A)		**2,766.54**	2,836.76
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	**1,018.34**	934.75
(ii) Lease Liabilities	38	**149.18**	-
(iii) Other financial liabilities	15 (c)	**5.46**	-
(b) Long-term provisions	16	**48.63**	49.72
(c) Deferred tax liabilities (net)	29	**27.14**	40.84
(d) Government grants	17	**73.12**	63.99
(e) Other non current liabilities	18	**2.06**	0.07
Total non-current liabilities (B)		**1,323.93**	1,089.37
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15 (a)	**1,175.15**	1,601.37
(ii) Lease Liabilities		**35.49**	-
(iii) Trade payables			
- Total Outstanding dues of Micro Enterprises and Small Enterprises	15 (b)	**10.64**	-
- Total Outstanding dues other then Micro Enterprises and Small Enterprises	15 (b)	**1,249.22**	1,357.99
(iv) Other financial liabilities	15 (c)	**460.27**	345.64
(b) Short-term provisions	16	**16.69**	12.88
(c) Government grants	17	**7.31**	5.03
(d) Current tax liabilities (net)	12	**2.31**	10.81
(e) Other current liabilities	18	**117.89**	73.79
Total current liabilities (C)		**3,074.97**	3,407.51
TOTAL EQUITY AND LIABILITIES (A) + (B) + (C)		**7,165.44**	7,333.64

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: June 27, 2020

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: June 27, 2020

Consolidated Statement of profit and loss for the year ended March 31, 2020

₹ in Crores

	Particulars	Notes	Year ended March 31, 2020 (Refer 45 (i))	Year ended March 31, 2019 (Refer 45 (ii))
	CONTINUING OPERATION			
I.	**INCOME**			
	(a) Revenue from operations	19	**7,369.00**	7,142.18
	(b) Other income	20	**55.24**	83.74
	TOTAL INCOME		**7,424.24**	7,225.92
II.	**EXPENSES**			
	(a) Cost of raw materials and accessories consumed	21	**3,300.46**	2,914.60
	(b) Purchase of stock-in-trade	22	**365.91**	386.95
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	**69.45**	(40.85)
	(d) Project expenses		**73.84**	102.63
	(e) Employee benefits expense	24	**942.24**	899.92
	(f) Finance costs	25	**236.89**	220.14
	(g) Depreciation and amortisation expense	26	**290.45**	235.05
	(h) Other expenses	27	**1,924.71**	2,162.24
	TOTAL EXPENSES		**7,203.95**	6,880.68
III.	**PROFIT BEFORE SHARE OF PROFIT OF A JOINT VENTURE EXCEPTIONAL ITEMS AND TAX FROM CONTINUING OPERATION (I-II)**		**220.29**	345.24
IV.	Share of profit of joint ventures accounted for using the equity method		**(2.29)**	1.01
V.	**PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX FROM CONTINUING OPERATION (III+IV)**		**218.00**	346.25
VI.	Exceptional items	28	**50.21**	45.98
VII.	**PROFIT BEFORE TAX FROM CONTINUING OPERATION (V-VI)**		**167.79**	300.27
VIII.	**Tax expense**	29		
	(a) Current tax		**64.67**	82.09
	(b) Short provision related to earlier years		**12.01**	32.17
	(c) Deferred tax Charge/(Credit)		**(0.99)**	(52.72)
	Total tax expense		**75.69**	61.54
IX.	**Profit for the year from continuing operation (VII-VIII)**		**92.10**	238.73
X.	**Profit / (Loss) before tax from discontinued operations**	45	**-**	(13.02)
	Tax expense of discontinued operations		**-**	(2.70)
	Net Profit/(Loss) from discontinued operations		**-**	(10.32)
XI.	**Profit for the year (IX+X)**		**92.10**	228.41
XII.	**Other comprehensive income/(Loss) (net of tax)**			
A.	**Items that will not be reclassified to Profit and Loss**			
	(i) Equity Instruments through Other Comprehensive Income (FVOCI)		**-**	0.07
	(ii) Remeasurement gain/(loss) of defined benefit plans		**(0.03)**	(19.30)
	(iii) Share of Other Comprehensive Income of Joint Venture accounted for using Equity method		**-**	(0.05)
	(iv) Income tax related to items (ii) above		**(0.06)**	6.71
	Net other comprehensive income/(Loss) not to be reclassified to profit or loss in subsequent periods		**(0.09)**	(12.57)
B.	**Items that will be reclassified to Profit and Loss**			
	(i) Effective portion of gain /(loss) on cash flow hedges		**(77.75)**	32.14
	(ii) Income tax related to items no (i) above		**27.14**	(11.17)
	(iii) Exchange differences in translating the financial statements of a foreign operation		**(12.42)**	(22.97)
	Net other comprehensive Loss that may be reclassified to profit or loss in subsequent periods		**(63.03)**	(2.00)
	Total other comprehensive Loss for the year, net of tax (XII) = (A+B)		**(63.12)**	(14.57)
XIII.	**Total comprehensive income for the year, net of tax (XI+XII)**		**28.98**	213.84
XIV.	**Profit for the year attributable to:**			
	(i) Equity holders of the parent		**95.65**	226.23
	(ii) Non-controlling interest		**(3.55)**	2.18
			92.10	228.41
XV.	**Other comprehensive income/(loss) attributable to:**			
	(i) Equity holders of the parent		**(62.95)**	(14.74)
	(ii) Non-controlling interest		**(0.17)**	0.17
			(63.12)	(14.57)
XVI.	**Total comprehensive income attributable to: (XIV+XV)**			
	(i) Equity holders of the parent		**32.70**	211.49
	(ii) Non-controlling interest		**(3.72)**	2.35
			28.98	213.84
XVII.	**Earning per equity share [nominal value per share ₹10]**	36		
	Continuing Operations :			
	- Basic		**3.70**	9.15
	- Diluted		**3.70**	9.14
	Discontinued Operations :			
	- Basic		**-**	(0.40)
	- Diluted		**-**	(0.40)
	Continuing and Discontinued Operations :			
	- Basic		**3.70**	8.75
	- Diluted		**3.70**	8.74

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: June 27, 2020

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: June 27, 2020

Consolidated Statement of cash flows for the year ended March 31, 2020

₹ in Crores

	Particulars	Year ended March 31, 2020 (Refer 45(i))		Year ended March 31, 2019 (Refer 45(ii))	
A	**Cash Flow from Operating activities**				
	Profit After taxation		**92.10**		228.41
	Adjustments to reconcile profit after tax to net cash flows:				
	Share of profit from Joint Ventures	**2.29**		(1.01)	
	Depreciation and Amortization expense	**290.45**		328.14	
	Interest Income	**(19.31)**		(37.54)	
	Tax Expense	**75.69**		58.84	
	Finance Costs	**236.89**		302.47	
	Bad Debts Written Off	**5.44**		2.77	
	Allowances for doubtful receivables	**9.90**		4.87	
	Sundry Advances written off	**1.27**		-	
	Sundry Debit Written off	**0.01**		0.58	
	Sundry Credit Balances written back	**-**		(6.07)	
	Provision for Non moving inventory	**51.71**		84.71	
	Foreign Exchange Loss / (Gain)	**(9.05)**		5.31	
	Fixed Assets written off	**0.21**		0.41	
	(Profit)/Loss on Sale of Property, plant and equipment	**2.38**		(8.34)	
	Excess Provision Written Back	**(0.48)**		(3.45)	
	Share based payment expense	**1.13**		1.48	
	Government grant income	**(6.83)**		(4.60)	
	Loss of Mark to market of derivative financial instruments	**11.40**		-	
	Provision for Impairment/Loss on Sale of Investments/ share application money	**11.82**		-	
	Reversal of GST Credit	**-**		27.55	
	Reversal of Excise Duty Provision	**(4.95)**		-	
			659.97		756.12
	Operating Profit before Working Capital Changes		**752.07**		984.53
	Adjustments for Changes in Working Capital:				
	(Increase) / Decrease in Inventories	**291.15**		561.06	
	(Increase) / Decrease in trade receivables	**(156.34)**		855.41	
	(Increase) / Decrease in other current assets	**93.18**		604.84	
	(Increase) / Decrease in other financial assets	**(24.76)**		223.93	
	Increase / (Decrease) in trade payables	**(94.10)**		(781.66)	
	Increase / (Decrease) in other financial liabilities	**(14.10)**		(92.50)	
	Increase / (Decrease) in other current liabilities	**40.90**		(115.68)	
	Increase / (Decrease) in provisions	**2.69**		(44.31)	
	Net Changes in Working Capital		**138.62**		1,211.09
	Cash Generated from Operations		**890.69**		2,195.62
	Direct Taxes paid (Net of Tax refund)		**(30.22)**		162.54
	Net Cash Flow from Operating Activities (A)		**860.47**		2,358.16
B	**Cash Flow from Investing Activities**				
	Purchase of Property, plant and equipment and intangible assets	**(414.62)**		(649.17)	
	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	**17.84**		46.57	
	Purchase of Investments	**(25.35)**		(8.15)	
	Payment towards acquisition of Non-Controling Interest	**(11.82)**		-	
	Disposal of Investments due to Demerger (Refer note 45(ii))	**-**		0.02	
	Refund of Share Application Money	**-**		6.81	
	Changes in Non Controlling interest	**2.51**		2.45	
	Changes in other bank balances not considered as cash and cash equivalents	**(23.68)**		16.74	
	Loans repaid (net)	**123.88**		1.80	
	Interest Received	**25.61**		25.92	
	Net cash flow from/(used in) Investing Activities (B)		**(305.63)**		86.48

Consolidated Statement of cash flows for the year ended March 31, 2020 (Contd.)

₹ in Crores

	Particulars	Year ended March 31, 2020 (Refer 45(i))		Year ended March 31, 2019 (Refer 45(ii))	
C	**Cash Flow from Financing Activities**				
	Proceeds from Issue of Share Capital	**0.86**		-	
	Dividend Paid (including Dividend Distribution Tax)	**(62.29)**		(77.24)	
	Proceeds from long term Borrowings	**480.11**		433.24	
	Repayment of long term Borrowings	**(298.31)**		(337.34)	
	Amount recovered for long term Borrowings due to Demerger (Refer note 45(ii))	**-**		(56.69)	
	Proceeds from short term Borrowings	**2,623.19**		2,842.63	
	Repayment of short term Borrowings	**(3,049.41)**		(2,487.44)	
	Amount recovered for short term Borrowings due to Demerger (Refer note 45(ii))	**-**		(1,017.60)	
	Repayment towards lease liabilities	**(39.43)**		-	
	Interest Paid	**(229.41)**		(319.00)	
	Net Cash flow from / (used in) Financing Activities (C)		**(574.69)**		(1,019.44)
	Net Increase/(Decrease) in cash & cash equivalents (A)+(B)+(C)		**(19.85)**		1,425.20
	Cash & Cash equivalent at the beginning of the year		**66.91**		33.96
	Add : Adjustment due to Demerger (note 45(ii))		**-**		(1,392.25)
	Cash & Cash equivalent at the end of the year		**47.06**		66.91

Reconciliation of cash and cash equivalents

Particulars	Year ended March 31, 2020 Refer Note 45(i)	Year ended March 31, 2019 (Refer 45(ii))
Cash and cash equivalents :		
Cash on Hand	**0.28**	0.09
Cheques on hand	**3.77**	-
Balances with Banks	**46.19**	70.53
Cash and cash equivalents as per Balance Sheet (Refer note 8 (d))	**50.24**	70.62
Book Overdrafts (Refer note 15 (c))	**(3.18)**	(3.71)
Cash and cash equivalents as per Cash flow Statement	**47.06**	66.91

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, 2019	Net cash flows	Non Cash Changes: Other changes *	Non Cash Changes: Impact due to IndAS 116	Non Cash Changes: Fair value adjustment on interest free inter corporate deposits	As at March 31, 2020
Borrowings :							
Long term borrowings	15 (a)	1,098.48	181.80	-	-	-	1,280.28
Short term borrowings	15 (a)	1,601.37	(426.22)	-	-	-	1,175.15
Interest accrued on borrowings	15 (c)	11.83	(11.83)	19.31	-	-	19.31
Lease Liabilities	38	-	(58.55)	-	243.22	-	184.67
Total		**2,711.68**	**(314.80)**	**19.31**	**243.22**	**-**	**2,659.41**

* The same relates to amount charged in statement of profit and loss accounts.

Notes:

1 The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Kartikeya Raval
Partner

Place: Ahmedabad
Date: June 27, 2020

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: June 27, 2020

Consolidated Statement of changes in equity for the year ended March 31, 2020

₹ 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, 2019	258.62	-	258.62
For the year ended March 31, 2020	258.62	0.15	258.77

B. Other equity

Particulars	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	Debenture 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, 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**
Balance as at April 1, 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**
Profit for the year	-	-	-	-	-	-	-	-	95.65	-	-	-	95.65	(3.55)	92.10
Other comprehensive income for the year	-	-	-	-	-	-	-	-	0.08	(50.61)	(12.42)	-	(62.95)	(0.17)	(63.12)
Total Comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**95.73**	**(50.61)**	**(12.42)**	**-**	**32.70**	**(3.72)**	**28.98**
Dividend Paid during the year	-	-	-	-	-	-	-	-	(51.75)	-	-	-	(51.75)	-	(51.75)
Dividend distribution tax on Dividend paid	-	-	-	-	-	-	-	-	(10.54)	-	-	-	(10.54)	-	(10.54)
Movement between Non-Controling Interest and Equity holders of the parent	-	-	-	-	-	-	-	-	14.51	-	-	-	14.51	(18.83)	(4.32)
Ind AS 116 transition Adjustment (Refer Note 38)	-	-	-	-	-	-	-	-	(34.83)	-	-	-	(34.83)	-	(34.83)
Deferred Tax on Ind AS 116 transition Adjustment (Refer Note 38)	-	-	-	-	-	-	-	-	11.25	-	-	-	11.25	-	11.25
Addition During Year	-	-	1.13	-	-	-	0.71	-	-	-	-	-	1.84	(5.81)	(3.97)
Utilise during Year	-	-	-	-	-	-	(5.19)	-	-	-	-	-	(5.19)	-	(5.19)
Transfer to securities premium	-	-	(1.72)	-	-	-	1.72	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	**17.16**	**1.50**	**11.78**	**34.54**	**50.00**	**69.50**	**562.01**	**1.47**	**1,775.14**	**(26.47)**	**(47.31)**	**0.49**	**2,449.81**	**57.96**	**2,507.77**

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

Place: Ahmedabad
Date: June 27, 2020

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: June 27, 2020

Notes to Consolidated Financial Statements for the year ended March 31, 2020

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 June 27, 2020.

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, 2020 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 ₹ 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.

Notes to Consolidated Financial Statements

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses including unrealized gain /loss and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Joint Ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in joint venture are accounted for using the equity method.

Equity Method

Under equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The Consolidated Statement of Profit and Loss reflects the Group's share of the results of operations of the joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture.

The aggregate of the Group's share of profit or loss of joint venture is shown on the face of the Consolidated Statement of Profit and Loss.

The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the Consolidated Statement of Profit and Loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the statement of profit and loss.

3. Summary of Significant Accounting Policies

3.1. 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. Leases

The Group has adopted Ind AS 116 – Leases effective April 1, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019). Accordingly previous period information has not been restated.

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether

a) the contract involves the use of identified asset

b) the Group has substantially all of the economic benefits from the use of the asset through the period of the lease and

c) the Group has the right to direct the use of the asset.

At the date of commencement of lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a team of twelve months or less (short-term leases) and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of lease.

The right-to-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-to-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease

Notes to Consolidated Financial Statements

payments. The remeasurement normally also adjusts the lease assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

2. Amendment to Ind AS 12, Income Taxes

The Appendix C 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 clarification do not have any material impact on the financial statement of the Group.

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 clarification do not have any material impact on the financial statement of the Group.

3. 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 clarification do not have any material impact on the financial statement of the Group.

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

- Taxes
- Useful life of Property, plant and equipment and Intangible Assets
- Provisions and contingencies
- 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..

Notes to Consolidated Financial Statements

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acuisition 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 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

Notes to Consolidated Financial Statements

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, 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.

Notes to Consolidated Financial Statements

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.

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 Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to Consolidated Financial Statements

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right of use assets are also subject to impairment.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments are fixed payments. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an 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. 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 basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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 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.

Notes to Consolidated Financial Statements

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 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.

Notes to Consolidated Financial Statements

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

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 Group has considered specific criteria which have been met for each of Group'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, is recognised based on satisfaction of performance obligation over the period of time on the basis of percentage of completion method. Percentage of completion is determined by the proportion that contract costs incurred for work done till date bears to the estimated total contract cost. Contract revenue earned in excess of billing has been reflected under the head "Other Current Assets" and billing in excess of contract revenue has been reflected under the head "Other Current Liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen and cost incurred towards future contract activity is classified as project work in progress. Determination of revenues under the percentage of completion method necessarily involves making estimates by the Group, some of which are of a technical nature, relating to the percentage of completion, costs to completion, expected revenue from the contract and the foreseeable losses to completion.

Export Incentive

Export incentives under various schemes notified by government are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Interest Income

Interest income from debt instruments are recorded using the effective interest rate (EIR) and accrued on timely basis. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit or loss.

Dividend Income

Dividend income from investments is recognised when the Group's right to receive is established which generally occurs when the shareholders approve the dividend.

Notes to Consolidated Financial Statements

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.

(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.

Notes to Consolidated Financial Statements

Impairment of financial assets

The Group assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses (ECL) are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECL are measured at an amount equal to the 12 months ECL, unless there has been significant increase in credit risk from initial recognition in which case these are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in Statement of Profit and Loss.

Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Group has transferred substantially all of the risks and rewards of ownership.

Concomitantly, if the asset is one that is measured at:

(a) amortised cost, the gain or loss is recognised in Consolidated Statement of Profit and Loss;

(b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to Consolidated Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Reclassification

When and only when the business model is changed, the Group shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit or Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group are recognised at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

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 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

Notes to Consolidated Financial Statements

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.

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, provident fund, Compensatory Pension Scheme and post-retirement medical benefit schemes are Company's defined benefit plans.

Gratuity fund scheme, Compensatory Pension Scheme and Post-retirement medical benefit schemes

The present value of the obligation under Defined benefit schemes 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 recognize the obligation on the net basis.

Notes to Consolidated Financial Statements

Company Administered Provident Fund

In case of a specified class of employees of Company receive benefits from a provident fund, is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the Arvind Limited Employees' Provident Fund Trust. The trust invests in specific designated instruments as permitted by Indian law. The remaining portion is contributed to the government-administered pension fund. 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.

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.

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.

Notes to Consolidated Financial Statements

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 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

Notes to Consolidated Financial Statements

- 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 assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Consolidated Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Taxes

The Group has ₹ 167.79 crores (March 31, 2019: ₹ 189.52 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 ₹ 34.65 crores (March 31, 2019: ₹ 13.78 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 Group. 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 Group 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
Gross Carrying Amount										
As at April 1, 2018	**1,104.75**	**311.36**	**553.14**	**1,686.51**	**261.42**	**52.95**	**316.47**	**58.12**	**69.89**	**4,414.61**
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 9 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(Refer note 7 below)	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
As at April 1, 2019	**1,136.46**	**182.65**	**548.35**	**1,833.68**	**86.99**	**53.05**	**37.22**	**33.37**	**48.76**	**3,960.53**
Additions	25.72	-	45.98	439.45	11.94	10.34	0.62	4.52	6.45	545.02
Transfer	-	-	-	0.78	0.83	-	-	(0.83)	(0.78)	-
Transfer from Investment Property	-	-	7.56	-	-	-	-	-	-	7.56
Transfer to Intangible Assets	-	-	-	-	-	-	-	-	0.51	0.51
"Transfer to Stock In Trade(Refer note 8 below)	21.26	-	-	-	-	-	-	-	-	21.26
Other adjustments	-	-	-	0.67	-	-	-	-	-	0.67
Foreign Currency Translation Reserve	-	-	-	(7.65)	(0.30)	(0.09)	0.02	0.01	(0.11)	(8.12)
Deductions	-	-	-	18.65	1.20	7.26	2.95	0.43	(0.29)	30.20
As at March 31, 2020	**1,140.92**	**182.65**	**601.89**	**2,248.28**	**98.26**	**56.04**	**34.91**	**36.64**	**54.10**	**4,453.69**
Accumulated Depreciation and Impairment										
As at April 1, 2018	**-**	**0.51**	**67.42**	**422.39**	**90.61**	**13.84**	**129.09**	**27.96**	**37.26**	**789.08**
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 9 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
As at April 1, 2019	**-**	**-**	**88.89**	**528.02**	**28.01**	**14.31**	**21.84**	**19.14**	**26.32**	**726.53**
Depreciation for the year	-	-	24.78	149.02	9.46	6.60	5.21	5.00	7.68	207.75
Transfer from Investment Property	-	-	0.96	-	-	-	-	-	-	0.96
Transfer to Intangible Assets	-	-	-	-	-	-	-	-	0.02	0.02
Transfer	-	-	0.12	(0.21)	(0.11)	-	-	(0.01)	0.21	-
Foreign Currency Translation Reserve	-	-	0.32	(1.42)	(0.32)	(0.03)	0.01	0.01	(0.22)	(1.65)
Deductions	-	-	-	5.69	0.43	2.30	1.62	0.25	(0.13)	10.16
As at March 31, 2020	**-**	**-**	**114.83**	**670.14**	**36.83**	**18.58**	**25.44**	**23.91**	**33.68**	**923.41**
Net Carrying Amount										
As at March 31, 2020	**1,140.92**	**182.65**	**487.06**	**1,578.14**	**61.43**	**37.46**	**9.47**	**12.73**	**20.42**	**3,530.28**
As at April 1, 2019	1,136.46	182.65	459.46	1,305.66	58.98	38.74	15.38	14.23	22.44	3,234.00

Notes :

1. Freehold Land amounting to ₹ 37.81 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 ₹ 47.71 crores for land.
2. 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.
3. Details of Borrowing Cost and Exchange Differences Capitalised:

Particulars	Other Adjustments			
	For the year		Transfer from Capital Work in Progress	
	2019-20	2018-19	**2019-20**	2018-19
Borrowing Cost	**2.49**	0.73	**0.59**	0.36
Exchange Differences	**(0.19)**	(0.43)	**-**	(0.19)
Total	**2.30**	0.30	**0.59**	0.17

4. Refer note 45(i) for the Scheme of Business Combination.
5. Additions in Plant and Machinery includes ₹ 3.99 Crores (Previous Year ₹ 8.02 Crores) which are purchased for the Research & Development purpose. For details refer note no 48.
6. For Properties Pledge as security - Refer note No 15 (a)
7. During the previous year Freehold Land of ₹ 31.65 Crores & Leasehold Land of ₹ 57.38 Crores are transferred to Assets Held for Sale. 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.
8. During the year , Freehold Land of ₹ 21.26 Crs is transferred to Stock In Trade.
9. 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
Gross Carrying Amount			
As at April 1, 2018	**21.44**	**14.16**	**35.60**
Additions	-	0.02	0.02
As at April 1, 2019	**21.44**	**14.18**	**35.62**
Additions	-	7.13	7.13
Transfer to Property, plant and equipment	-	7.56	7.56
As at March 31, 2020	**21.44**	**13.75**	**35.19**
Accumulated Depreciation			
As at April 1, 2018	**-**	**1.12**	**1.12**
Depreciation for the year	-	0.37	0.37
As at April 1, 2019	**-**	**1.49**	**1.49**
Depreciation for the year	-	0.29	0.29
Transfer to Property, plant and equipment	-	0.96	0.96
As at March 31, 2020	**-**	**0.82**	**0.82**
Net Carrying Amount			
As at March 31, 2020	**21.44**	**12.93**	**34.37**
As at April 1, 2019	21.44	12.69	34.13

Notes:

(1) Buildings of investment property includes ₹ 8.32 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, 2020	Year ended March 31, 2019
Rental income derived from Investment properties	**1.75**	0.27
Less: Direct operating expenses (including repairs and maintenance)	**0.01**	0.02
Profit arising from investment properties before depreciation	**1.74**	0.25
Less : Depreciation	**0.29**	0.37
Profit/(Loss) arising from investment properties	**1.45**	(0.12)

(3) The fair value of the properties are based on internal evaluation by the management.

Fair value of the Investment properties are as under

Fair value		Land	Building	Total
Balance as at April 1, 2019		**26.47**	**16.83**	**43.30**
Transfer to Property, plant and equipment		-	(13.02)	(13.02)
Additions During Year	-	12.75	12.75	-
Fair value difference for the year		1.51	0.26	1.77
Balance as at March 31 2020		**27.98**	**16.82**	**44.82**

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
Gross Carrying Amount										
As at April 1, 2018	**70.31**	**72.87**	**24.73**	**79.88**	**5.76**	**17.11**	**270.66**	**16.77**	**120.25**	**137.02**
Additions	51.43	0.04	2.50	-	-	-	53.97	-	-	-
Adjustment on Consolidation	(0.19)	0.19	-	-	-	-	-	-	-	-
Adjustment due to demerger (Refer note 2 below)	25.05	37.01	27.23	8.51	3.23	2.09	103.12	-	111.30	111.30
Exchange Rate Difference	-	-	-	-	0.05	0.43	0.48	0.47	-	0.47
Deductions	0.76	-	-	-	-	-	0.76	-	-	-
As at April 1, 2019	**95.74**	**36.09**	**-**	**71.37**	**2.58**	**15.45**	**221.23**	**17.24**	**8.95**	**26.19**
Additions	4.05	5.14	-	-	-	-	9.19	-	-	-
Transfer from Tangible Assets	0.51	-	-	-	-	-	0.51	-	-	-
Exchange Rate Difference	-	-	-	-	0.06	0.47	0.53	0.51	-	0.51
Deductions	(0.16)	1.67	-	-	-	-	1.51	-	-	-
As at March 31, 2020	**100.46**	**39.56**	**-**	**71.37**	**2.64**	**15.92**	**229.95**	**17.75**	**8.95**	**26.70**
Accumulated Depreciation										
As at April 1, 2018	**41.14**	**23.39**	**9.90**	**23.58**	**2.15**	**5.31**	**105.47**	**-**	**-**	**-**
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	-	-	-
As at April 1, 2019	**35.05**	**21.97**	**-**	**32.18**	**0.77**	**4.44**	**94.41**	**-**	**-**	**-**
Amortisation for the Year	16.63	8.25	-	14.85	0.23	0.90	40.86	-	-	-
Transfer from Tangilble Assets	0.02	-	-	-	-	-	0.02	-	-	-
Exchange Rate Difference	-	-	-	-	0.02	0.13	0.15	-	-	-
Deductions	(0.13)	1.67	-	-	-	-	1.54	-	-	-
As at March 31, 2020	**51.83**	**28.55**	**-**	**47.03**	**1.02**	**5.47**	**133.90**	**-**	**-**	**-**
Net Carrying Amount										
As at March 31, 2020	**48.63**	**11.01**	**-**	**24.34**	**1.62**	**10.45**	**96.05**	**17.75**	**8.95**	**26.70**
As at April 1, 2019	60.69	14.12	-	39.19	1.81	11.01	126.82	17.24	8.95	26.19

Notes:

1. Website consist of Capitalised development cost being an internally generated intangible assets.
2. Please refer note 45(ii) for the scheme of Demerger of the Companies.
3. During the year, Amortisation of ₹ 1.45 Crores (Previous year ₹ Nil) has been capitalised.

Notes to Consolidated Financial Statements

₹ in Crores

Note 8 : Financial assets

8 (a) Investments

Particulars	Face Value per Share (in ₹ unless otherwise stated)	No. of Shares/unit As at March 31, 2020	No. of Shares/unit As at March 31, 2019	Amount As at March 31, 2020	Amount As at March 31, 2019
(a) Investment in equity shares (fully paid up):					
I. Subsidiaries - measured at cost (unquoted) :					
Arvind Foundation ***	10	**10,000**	10,000	**0.01**	0.01
Arvind Worldwide(M) Inc., Mauritius ****	100 USD	**54,840**	54,840	**0.01**	0.01
Less: Provision for Impairment				**(0.01)**	(0.01)
				-	-
Arvind Spinning Limited (Shares without par value) ****		**8,24,099**	8,24,099	**0.08**	0.08
Less: Provision for Impairment				**(0.08)**	(0.08)
				-	-
Arvind Overseas (M) Inc., Mauritius ****	100 Mau	**23,85,171**	23,85,171	**0.24**	0.24
Less: Provision for Impairment				**(0.24)**	(0.24)
				-	-
Total (I)				**0.01**	0.01
II. Joint Ventures - measured using equity Method (unquoted)					
Adient Arvind Automotive Fabrics India Private Limited	10	**81,42,750**	81,42,750	**8.14**	8.14
Less: Provision for Impairment (Refer note 28)				**(5.00)**	-
				3.14	8.14
PVH Arvind Manufacturing PLC	1000 ETB	**84,166**	-	**25.88**	-
Less: Provision for Impairment (Refer note 28)				**(5.33)**	-
				20.55	-
Arya Omnitalk Radio Trunking Services Private Limited*	10	**10,05,000**	10,05,000	**5.65**	9.04
Arvind Norm CBRN Systems Private Limited	10	**5,000**	5,000	**0.01**	0.01
Arudrama Development Private Limited	100	**50,000**	50,000	**2.05**	2.05
Total (II)				**31.40**	19.24
III. Limited Liability Partnerships:					
(a) Joint ventures - measured using equity Method (unquoted)					
Arvind and Smart Value Homes LLP				**56.88**	57.11
(b) Others - measured at amortised cost (unquoted)					
637 Developers				**-**	0.01
Total (III)				**56.88**	57.12
IV. Others - Fair value through Other Comprehensive Income: Unquoted					
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**	2.09
Ahmedabad Cotton Merchants' Co-operative Shops and Warehouses Society Limited**	250	**140**	140	**(₹ 35,000/-)**	(₹ 35,000/-)
Gujarat Cloth Dealers Co-operative Shops and Warehouses Society Limited**	100	**10**	10	**(₹ 1,000/-)**	(₹ 1,000/-)
Total (IV)				**2.10**	2.10
Total Equity Investments ((I) + (II) + (III) + (IV) Total (a)				**90.39**	78.47
(b) Investment in debentures - measured at amortised cost (Unquoted):					
9.00% Optionally Convertible Debentures of Arya Omnitalk Radio Trunking Services Private Limited	10	**2500**	2500	**0.02**	0.02
Total (b)				**0.02**	0.02
Total Investments (a)+(b)				**90.41**	78.49
Aggregate amount of quoted investments				**-**	-
Aggregate amount of unquoted investments				**90.41**	78.49
Aggregate impairment in value of investment				**10.66**	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, 2020	March 31, 2019
Arvind and Smart Value Homes LLP	Arvind Limited	50%	**56.88**	57.11
	Tata Value Homes Limited	50%	**63.47**	63.77
637 Developers	Arvind Limited	35%	**-**	0.01
	Dahyabhai Maneklal Pvt. Ltd.	15%	**-**	(₹ 75,876/-)
	Jigen Shah	12%	**-**	0.01
	Darshan Jhaveri	7%	**-**	(₹ 35,409/-)
	Pankaj Shah	3%	**-**	(₹ 15,175/-)
	Chetas Shah	2%	**-**	(₹ 10,117/-)
	Shann Zevari	17.75%	**-**	0.01
	Mischa Gorchov	8.25%	**-**	(₹ 41,732/-)

* 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	
		2019-20	2018-19
Arya Omnitalk Radio Trunking Services Private Limited	Financial guarantee given	**-**	0.02

** The management has assessed that carrying value of the investments approximate to their fair value.

*** 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.

**** Not considered for the purpose of consolidation for the financial year 2019-20 and 2018-19 respectively being defunct status.

8 (b) Trade receivables - Current

Particulars	**As at March 31, 2020**	As at March 31, 2019
Unsecured, considered good	**1,049.15**	897.12
Less : Refundable Liability	**(1.48)**	-
Unsecured, considered doubtful	**20.65**	11.22
Less : Allowance for doubtful debts	**(20.65)**	(11.22)
Total Trade receivables	**1,047.67**	897.12
Receivables from Directors or from firm / Private company where director is interested (Refer note 35 for further details)	**1.50**	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 - 15(a).

Allowance for doubtful debts

The Group has provided allowance for doubtful debts based on the lifetime expected credit loss model using provision matrix. Movement in allowance for doubtful debt are as follows:

Particulars	**Year ended March 31, 2020**	Year ended March 31, 2019
Balance as per last financial year	**11.22**	27.69
Add : Adjustment due to Business Combination and Demerger (Refer note no. 45(i) and (ii))	**-**	(18.08)
Add : Allowance for the year (Refer note 27 and 28)	**9.90**	1.84
Less : Write off of bad debts and other adjustment (net of recovery)	**(0.47)**	(0.23)
Balance at the end of the year	**20.65**	11.22

Notes to Consolidated Financial Statements

₹ in Crores

8 (c) Loans

Particulars	**As at March 31, 2020**	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Non-current		
Loans to employees	**0.94**	1.34
Total Non-current Loans (A)	**0.94**	1.34
Current		
Loans to		
- Employees	**0.44**	0.54
- Others	**39.07**	162.45
	39.51	162.99
Considered Doubtful		
Loans to related parties (Refer note 35)	**5.23**	5.23
Less : Allowance for doubtful loan	**(5.23)**	(5.23)
	-	-
Total Current Loans (B)	**39.51**	162.99
Total (A) + (B)	**40.45**	164.33
Loans to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	**-**	-

8 (d) Cash and cash equivalents

Particulars	**As at March 31, 2020**	As at March 31, 2019
Cash on hand	**0.28**	0.09
Cheques on hand	**3.77**	-
Balance with Banks		
In Current accounts and debit balance in cash credit accounts	**46.05**	70.53
In Exchange Earners Foreign Currency account	**0.14**	-
Total cash and cash equivalents	**50.24**	70.62

8 (e) Other bank balance

Particulars	**As at March 31, 2020**	As at March 31, 2019
Unpaid dividend accounts	**3.92**	3.71
Deposits with original maturity of more than three months but less than 12 months	**18.43**	6.09
With original maturity more than 12 months	**-**	0.15
Deposits held as Margin Money*	**11.49**	-
Total other bank balances	**33.84**	9.95

* 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, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated		
Non-current		
Security deposits	**35.55**	35.63
Deposits held as Margin Money*	**3.80**	0.76
Share Application Money	**1.49**	6.82
Less : Provision for doubtful share application money (Refer note 28)	**(1.49)**	-
	-	6.82
Bank deposits with maturity of more than 12 months	**1.98**	3.65
Total Other Non-current Financial Asset (A)	**41.33**	46.86
Current		
Security deposits	**6.90**	5.34
Income receivable	**4.97**	9.94
Interest Subsidy Receivable	**32.84**	25.73
Interest Accrued on financial assets measured at amortised cost	**6.12**	12.42
Foreign exchange forward contracts (Cash flow hedge)	**0.11**	37.51
Receivable other than trade	**26.00**	30.00
Others	**48.20**	19.11
Total Other Current Financial Asset (B)	**125.14**	140.05
Total (A)+(B)	**166.47**	186.91

* 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, 2020	Year ended March 31, 2019
Balance at the beginning of the year	**-**	2.68
Add : Adjustment on account of Consolidation	**-**	(2.68)
Balance at the end of the year-Non Current and Current	**-**	-

Notes to Consolidated Financial Statements

Note 9 : Other assets

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Capital advances		
Considered Good	**11.12**	21.85
Considered Doubtful	**-**	0.06
Less : Provision for doubtful advances	**-**	(0.06)
	11.12	21.85
Pre-paid expense	**0.53**	0.38
Other than Capital Advances		
Advances to suppliers - Doubtful	**0.05**	0.05
Less : Provision for doubtful advances	**(0.05)**	(0.05)
	-	-
Total Other Non-current Asset (A)	**11.65**	22.23
Current		
Advance to suppliers	**61.47**	106.98
Balance with Government Authorities (Refer note (i) below)	**156.15**	218.16
Export incentive receivable	**84.38**	69.69
Pre-paid expense	**16.09**	22.78
Income Receivable	**15.97**	5.06
Pre-paid Gratuity (Refer note 34)	**-**	11.99
Returnable Assets	**12.03**	5.88
Other Current Asset	**3.67**	3.82
Total Other Current Asset (B)	**349.76**	444.36
Total (A) + (B)	**361.41**	466.59
Advance to Directors or to firm / Private company where director is interested (Refer note 35 for further details)	**2.05**	0.97

(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, 2020	As at March 31, 2019
Raw materials		
Raw materials and components	**298.24**	507.13
Raw materials in transit	**4.01**	0.10
Fuel	**2.47**	3.85
Material at site for project in progress	**31.59**	35.70
Stores and spares	**52.78**	87.19
Work-in-progress	**390.06**	457.02
Finished goods	**350.15**	377.05
Waste	**2.96**	2.01
Stock-in-trade	**89.95**	86.60
Stock-in-trade in transit	**12.84**	-
Land Held as Stock-in-trade	**41.78**	41.78
Total	**1,276.83**	1,598.43

Inventory write downs are accounted, considering the nature of inventory, ageing and net realisable value for ₹ 51.71 crores (March, 2019 : ₹ 84.71 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, 2020	As at March 31, 2019
Tax Paid in Advance (Net of Provision)	24.22	77.85
Total	**24.22**	77.85

Note 12 : Current Tax Liability (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for taxation (Net of Advance Tax)	2.31	10.81
Total	**2.31**	10.81

Note 13 : Equity share capital:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹ in Crores	No. of shares	₹ in Crores
Authorised share capital				
Equity shares of ₹ 10 each	57,45,00,000	574.50	57,45,00,000	574.50
Preference shares of ₹ 100 each	1,00,00,000	100.00	1,00,00,000	100.00
Issued, subscribed and paid-up share capital				
Equity shares of ₹ 10 each	25,87,67,069	258.77	25,86,17,069	258.62
Add : Forfeited shares	900	(₹ 4,500/-)	900	(₹ 4,500/-)
Total	**25,87,67,969**	**258.77**	25,86,17,969	258.62

(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹in Crores	No. of shares	₹in Crores
Outstanding at the beginning of the year	25,86,17,069	258.62	25,86,17,069	258.62
Add : Shares allotted pursuant to exercise of Employee Stock Option Plan	1,50,000	0.15	-	-
Outstanding at the end of the year	**25,87,67,069**	**258.67**	25,86,17,069	258.62

(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, 2020		As at March 31, 2019	
	No. of shares	% of shareholding	No. of shares	% of shareholding
Aura Securities Private Limited	9,55,61,810	36.93	9,55,61,810	36.95

(iv) Shares reserved for issue under options:

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, 2020:

i) The Company has not allotted any equity shares as fully paid up without payment being received in cash.

ii) The Company has not allotted any equity shares by way of bonus issue.

iii) 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, 2020	As at March 31, 2019
(a)	**Capital reserve**		
	Balance as per last financial statements	**17.16**	663.75
	Add: Adjustment due to Demerger (Refer note 45(ii))	**-**	(646.59)
	Balance at the end of the year	**17.16**	17.16
(b)	**Capital reserve on Consolidation**		
	Balance as per last financial statements	**1.50**	1.50
	Balance at the end of the year	**1.50**	1.50
(c)	**General reserve**		
	Balance as per last financial statements	**1.47**	1.47
	Balance at the end of the year	**1.47**	1.47
(d)	**Amalgamation reserve**		
	Balance as per last financial statements	**34.54**	34.54
	Balance at the end of the year	**34.54**	34.54
(e)	**Securities premium account**		
	Balance as per last financial statements	**564.77**	564.77
	Add: Received during the year	**0.71**	-
	Less: Utilise during the year	**(5.19)**	-
	Add: Transfer from share based payment reserve	**1.72**	-
	Balance at the end of the year	**562.01**	564.77
(f)	**Capital redemption reserve**		
	Balance as per last financial statements	**69.50**	69.50
	Balance at the end of the year	**69.50**	69.50
(g)	**Debenture Redemption Reserve**		
	Balance as per last financial statements	**50.00**	50.00
	Balance at the end of the year	**50.00**	50.00
(h)	**Share based payment reserve (Refer note 37)**		
	Balance as per last financial statements	**12.37**	13.17
	Add: Addition during the year	**1.13**	1.83
	Less: Transfer to Securities Premium Account	**(1.72)**	-
	Add: Adjustment due to Demerger (Refer note 45(ii))	**-**	(2.63)
	Balance at the end of the year	**11.78**	12.37
(i)	**Retained earnings**		
	Balance as per last financial statements	**1,750.77**	2,112.10
	Add: Profit for the year	**95.65**	226.23
	Add: Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation (net of tax)	**0.08**	(12.81)
	Add: Movement between Non-Controling Interest and Equity holders of the parent	**14.51**	-
	Add: Adjustment due to Demerger (Refer note 45(ii))	**-**	(497.51)
	Less: Ind AS 116 transition Adjustment (Refer note 38)	**(34.83)**	-
	Add: Deferred Tax on Ind AS 116 transition Adjustment (Refer note 38)	**11.25**	-
		1,837.43	1,828.01
	Add: Payment of dividend on equity shares	**(51.75)**	(64.08)
	Add: Dividend distribution tax on dividend	**(10.54)**	(13.16)
	Balance at the end of the year	**1,775.14**	1,750.77

Notes to Consolidated Financial Statements

Note 14 : Other Equity (Contd.)

₹ in Crores

Particulars		As at March 31, 2020	As at March 31, 2019
(j)	**Items of Other comprehensive income**		
	(i) Equity Instruments through OCI (net of tax)		
	Balance as per last financial statements	**0.49**	22.29
	Add: Addition during the year	**-**	0.07
	Add: Adjustment due to Demerger (Refer note 45(ii))	**-**	(21.87)
	Balance at the end of the year	**0.49**	0.49
	(ii) Foreign Currency Translation Reserve		
	Balance as per last financial statements	**(34.89)**	(11.92)
	Add: Addition during the year	**(12.42)**	(22.97)
	Balance at the end of the year	**(47.31)**	(34.89)
	(iii) Cash Flow hedge reserve		
	Balance as per last financial statements	**24.14**	3.06
	Add/(Less) : Addition during the year	**(77.75)**	32.14
	Add/(Less) : Tax impact on additions	**27.14**	(11.17)
	Add: Adjustment due to Demerger (Refer note 45(ii))	**-**	0.11
	Balance at the end of the year	**(26.47)**	24.14
Total Other equity		**2,449.81**	2,491.82

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, 2020	As at March 31, 2019
A. Non-current portion		
(Secured)(at amortised cost)		
(ai) Term loan		
- from Banks	**918.59**	688.33
- from others	**-**	2.49
(Unsecured)(at amortised cost)		
(aii) Term loan		
- from related party (Refer note 35)	**-**	44.36
(aiii) Non convertible Debentures	**99.75**	199.57
	1,018.34	934.75
B. Current maturities (Refer note I below)		
(Secured)(at amortised cost)		
(bi) Term loan		
- from Banks	**159.44**	147.73
- from others	**2.50**	16.00
(Unsecured)(at amortised cost)		
(bii) Non convertible Debentures	**100.00**	-
	261.94	163.73
Total long-term borrowings (A) + (B)	**1,280.28**	1,098.48
C. Short-term Borrowings		
(Secured)(at amortised cost)		
(ci) Working Capital Loans repayable on demand from Banks	**1,127.80**	1,135.79
(Unsecured)(at amortised cost)		
(cii) Working Capital Loans repayable on demand from Banks	**23.66**	21.42
(ciii) Under Buyer's Credit Arrangement	**19.75**	175.89
(civ) Intercorporate Deposits		
From Others	**3.94**	3.94
(cv) Commercial Papers	**-**	250.00
(cvi) Discounted Trade Receivable	**-**	14.33
Total short-term borrowings (C)	**1,175.15**	1,601.37
Total borrowings (A) +(B) + (C)	**2,455.43**	2,699.85

Notes :

I) Installments falling due within a year in respect of all the above Loans aggregating ₹ 261.94 crores (March 31, 2019 : ₹ 163.73 crores) have been grouped under "Current maturities of long-term debt" (Refer note 15(c))

Notes to Consolidated Financial Statements

Note 15 : Financial liabilities

15 (a) Long-term Borrowings (Contd.)

II) Nature of security:

Term loan of 1,080.53 Crores

a) (i) Loans amounting to ₹ 956.52 Crores (March 31, 2019 : ₹ 425.60 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 ₹ NIL Crores (March 31, 2019 : ₹ 180.83 Crores) 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 aquired 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 ₹ NIL Crores (March 31, 2019 : ₹ 100.69 Crores) 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 ₹ 40.00 Crores (March 31, 2019 : ₹ 79.94 Crores) have been initiated.

b) Loans amounting to ₹ 23.33 Crores (March 31, 2019 : ₹ 32.66 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.

c) (i)Loans amounting to ₹ 55.01 Crores (March 31, 2019 : ₹ 24.62 Crores) 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 Corprate Guarantee given by Holding company.

d) Loans of ₹ 5.67 Crores (March 31, 2019 : ₹ 10.21 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
From Banks			
(a) Term Loan			
(I) Secured Rupee Loans	1,072.36	8.45% to 12.00%	Repayable in quarterly instalments ranging between 1 to 25.
(II) Secured Vehicle Loan	5.67	7.85% to 10.25%	Monthly payment of Equated Monthly Instalments beginning from the month subsequent to taking the loans
(b) Non-Convertible Debentures	199.57	8.04% to 8.25%	Repayable in Sep 2020 (50%), Sep 2021 (25%) and Sep 2022 (25%)
From Others			
Secured Rupee Loans	2.50	9.45%	Repayable on May 20, 2020.

Nature of Security

Cash Credit and Other Facilities from Banks

(a) Secured by first pari passu charge on all the Company's Current Assets presently relating to the Manufacturing Locations and all the Current Assets acquired by the Company at any time after the execution of and during the continuance of the Indenture of Mortgage.

(b) Secured by a second pari passu charge over all the Immovable Properties relating to Textile Plants, Movable Properties presently relating to the Company and all the movable properties aquired by the Company at any time in future after execution of and during the continuance of the Indenture of Mortgage.

Rate of Interest

i. Working Capital Loans from banks carry interest rates ranging from 4.65% to 10.65% per annum.

ii. Inter Corporate Deposit carries interest rate of 8.75% per annum.

Notes to Consolidated Financial Statements

₹ in Crores

Note 15 : Financial liabilities

15 (b) Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Acceptances	**118.90**	258.81
Other trade payables (Refer note below)		
- Total Outstanding dues of Micro Enterprises and Small Enterprises	**10.64**	-
- Total Outstanding dues other then Micro Enterprises and Small Enterprises	**1,130.32**	1,099.18
Total	**1,259.86**	1,357.99

Note

(i) Information required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and Schedule III of the Companies Act, 2013 for the year ended March 31, 2020. This information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by auditors.

	Particulars	As at March 31, 2020	As at March 31, 2019
(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	**10.64**	-
	- Interest due on above	**0.05**	-
(ii)	Interest paid by the Group 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	**0.05**	-
(iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	**0.05**	-
(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	**0.05**	-

(ii) For amount payable to related parties, refer note 35.

15 (c) Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Security Deposits	**0.45**	-
Mark to market of derivative financial instruments	**5.01**	-
Total Other Non-current financial liabilities (A)	**5.46**	-
Current		
Current maturity of long term borrowings [Refer note 15 (a)]	**261.94**	163.73
Interest accrued but not due on financial liabilities	**19.31**	11.83
Payable to employees	**96.05**	107.24
Deposits from customers and others	**6.90**	6.90
Payable in Respect of Capital Goods	**9.49**	31.52
Mark to Market of Derivative Financial Instruments	**47.20**	0.46
Unpaid dividends	**3.92**	3.71
Book overdraft	**3.18**	3.71
Other Payables	**12.28**	16.54
Total Other Current financial liabilities (B)	**460.27**	345.64
Total (A)+(B)	**465.73**	345.64

Notes to Consolidated Financial Statements

₹ in Crores

Note 16 : Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Long-term		
Provision for employee benefits (Refer note 34)		
Provision for leave encashment	**32.55**	30.86
Provision for Gratuity	**2.36**	1.45
Provision for compensatory pension*	**2.34**	2.38
Provision for Medical benefits	**11.38**	15.03
Total Long-term provisions (A)	**48.63**	49.72
Short-term		
Provision for employee benefits (refer note 34)		
Provision for leave encashment	**8.17**	7.21
Provision for Gratuity	**4.73**	0.49
Provision for superannuation	**1.78**	2.07
Provision for compensatory pension*	**0.29**	0.15
Provision for Medical benefits	**0.66**	1.02
Others		
Provision for Warranties (Refer note (a) below)	**1.06**	1.92
Provision for Loss on Derivative Contracts	**-**	0.02
Total Short-term provisions (B)	**16.69**	12.88
Total (A)+(B)	**65.32**	62.60

* Including ₹1.02 Crores (March 31, 2019 : ₹0.43 crores) pertaining to employees for which the liability of the Company is crystallised. Hence, it is a liability towards defined contribution plan.

Note:

(a) Provision for Warranties

The Group has made provisions for warranty expenses. The movement in the provision account is as under:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Balance as per last financial statements	**1.92**	2.40
Add : Provision used during the year	**(0.86)**	(0.48)
Balance at the end of the year	**1.06**	1.92

(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, 2020	Year Ended March 31, 2019
Balance as per last financial statements	**-**	13.47
Adjustment due to Demerger (Refer note 45 (ii))	**-**	(13.47)
Balance at the end of the year	**-**	-

Notes to Consolidated Financial Statements

₹ in Crores

Note 17 : Government grants

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Deferred income	**73.12**	63.99
Total Non-current government grants (A)	**73.12**	63.99
Current		
Deferred income	**7.31**	5.03
Total Current government grants (B)	**7.31**	5.03
Total (A)+(B)	**80.43**	69.02

Government grants

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Balance as per last financial year	**69.02**	44.40
Add : Received during the year	**18.24**	29.22
Add : Released to statement of profit and loss (net) (Refer note 20)	**(6.83)**	(4.60)
Balance at the end of the year	**80.43**	69.02

Note 18 : Other liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Income received in advance	**2.06**	0.07
Total Other Non-current liabilities (A)	**2.06**	0.07
Current		
Advance from customers	**79.10**	37.34
Statutory dues including provident fund and tax deducted at source	**22.57**	30.20
Deferred income of loyalty program reward points (Refer note (a) below)	**0.16**	0.09
Other liabilities	**16.06**	6.16
Total Other current liabilities (B)	**117.89**	73.79
Total (A)+(B)	**119.95**	73.86

(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, 2020	Year Ended March 31, 2019
Balance as per last financial year	**0.09**	7.73
Add : Adjustment due to Demerger (Refer note 45 (ii))	**-**	(7.39)
Add : Deferment during the year (Net)	**0.07**	(0.25)
Balance at the end of the year	**0.16**	0.09

Notes to Consolidated Financial Statements

₹ in Crores

Note 19 : Revenue from operations

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of products	**6,981.19**	6,845.87
Sale of services	**102.84**	78.57
Other Operating income		
Waste sale	**77.19**	99.18
Gain/(Loss) on forward contracts	**31.77**	(48.30)
Export incentives	**140.44**	144.06
Foreign exchange fluctuation on vendors and customers	**24.94**	(0.20)
Liabilities no longer required written back	**0.48**	3.18
Others	**10.15**	19.82
Total	**7,369.00**	7,142.18

Disaggregation of Revenue from contracts with customers

Revenue based on Geography

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Domestic	**4,169.49**	3,881.75
Export	**3,199.51**	3,260.43
Revenue from Operations	**7,369.00**	7,142.18

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 revalidations 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, 2020	Year Ended March 31, 2019
Textile	**6,167.27**	5,909.87
Advanced Material	**702.10**	618.77
Others	**499.63**	613.54
Revenue from Operations	**7,369.00**	7,142.18

Reconciliation of revenue from operation with contract price

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Revenue from contract with customers as per the contract price	**7,591.42**	7,355.08
Less : Adjustment made to contract price on account of:		
a) Discounts and Rebates	**60.83**	106.06
b) Sales Return	**134.25**	82.17
c) Bonus / incentive	**26.73**	24.67
d) Customer loyalty programme	**0.61**	-
Revenue from Operations	**7,369.00**	7,142.18

Notes to Consolidated Financial Statements

₹ in Crores

Note 20 : Other income

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest income on financial assets measured at amortized cost	19.31	36.97
Government grants (Refer note 17)	6.83	4.60
Financial guarantee commission	-	3.51
Rent	1.84	0.72
Profit on sale of Property, plant and equipment (Net)	(2.14)	10.50
Exchange difference on Borrowing and others	0.15	-
Scrap income	8.61	16.86
Miscellaneous income	20.64	10.58
Total	**55.24**	83.74

Note 21 : Cost of raw materials and accessories consumed

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the beginning of the year	507.13	436.56
Add : Purchases during the year	3,091.57	3,015.48
	3,598.70	3,452.04
Less : Inventories at the end of the year	298.24	507.13
Less : Adjustment Due to Demerger (Refer note 45(ii))	-	30.31
Total	**3,300.46**	2,914.60

Note 22 : Purchases of stock-in-trade

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Purchase of stock-in-trade	365.91	386.95
Total	**365.91**	386.95

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

Particulars		Year Ended March 31, 2020	Year Ended March 31, 2019
Inventories at the end of the year			
Finished goods		350.15	377.05
Stock-in-trade		89.95	86.60
Work-in-Progress		390.06	457.02
Project work-in-progress		31.59	35.70
Waste		2.96	2.01
	(A)	864.71	958.38
Inventories at the beginning of the year			
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)	958.38	1,653.27
(Increase) / Decrease in Inventories	**(B-A)**	93.67	694.89
Transfered from Capital Work-in-Progress		1.38	0.27
Adjustment due to Demerger (Refer note 45(ii))		-	(731.64)
Adjustment on Consolidation		(25.60)	(4.37)
Total		**69.45**	(40.85)

Notes to Consolidated Financial Statements

₹ in Crores

Note 24 : Employee benefits expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Salaries, wages, gratuity, bonus, commission, etc. (Refer note 34)	**866.04**	817.14
Contribution to provident and other funds (Refer note 34)	**52.17**	53.86
Welfare and training expenses	**22.90**	27.44
Share based payment to employees (Refer note 37)	**1.13**	1.48
Total	**942.24**	899.92

Note 25 : Finance costs

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest expense on Financial Liabilities		
- Loans	**189.31**	190.26
- Related Parties	**-**	4.35
- Debentures	**16.28**	16.02
- Lease Liability (Refer note 38)	**18.11**	-
- others	**7.21**	9.20
Exchange differences regarded as an adjustment to borrowing costs	**4.14**	-
Other borrowing cost	**1.84**	0.31
Total	**236.89**	220.14

Note 26 : Depreciation and amortization expense

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Depreciation on Property, plant and equipment(Refer note 5)	**207.75**	287.00
Depreciation on Investment properties (Refer note 6)	**0.29**	0.37
Amortization of Intangible assets (Refer note 7)	**39.42**	40.77
Depreciation of right-of-use-assets (Refer note 38)	**42.99**	-
Adjustment Due to Demerger (Refer note 45(ii))	**-**	(93.09)
Total	**290.45**	235.05

Notes to Consolidated Financial Statements

₹ in Crores

Note 27 : Other expenses

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Power and fuel	**455.61**	510.30
Stores consumed	**520.32**	537.87
Processing charges	**238.19**	348.37
Miscellaneous Labour charges	**99.55**	89.60
Rent (Refer note 38)	**28.23**	66.29
Insurance	**10.93**	7.65
Printing, stationery and communication	**17.20**	19.10
Commission, Brokerage and discount	**27.36**	24.14
Rates and taxes	**10.20**	7.05
Repairs :		
To Building	**3.43**	2.98
To Machineries (including spares consumption)	**123.04**	137.29
To others	**5.55**	6.56
Freight, insurance and clearing charge	**133.15**	134.51
Advertisement and publicity	**27.57**	39.25
Software Expenses	**11.27**	8.94
Legal and Professional charges	**38.43**	45.32
Conveyance and Travelling expense	**51.54**	44.72
Director's sitting fees	**0.04**	0.03
Allowances for doubtful debts (Refer note 8 (b))	**2.96**	1.84
Bad debt written off	**5.44**	1.48
Sundry Advances written off	**1.27**	-
Sundry debits written off	**0.01**	0.58
Auditor's remuneration (Refer note (i) below)	**1.55**	1.22
Bank charges	**17.74**	16.36
Corporate Social Responsibility expenses	**6.05**	7.71
Loss on sale of Property, plant and equipment (Net)	**0.24**	-
Property, plant and equipment written off	**0.21**	0.16
Exchange difference on Borrowing and others	**(0.25)**	1.40
Miscellaneous expenses	**87.88**	101.52
Total	**1,924.71**	2,162.24
(i) Break up of Auditor's remuneration		
Payment to Auditors as		
Auditors	**1.30**	0.80
For Other Services	**0.23**	0.42
For reimbursement of expenses	**0.02**	-
Total	**1.55**	1.22

Note 28 : Exceptional items

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
(a) Retrenchment compensation	**18.71**	18.43
(b) 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
(c) Provision for Impairment/Loss on Sale of Investments/share application money	**11.82**	-
(d) Reversal of Excise Duty Provision	**(4.95)**	-
Impact Due to Covid19		
(a) Loss of Mark to market of derivative financial instruments	**11.40**	-
(b) Allowance for doubtful receivable	**6.94**	-
(c) Reversal of Benefit under Garment and Apperal Policy,2017	**6.29**	-
Total	**50.21**	45.98

Notes to Consolidated Financial Statements

₹ in Crores

Note 29 : Income tax

The major component of income tax expense for the years ended March 31, 2020 and March 31, 2019 are as follows:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Statement of Profit and Loss		
Current income tax	**64.67**	106.57
Short provision related to earlier years	**12.01**	32.17
Deferred tax Credit	**(0.99)**	(79.90)
Income tax expense in the Statement of Profit and Loss	**75.69**	58.84
Statement of Other comprehensive income (OCI)		
Current income tax	**(1.69)**	(5.23)
Deferred tax expense / (Credit)	**(25.39)**	9.69
Income tax expense / (Credit) recognised in OCI	**(27.08)**	4.46

Reconciliation of tax expense and the accounting profit multiplied by domestic tax rate for the year ended March 31, 2020 and March 31, 2019.

A. Current tax

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Accounting profit before tax from continuing operations	**167.79**	300.27
Accounting profit before tax from discontinued operations	**-**	(13.02)
Tax Rate	**34.944%**	34.944%
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	**58.63**	100.38
Adjustment		
On account of revaluation of tax base of non-depreciable assets (due to indexation benefit)	**(5.71)**	(6.32)
Additional deduction for research and product development cost	**(5.30)**	(7.06)
Expenditure not deductible for tax/not liable to tax	**1.44**	5.43
Accelerated depreciation for tax purposes	**0.16**	(0.34)
Difference in tax rates for certain entities of the group	**6.25**	(0.77)
In respect of current income tax of previous years	**0.06**	0.40
Non-recognition of deferred tax assets due to absence of probable certainty of reversal in future	**20.66**	16.44
MAT credit pertaining to earlier years	**1.72**	(46.46)
Unused tax losses & credits	**(12.28)**	(29.30)
Impact of Ind AS 116	**(0.17)**	-
Short Provision of the earlier years	**11.95**	31.97
Other adjustments	**(1.72)**	(5.53)
Total income tax expense	**75.69**	58.84
Effective tax rate	**45.11**	20.48

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, 2019	March 31, 2018	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
Accelerated depreciation for tax purposes	(206.03)	(117.74)	**-**	(81.00)	**-**	-	**(35.52)**	(7.29)	**(241.55)**	(206.03)
Impact of fair valuation of non depreciable assets	(114.41)	(128.31)	**-**	7.58	**-**	-	**5.71**	6.32	**(108.70)**	(114.41)
Provision for doubtful debt	7.49	5.64	**-**	(0.17)	**-**	-	**1.90**	2.02	**9.39**	7.49
Expenditure allowable on payment basis	16.51	22.98	**-**	(15.18)	**-**	-	**6.58**	8.71	**23.09**	16.51
Expenditure allowable over the period (Section 35D/35DD)	15.05	15.95	**-**	(0.02)	**-**	-	**0.18**	(0.88)	**15.23**	15.05
Unused long-term capital loss	28.94	-	**-**	-	**-**	-	**10.20**	28.94	**39.14**	28.94
Impact of IND AS 116 Lease	-	-	**-**	-	**-**	-	**-**	-	**11.25**	-
Unused losses available for offsetting against future taxable income	13.78	129.51	**-**	(101.45)	**(0.36)**	(0.48)	**20.51**	(13.80)	**34.65**	13.78
Unused tax credit available for offsetting against future taxable income (MAT Credit Entitlement)	189.52	163.53	**-**	(9.83)	**-**	-	**(21.73)**	35.82	**167.79**	189.52
Deferred tax on unrealised profit	4.16	33.98	**-**	(48.46)	**-**	-	**(0.76)**	18.64	**3.40**	4.16
Others	15.44	24.22	**-**	(0.51)	**-**	-	**39.31**	(8.27)	**54.75**	15.44
Deferred tax expense/(income)							**26.38**	70.21		
Net deferred tax assets/(liabilities)	(29.55)	149.76	**-**	(249.04)	**(0.36)**	(0.48)			**8.44**	(29.55)

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, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019
	Deferred tax assets		**Deferred tax Liabilities**	
Accelerated depreciation for tax purposes	**(9.97)**	(10.02)	**(231.58)**	(196.01)
Impact of fair valuation of non depreciable assets	**-**	-	**(108.70)**	(114.41)
Provision for doubtful debt	**2.96**	2.49	**6.43**	5.00
Expenditure allowable on payment basis	**2.32**	1.33	**20.77**	15.18
Expenditure allowable over the period (Section 35D/35DD)	**-**	0.01	**15.23**	15.04
Unused long-term capital loss	**-**	-	**39.14**	28.94
Impact of IND AS 116 Lease	**1.68**	-	**9.57**	-
Unused losses available for offsetting against future taxable income	**34.65**	13.78	**-**	-
Unused tax credit available for offsetting against future taxable income	**2.26**	2.02	**165.53**	187.50
Deferred tax on unrealised profit	**-**	-	**3.40**	4.16
Others	**1.68**	1.68	**53.07**	13.76
Total of Deferred Tax Assets/(Liabilities)	**35.58**	11.29	**(27.14)**	(40.84)

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, 2020 (March 31, 2019: ₹ 387.16 crores). Out of the same, tax credits on losses of ₹ 219.14 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

Note 30 : Contingent liabilities

₹ in Crores

Particulars	As at March 31, 2020	As at March 31, 2019
Contingent liabilities not provided for		
(i) Claims against Group not acknowledged as debts	**7.52**	7.59
(ii) Guarantees given	**-**	684.55
(iii) Disputed demands in respect of		
Excise and Customs duty	**13.74**	23.64
Value added tax and Central sales tax	**16.61**	17.71
Income tax (Refer note (d) below)	**12.93**	35.07
Service tax	**10.75**	5.54

Notes :

(a) It is not practicable for the Group to estimate the timing of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(c) The Group believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Group's financial position and results of operations.

(d) During the year under the consideration, the Group has reassessed the position of its contingent liability pertaining to Income tax matters as at March 31, 2020 based on the advice received from its tax counsel. Many issues raised by Income tax department are either covered by judgement of respective judicial authorities in Group's own case in different assessment years or for other assesses, in favour of assesee, which supports Group's contention. Hence, considering the probability of occurrence as remote for such issues, the Group has not considered them as part of Contingent liability in the current year.

Note 31 : Capital commitment and other commitments

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Capital commitments		
Estimated amount of Contracts remaining to be executed on capital account and not provided for (net of advances)	**28.81**	75.30
(b) Other commitments		
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 ₹ 17.86 crores (March 31, 2019: ₹ 30.19 crores) which will reduce in proporation 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.	**107.14**	181.13

Note 32 : Foreign Exchange Derivatives and Exposures not hedged

The Group holds derivative financial instruments such as foreign currency forward, options and swap 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, 2020 and March 31, 2019.

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, 2020 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, 2020				As at March 31, 2019			
		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)
Cash Flow Hedges									
(Routed through OCI)									
Forward Sales Contracts									
Maturing less than 3 months	USD	73.12	27.41	200.41	(8.23)	70.61	72.48	511.78	6.77
Maturing between 3 to 6 months	USD	73.96	30.44	225.14	(8.23)	71.43	42.41	302.95	4.46
Maturing between 6 to 9 months	USD	74.17	21.16	156.94	(6.88)	72.14	11.50	82.96	1.35
Maturing between 9 to 12 months	USD	74.56	7.85	58.53	(2.69)	-	-	-	-
Total	USD		86.86	641.02	(26.03)		126.39	897.69	12.58
Maturing less than 3 months	GBP	95.23	0.44	4.19	0.08	95.33	0.45	4.29	0.17
Maturing between 3 to 6 months	GBP	-	-	-	-	-	-	-	-
Maturing between 6 to 9 months	GBP	-	-	-	-	-	-	-	-
Maturing between 9 to 12 months	GBP	-	-	-	-	-	-	-	-
Total	GBP		0.44	4.19	0.08		0.45	4.29	0.17
Option contracts*									
Maturing less than 3 months	USD	-	-	-	(0.55)	-	-	-	7.68
Maturing between 3 to 6 months	USD	-	-	-	(2.23)	-	-	-	6.57
Maturing between 6 to 9 months	USD	-	-	-	(3.07)	-	-	-	5.58
Maturing between 9 to 12 months	USD	-	-	-	(3.88)	-	-	-	4.47
Total	USD		-	-	(9.73)		-	-	24.30
Swap Deals									
Maturing less than 3 months		-	-	-	-	-	-	-	-
Maturing between 3 to 6 months		-	-	-	-	-	-	-	-
Maturing between 6 to 9 months		-	-	-	-	-	-	-	-
Maturing between 9 to 12 months		-	-	-	-	-	-	-	-
Maturing after 12 months		74.15	24.95	185.00	(5.01)	-	-	-	-
Total			24.95	185.00	(5.01)		-	-	-
Other Hedges									
(Routed through Profit & Loss)									
Forward Purchase Contracts									
Maturing less than 3 months	USD	71.97	26.57	191.22	(10.63)	69.35	3.36	23.30	(0.02)
Maturing between 3 to 6 months	USD	-	-	-	-	-	-	-	-
Maturing between 6 to 9 months	USD	-	-	-	-	-	-	-	-
Maturing between 9 to 12 months	USD	-	-	-	-	-	-	-	-
Total	USD		26.57	191.22	(10.63)		3.36	23.30	(0.02)
Option Contracts									
Maturing less than 3 months	USD	74.19	9.00	66.77	(0.77)	-	-	-	-
Maturing between 3 to 6 months	USD	-	-	-	-	-	-	-	-
Maturing between 6 to 9 months	USD	-	-	-	-	-	-	-	-
Maturing between 9 to 12 months	USD	-	-	-	-	-	-	-	-
Total	USD		9.00	66.77	(0.77)		-	-	-

* 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, 2020		As at March 31, 2019	
		FC In Mn	**₹ in Crores**	FC In Mn	₹ in Crores
Receivables	USD	**35.48**	**268.44**	71.03	491.23
	EUR	**1.59**	**13.16**	1.34	10.40
	BIR	**15.48**	**3.53**	97.53	23.61
	AUD	**0.05**	**0.21**	0.06	0.28
	ZAR	**-**	**-**	0.28	0.13
	GBP	**0.97**	**9.06**	0.68	5.72
Payable towards borrowings	USD	**1.72**	**13.04**	19.78	136.10
	EUR	**0.28**	**2.29**	4.69	36.42
Payable to creditors	USD	**8.84**	**66.91**	7.98	55.07
	EUR	**0.73**	**6.07**	1.46	11.35
	JPY	**1.92**	**0.13**	6.67	0.41
	GBP	**0.17**	**1.61**	0.14	1.39
	AUD	**(AUD 4341)**	**0.02**	0.01	0.06
	CHF	**0.03**	**0.23**	0.03	0.21
	HKD	**0.01**	**0.01**	(HKD 7264)	0.01

Note 33 : Segment Reporting

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the group.

Operating Segments:

(a) **Textiles :** Fabrics, Garments and Fabric Retail.

(b) **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.

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, 2020 and March 31, 2019 are as follows:

Particulars	For the Year ended / As at March 31, 2020					
	Textiles	Advanced Materials	Others	Branded Appareals*	Elimin-ation	Total
REVENUE						
External Revenue	6,167.27	702.10	499.63	-	-	**7,369.00**
Inter segment Revenue	5.93	11.30	35.68	-	(52.91)	**-**
Enterprise revenue	**6,173.20**	**713.40**	**535.31**	**-**	**(52.91)**	**7,369.00**
RESULT						
Segment Result Before Finance cost	414.44	75.08	(31.27)	-	-	**458.25**
Less: Finance Cost						**(236.89)**
Less: Unallocable expenses (net of income)						**(53.57)**
Less: Tax Expense						**(75.69)**
Net profit after tax	**414.44**	**75.08**	**(31.27)**	**-**	**-**	**92.10**
Segment Assets	4,951.05	579.80	804.12	-	(1,060.33)	**5,274.64**
Unallocated Assets						**1,859.40**
Investments in Joint Ventures						**31.40**
Total Assets	**4,951.05**	**579.80**	**804.12**	**-**	**(1,060.33)**	**7,165.44**
Segment Liabilities	1,615.42	104.87	276.63	-	(146.90)	**1,850.02**
Unallocated Liabilities						**93.45**
Total Liabilities	**1,615.42**	**104.87**	**276.63**	**-**	**(146.90)**	**1,943.47**
Depreciation and amortisation expense	208.01	22.81	31.53	-	-	**262.35**
Unallocated Depreciation and amortisation expense						**28.10**
Total Depreciation and amortisation expense	**208.01**	**22.81**	**31.53**	**-**	**-**	**290.45**
Capital Expenditure	506.12	38.08	43.62	-	-	**587.82**
Unallocated Capital Expenditure						**29.85**
Total Capital Expenditure (Refer note (a))	**506.12**	**38.08**	**43.62**	**-**	**-**	**617.67**
Material non-cash items other than Depreciation and amortisation	41.69	14.28	12.04	-	-	**68.01**
Unallocated Material non-cash items other than Depreciation and amortisation						**12.36**
Total Material non-cash items other than Depreciation and amortisation	**41.69**	**14.28**	**12.04**	**-**	**-**	**80.37**

Notes to Consolidated Financial Statements

Note 33 : Segment Reporting (Contd.)

₹ in Crores

Particulars	For the Year ended / As at March 31, 2019					
	Textiles	Advanced Materials	Others	Branded Appareals*	Elimin-ation	Total
REVENUE						
External Revenue	5,909.87	618.77	613.54	3,035.54	-	**10,177.72**
Inter segment Revenue	6.99	13.05	11.42	-	(31.46)	-
Enterprise revenue	**5,916.86**	**631.82**	**624.96**	**3,035.54**	**(31.46)**	**10,177.72**
RESULT						
Segment Result Before Finance cost	491.38	44.60	34.78	69.31	-	**640.07**
Less: Finance Cost						**(302.47)**
Less: Unallocable expenses (net of income)						**(50.35)**
Less: Tax Expense						**(58.84)**
Net profit after tax	**491.38**	**44.60**	**34.78**	**69.31**	**-**	**228.41**
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**
Total Assets	**5,031.43**	**629.07**	**685.94**	**-**	**(848.70)**	**7,333.64**
Segment Liabilities	1,373.01	127.17	281.02	-	(134.88)	**1,646.32**
Unallocated Liabilities						**150.71**
Total Liabilities	**1,373.01**	**127.17**	**281.02**	**-**	**(134.88)**	**1,797.03**
Depreciation and amortisation expense	171.25	21.69	20.17	91.82	-	**304.93**
Unallocated Depreciation and amortisation expense						**21.94**
Total Depreciation and amortisation expense	**171.25**	**21.69**	**20.17**	**91.82**	**-**	**326.87**
Capital Expenditure	468.06	26.45	8.27	101.50	-	**604.28**
Unallocated Capital Expenditure						**54.20**
Total Capital Expenditure (Refer note (a))	**468.06**	**26.45**	**8.27**	**101.50**	**-**	**658.48**
Material non-cash items other than Depreciation and amortisation	25.32	3.93	5.82	60.00	-	**95.07**
Unallocated Material non-cash items other than Depreciation and amortisation						**0.18**
Total Material non-cash items other than Depreciation and amortisation	**25.32**	**3.93**	**5.82**	**60.00**	**-**	**95.25**

* Branded Apparels Business has been discontinued with effect from November 30, 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, capital work-in-progress and Right of Use assets (recognised pursuant to adoption of IND AS 116 effective from April 1, 2019).

(b)

Particulars	Year Ended / As at March 31, 2020	Year Ended / As at March 31, 2019
Segment Revenue*		
(a) In India	**4,169.49**	6,903.93
(b) Rest of the world	**3,199.51**	3,273.79
Total	**7,369.00**	10,177.72
Carrying Cost of Segment Non Current Assets@		
(a) In India	**3,817.58**	3,545.88
(b) Rest of the world	**141.91**	159.38
Total	**3,959.49**	3,705.26

* 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, 2020 and 2019.

Notes to Consolidated Financial Statements

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits

A. Defined contribution plans:

Amount of ₹ 41.40 Crores (March 31, 2019: ₹ 50.15 Crores) is recognised as expenses and included in Note No. 24 "Employee benefit expense"

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Continuing Business	Discontinued Business	Total	Continuing Business	Discontinued Business	Total
(i) Contribution to Provident Fund [note (a)]	**22.13**	**-**	**22.13**	17.96	6.79	24.75
(ii) Contribution to Pension Fund [note (a)]	**17.48**	**-**	**17.48**	17.36	5.91	23.27
(iii) Contribution to Superannuation Fund [note (b)]	**1.79**	**-**	**1.79**	2.13	-	2.13
Total	**41.40**	**-**	**41.40**	37.45	12.70	50.15

Note

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 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 the statement of profit and loss.

(c) 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 actuary has provided a valuation for provident fund liabilities on the basis of guidance issued by Actuarial Society of India.

(d) 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.

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

Changes in defined benefit obligation and plan assets as at March 31, 2020:

₹ in Crores

Particulars	As at April 1, 2019	Increase due to business combination (Refer Note 45(i))	Charged to statement of profit and loss			Employees' contribution	Employer's contribution	Transfer In	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	As at March 31, 2020
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 24)					Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI		
Gratuity - Funded																
Defined benefit obligation	119.98	0.11	13.29	8.96	22.25	-	-	-	(21.54)	-	1.29	(0.65)	(3.49)	(2.85)	-	117.95
Fair value of plan assets	(131.55)	-	-	(9.83)	(9.83)	-	-	-	19.57	8.60	-	-	-	8.60	(0.41)	(113.62)
Benefit liability/(asset)-Funded (A)	**(11.57)**	**0.11**	**13.29**	**(0.87)**	**12.42**	**-**	**-**	**-**	**(1.97)**	**8.60**	**1.29**	**(0.65)**	**(3.49)**	**5.75**	**(0.41)**	**4.33**
Gratuity - Non Funded																
Defined benefit obligation	1.52	-	1.17	0.11	1.28	-	-	-	(0.14)	-	(0.03)	0.02	0.11	0.10	-	2.76
Benefit liability/(asset)- Non Funded (B)	**1.52**	**-**	**1.17**	**0.11**	**1.28**	**-**	**-**	**-**	**(0.14)**	**-**	**(0.03)**	**0.02**	**0.11**	**0.10**	**-**	**2.76**
Net Benefit liability/(asset) (A+B)	**(10.05)**	**0.11**	**14.46**	**(0.76)**	**13.70**	**-**	**-**	**-**	**(2.11)**	**8.60**	**1.26**	**(0.63)**	**(3.38)**	**5.85**	**(0.41)**	**7.09**
Post employment Medical benefits																
Defined benefit obligation	16.05	-	0.40	1.20	1.60	-	-	-	(0.50)	-	(3.00)	(0.16)	(1.96)	(5.12)	-	12.03
Net Benefit liability/(asset)	**16.05**	**-**	**0.40**	**1.20**	**1.60**	**-**	**-**	**-**	**(0.50)**	**-**	**(3.00)**	**(0.16)**	**(1.96)**	**(5.12)**	**-**	**12.03**
Provident Fund Scheme																
Defined benefit obligation	410.25	-	12.31	31.03	43.34	35.21	-	4.66	(72.62)	-	-	-	-	-	-	420.84
Fair value of plan assets	(411.07)	-	-	(31.03)	(31.03)	(35.21)	(12.31)	(4.66)	72.62	0.72	-	-	-	0.72	-	(420.94)
Deficit/(Surplus)	**(0.82)**	**-**	**12.31**	**-**	**12.31**	**-**	**(12.31)**	**-**	**-**	**0.72**	**-**	**-**	**-**	**0.72**	**-**	**(0.10)**
Effects of asset ceiling, if any*	0.82	-	-	-	-	-	-	-	-	(0.72)	-	-	-	(0.72)	-	0.10
Net Benefit liability/(asset)	**-**	**-**	**12.31**	**-**	**12.31**	**-**	**(12.31)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Compensatory Pension Scheme																
Defined benefit obligation	2.10	-	0.05	0.16	0.21	-	-	-	-	-	-	0.04	(0.74)	(0.70)	-	1.61
Net Benefit liability/(asset)	**2.10**	**-**	**0.05**	**0.16**	**0.21**	**-**	**-**	**-**	**-**	**-**	**-**	**0.04**	**(0.74)**	**(0.70)**	**-**	**1.61**
Total benefit liability/(asset)	**8.10**	**0.11**	**27.22**	**0.60**	**27.82**	**-**	**(12.31)**	**-**	**(2.61)**	**8.60**	**(1.74)**	**(0.75)**	**(6.08)**	**0.03**	**(0.41)**	**20.73**

Notes to Consolidated Financial Statements

Note 34 : Disclosure pursuant to Employee benefits (Contd.)
Changes in defined benefit obligation and plan assets as at March 31, 2019:

₹ in Crores

Particulars	As at April 1, 2018	Adjustment on consolidation	Charged to statement of profit and loss			Employees' contribution	Employer's contribution	Transfer In	Benefit paid	Remeasurement gains/(losses) in other comprehensive income					Contributions by employer	As at March 31, 2019
			Service cost	Net interest expense	Sub-total included in statement of profit and loss (Note 24)					Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Actuarial changes arising from changes in Experience adjustments	Sub-total included in OCI		
Gratuity - Funded																
Defined benefit obligation	119.24	(16.53)	14.61	8.63	23.24	-	-		(21.26)	-	10.25	19.77	(14.73)	15.29	-	119.98
Fair value of plan assets	(126.17)	4.26	-	(9.64)	(9.64)	-	-		0.37	0.19	-	-	-	0.19	(0.56)	(131.55)
Benefit liability/(asset)-Funded (A)	**(6.93)**	**(12.27)**	**14.61**	**(1.01)**	**13.60**	**-**	**-**		**(20.89)**	**0.19**	**10.25**	**19.77**	**(14.73)**	**15.48**	**(0.56)**	**(11.57)**
Gratuity - Non Funded																
Defined benefit obligation	1.81	(0.94)	0.74	0.07	0.81	-	-		(0.02)	-	0.03	0.13	(0.30)	(0.14)	-	1.52
Benefit liability/(asset)- Non Funded (B)	**1.81**	**(0.94)**	**0.74**	**0.07**	**0.81**	**-**	**-**		**(0.02)**	**-**	**0.03**	**0.13**	**(0.30)**	**(0.14)**	**-**	**1.52**
Net Benefit liability/(asset) (A+B)	**(5.12)**	**(13.21)**	**15.35**	**(0.94)**	**14.41**	**-**	**-**		**(20.91)**	**0.19**	**10.28**	**19.90**	**(15.03)**	**15.34**	**(0.56)**	**(10.05)**
Post employment Medical benefits																
Defined benefit obligation	12.88	-	0.36	1.00	1.36	-	-		(0.49)	-	(2.79)	2.90	2.19	2.30	-	16.05
Net Benefit liability/(asset)	**12.88**	**-**	**0.36**	**1.00**	**1.36**	**-**	**-**		**(0.49)**	**-**	**(2.79)**	**2.90**	**2.19**	**2.30**	**-**	**16.05**
Provident Fund Scheme																
Defined benefit obligation	377.80	-	12.65	32.42	45.07	35.90	-	5.02	(53.54)	-	-	-	-	-	-	410.25
Fair value of plan assets	(383.85)	-	-	(32.42)	(32.42)	(35.90)	(12.65)	(5.02)	53.54	5.23	-	-	-	5.23	-	(411.07)
Deficit/(Surplus)	**(6.05)**	**-**	**12.65**	**-**	**12.65**	**-**	**(12.65)**	**-**	**-**	**5.23**	**-**	**-**	**-**	**5.23**	**-**	**(0.82)**
Effects of asset ceiling, if any*	6.05	-	-	-	-	-	-	-	-	(5.23)	-	-	-	(5.23)	-	0.82
Net Benefit liability/(asset)	**-**	**-**	**12.65**	**-**	**12.65**	**-**	**(12.65)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Compensatory Pension Scheme																
Defined benefit obligation	1.92	-	0.05	0.15	0.20	-	-		(0.10)	-	-	0.02	0.06	0.08	-	2.10
Net Benefit liability/(asset)	**1.92**	**-**	**0.05**	**0.15**	**0.20**	**-**	**-**		**(0.10)**	**-**	**-**	**0.02**	**0.06**	**0.08**	**-**	**2.10**
Total benefit liability/(asset)	**9.68**	**(13.21)**	**28.41**	**0.21**	**28.62**	**-**	**(12.65)**		**(21.50)**	**0.19**	**7.49**	**22.82**	**(12.78)**	**17.72**	**(0.56)**	**8.10**

*The Company has an obligation to make good the shortfall, if any.

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, 2020 (%) of total plan assets**	As at March 31, 2019 (%) of total plan assets
Central Government Securities	**0.00%**	0.00%
Public Sector/Financial Institutional Bonds	**0.00%**	0.00%
Portfolio with Mutual Fund	**99.97%**	99.94%
Others (including bank balances)	**0.03%**	0.06%
(%) of total plan assets	**100%**	100%

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 Provident Fund are as follows:

Particulars	As at March 31, 2020 (%) of total plan assets	As at March 31, 2019 (%) of total plan assets
Government Securities (Central & State)	**55.34%**	52.82%
Public Sector and Private Sector Bonds	**36.35%**	39.05%
Portfolio with Mutual Fund	**5.60%**	4.83%
Others (including bank balances)	**2.71%**	3.30%
(%) of total plan assets	**100%**	100%

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

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	**5.21%-6.84%**	6.96%-7.79%
Future salary increase	**5.00%-10.00%**	5.00%-10.00%
Medical cost inflation	**5.00%**	6.00%
Expected rate of return on plan assets	**6.24%-6.84%**	7.47%-7.79%
Attrition rate	**7.00%-23.10%**	5.00%-23.00%
Morality rate during employment	**Indian assured lives Mortality (2006-08)**	Indian assured lives Mortality (2006-08)
Morality rate after employment	**N.A.**	N.A.

Assumptions used in determining the present value obligation of the defined benefit plan under the Deterministic Approach :

Particulars	As at March 31, 2020	As at March 31, 2019
Discount rate	**6.56%**	7.47%
Average term to maturity of assets	**5.16 years**	5.09 years
Guaranteed rate of return	**8.50%**	8.65%

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, 2020	Year ended March 31, 2019
Gratuity			
Discount rate	1% increase	**(5.92)**	(7.32)
	1% decrease	**6.70**	8.41
Salary increase	1% increase	**6.72**	8.45
	1% decrease	**(6.60)**	(7.48)
Attrition rate	1% increase	**0.29**	0.55
	1% decrease	**(0.36)**	(0.65)
Post employment medical benefits			
Discount rate	1% increase	**(0.84)**	(1.12)
	1% decrease	**0.82**	1.09
Medical cost inflation	1% increase	**0.69**	0.91
	1% decrease	**(0.60)**	(0.80)
Attrition rate	1% increase	**(0.36)**	(0.48)
	1% decrease	**0.47**	0.63
Compensatory Pension Scheme			
Discount rate	1% increase	**(0.04)**	(0.07)
	1% decrease	**0.04**	0.04

Notes to Consolidated Financial Statements

₹ in Crores

Note 34 : Disclosure pursuant to Employee benefits (Contd.)

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.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Gratuity		
Within the next 12 months	**26.83**	23.84
Between 2 to 5 years	**47.04**	40.14
Beyond 5 years	**50.54**	61.71
	124.41	125.69
Post employment medical benefits		
Within the next 12 months	**0.66**	1.01
Between 2 to 5 years	**2.86**	3.23
Beyond 5 years	**8.51**	11.81
	12.03	16.05
Compensatory Pension Scheme		
Within the next 12 months	**0.38**	0.51
Between 2 to 5 years	**1.23**	1.59
Beyond 5 years	**-**	-
	1.61	2.10
Total expected payments	**138.05**	143.84

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

Particulars	As at March 31, 2020 In Years	As at March 31, 2019 In Years
Gratuity	**7**	8
Post employment medical benefits	**7**	7
Compensatory Pension Scheme	**3**	2

The Group does not have any contributions expected towards planned assets for the next year.

C. Other Long term employee benefit plans:

Leave encashment

The Group has a policy on leave encashment which are both accumulating and non-accumulating in nature. The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Group has recognised following as expenses and included in note No. 24 "Employee benefit expense".

Particulars	Year ended March 31, 2020			Year ended March 31, 2019		
	Continuing Business	**Discontinued Business**	**Total**	Continuing Business	Discontinued Business	Total
Leave Encashment	**13.86**	**-**	**13.86**	17.49	4.39	21.88
Total	**13.86**	**-**	**13.86**	17.49	4.39	21.88

Notes to Consolidated 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)	**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 (up to July 28, 2019)
8	Ms. Renuka Ramnath	Non-Executive Director
9	Mr. Vallabh Roopchand Bhansali	Non-Executive Director (Up to May 10, 2019)
10	Mr. Nilesh Dhirajlal Shah	Non-Executive Director
11	Mr. Arpit Kantilal Patel	Non-Executive Director (W.e.f. May 17, 2019)
(II)	**Relatives of Key Management Personnel**	
1	Mrs. Jayshree S Lalbhai	
2	Mrs. Poorva P Lalbhai	
3	Mrs. Jaina K Lalbhai	
(III)	**Joint Ventures**	
1	Arya Omnitalk Radio Trunking Services Private Limited	
2	Arudrama Developers Private Limited	
3	Arvind Norm CBRN Systems Private Limited	w.e.f. December 31, 2018
4	Adient Arvind Automotive Fabrics India	w.e.f. October 25, 2018
5	PVH Arvind Manufacturing PLC, Ethiopia	w.e.f. October 01, 2019
(IV)	**Limited Liability Partnership**	
1	Arvind and Smart Value Homes LLP	
(V)	**Subsidiary Companies**	
1	Arvind Worldwide (M) Inc. *	
2	Arvind Overseas (M) Inc. *	
3	Arvind Spinning Limited *	
4	Arvind Foundation **	
(VI)	**Entities under the control of Key Managerial Personnel**	
1	Aura Securities Private Limited	
2	Amplus Capital Advisors Private Limited	
3	Arvind Smartspaces Limited	
4	The Anup Engineering Limited	
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
11	White Ocean Business Ventures LLP	
(VII)	**Entity under the control of Non Executive Director**	
1	Multiples Private Equity Fund II LLP	
(VIII)	**Trusts and Others**	
1	Arvind Mills Employees' Provident Fund	
2	The Arvind Mills Employee's Gratuity Fund	
3	Lalbhai Group of Companies Officers' Superannuation Fund	

* Not considered for the purpose of consolidation for the financial year 2019-20 and 2018-19 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) Transactions and Balances :

₹ in Crores

Particulars	Subsidiaries		Joint Ventures		Limited Liability Partnership		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		Year ended/as at	
	March 31, 2020	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019	**March 31, 2020**	March 31, 2019
(I) Transactions during the year														
Purchase of Goods	-	-	**1.42**	-	-	-	-	-	-	-	**4.62**	(3.89)	**6.04**	(3.89)
Sales of Goods	-	-	**0.01**	0.80	-	-	-	-	-	-	**42.51**	21.19	**42.52**	21.99
Sale of Property, Plant and Equipment	-	-	-	2.64	-	-	-	-	-	-	-	-	-	2.64
Expenses Recovered	-	-	**3.28**	3.95	-	-	-	-	-	-	**22.37**	1.62	**25.65**	5.57
Rent Income	-	-	**1.50**	0.35	-	-	-	-	-	-	**0.68**	-	**2.18**	0.35
Services Rendered	-	-	**2.88**	-	-	-	-	-	-	-	**9.35**	5.50	**12.23**	5.50
Remuneration	-	-	-	-	-	-	**11.28**	16.94	-	-	-	-	**11.28**	16.94
Sitting Fees paid to Non-Executive Directors	-	-	-	-	-	-	**0.04**	0.03	-	-	-	-	**0.04**	0.03
Comission to Non-Executive Directors	-	-	-	-	-	-	**0.38**	0.40	-	-	-	-	**0.38**	0.40
Services Received	-	-	**2.58**	-	-	-	-	-	-	-	**2.99**	-	**5.57**	-
Rent Expenses	-	-	-	-	-	-	-	-	-	-	-	0.20	-	0.20
Reimbursement of Expenses	-	-	-	-	-	-	-	-	-	-	**18.28**	6.19	**18.28**	6.19
Guarantee commission Income	-	-	-	-	-	-	-	-	-	-	**2.14**	3.51	**2.14**	3.51
Share of Profit from LLP	-	-	-	-	**(0.29)**	(0.16)	-	-	-	-	-	-	**(0.29)**	(0.16)
Dividend Income	-	-	-	-	-	-	-	-	-	-	-	0.20	-	0.20
Interest Expense	-	-	-	-	-	-	-	-	-	-	**2.08**	4.34	**2.08**	4.34
Interest Income	-	-	-	-	-	-	-	-	-	-	-	6.39	-	6.39
Donation Given	**2.00**	3.50	-	-	-	-	-	-	-	-	-	-	**2.00**	3.50
Contribution Given for Employee Benefit Plans	-	-	-	-	-	-	-	-	**31.28**	39.24	-	-	**31.28**	39.24
Loan Taken	-	-	-	-	-	-	-	-	-	-	-	186.66	-	186.66
Repayment of Loan	-	-	-	-	-	-	-	-	-	-	**44.36**	187.56	**44.36**	187.56
Loan Given	-	-	-	-	-	-	-	-	-	-	-	310.40	-	310.40
Receipt towards Loan Given	-	-	-	-	-	-	-	-	-	-	-	636.93	-	636.93
Investment made	-	-	**28.03**	8.17	-	-	-	-	-	-	-	-	**28.03**	8.17
Impairment in value of Shares	-	-	**10.33**	-	-	-	-	-	-	-	-	-	**10.33**	-
Withdrawal of capital Contribution	-	-	-	-	**0.29**	0.16	-	-	-	-	-	-	**0.29**	0.16
(II) Balances as at year end														
Guarantees	-	-	-	-	-	-	-	-	-	-	-	684.55	-	684.55
Trade Receivable	-	-	**4.58**	1.24	-	-	-	-	-	-	**54.27**	7.79	**58.85**	9.03
Investments	**0.34**	0.34	**41.75**	19.24	**56.88**	57.11	-	-	-	-	-	-	**98.97**	76.69
Provision for Impairment of Investment	**(0.33)**	(0.33)	**(10.33)**	-	-	-	-	-	-	-	-	-	**(10.66)**	(0.33)
Other Current Assets	**0.01**	(₹45,094/-)	**2.13**	1.04	-	-	-	-	-	11.99	**2.91**	6.48	**5.05**	19.51
Other Non Current Assets	-	-	-	-	-	-	-	-	-	-	**0.25**	0.25	**0.25**	0.25
Other Current Financial Assets	-	-	-	-	-	-	-	-	-	-	-	18.72	-	18.72
Loan Given	**5.23**	5.23	-	-	-	-	-	-	-	-	-	-	**5.23**	5.23
Allowance for Doubtful Loan	**(5.23)**	(5.23)	-	-	-	-	-	-	-	-	-	-	**(5.23)**	(5.23)
Trade payables	-	-	**0.52**	-	-	-	-	-	-	-	**11.22**	8.07	**11.74**	8.07
Loan Taken	-	-	-	-	-	-	-	-	-	-	-	44.36	-	44.36
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	3.91	-	3.91
Short Term Provision	-	-	-	-	-	-	-	-	**5.05**	-	-	-	**5.05**	-

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, 2020	Balance as at March 31, 2019
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	**5.23**	5.23
Less : Allowance for doubtful loan		**(5.23)**	(5.23)
Total (A)		**-**	-
Corporate Guarantee given on behalf of			
Arvind Lifestyle Brands Limited	Facilitate Trade Finance	**-**	606.62
Arvind Fashions Limited	Facilitate Trade Finance	**-**	77.93
Total (B)		**-**	684.55
Total (A+B)		**-**	684.55

List of Related Parties	Purpose	Maximum Outstanding During March 31, 2020	Maximum Outstanding During March 31, 2019
Loans and Advances			
Arvind Worldwide (M) Inc.	General Business Purpose	**5.23**	5.23

(d) Commitments with related parties

The Company has provided commitment of ₹ 4.11 Crores to the related party as at March 31, 2020 (March 31, 2019: ₹ Nil)

(e) Transactions with key management personnel

Compensation of key management personnel of the Group was as follows

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short-term employee benefits	**11.13**	16.61
Post employment benefits	**0.25**	0.33
Other long-term employment benefits	**0.01**	0.12
Others - Contribution towards Provident Fund	**0.31**	0.31
Total compensation paid to key management personnel	**11.70**	17.37

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, 2020	Year ended March 31, 2019
Continuing Operations			
Profit for the year attributable to owners of the Company	₹ in Crores	**95.65**	236.65
Weighted average number of Equity Shares for Basic EPS (a)	No. of equity shares	**25,87,33,462**	25,86,17,069
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)		**86,648**	2,47,073
Weighted average number of Equity Shares in computing diluted EPS (a) + (b)		**25,88,20,110**	25,88,64,142
Nominal value of equity shares	₹	**10**	10
Basic earning per share	₹	**3.70**	9.15
Diluted earning per share	₹	**3.70**	9.14
Discontined Operations			
Profit/ (Loss) for the year attributable to owners of the Company	₹ in Crores	**-**	(10.42)
Weighted average number of Equity Shares for Basic EPS (a)	No. of equity shares	**25,87,33,462**	25,86,17,069
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)		**86,648**	2,47,073
Weighted average number of Equity Shares in computing diluted EPS (a) + (b)		**25,88,20,110**	25,88,64,142
Nominal value of equity shares	₹	**10**	10
Basic earning per share	₹	**-**	(0.40)
Diluted earning per share	₹	**-**	(0.40)
Continuing and Discontined Operations			
Profit for the year attributable to owners of the Company	₹ in Crores	**95.65**	226.23
Weighted average number of Equity Shares for Basic EPS (a)	No. of equity shares	**25,87,33,462**	25,86,17,069
Effect of potential Ordinary shares on Employee Stock Options outstanding (b)		**86,648**	2,47,073
Weighted average number of Equity Shares in computing diluted EPS (a) + (b)		**25,88,20,110**	25,88,64,142
Nominal value of equity shares	₹	**10**	10
Basic earning per share	₹	**3.70**	8.75
Diluted earning per share	₹	**3.70**	8.74

Note 37 : Share based payments

Arvind Limited (AL)

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. The following table sets forth the particulars of the options outstanding as on March 31, 2020 under ESOP 2008:

Scheme	ESOS 2008				
Date of grant	May 23, 2014	August 22, 2016	May 17, 2019	May 17, 2019	October 25, 2019
Expiry Date	April 30, 2019	August 22, 2017	May 16, 2020	May 16, 2020	September 30, 2023
Number of options granted	10,50,000	9,00,000	2,00,000	1,57,000	2,00,000
Exercise price per option*	₹ 57.51	₹ 90.81	₹ 72.15	₹ 10.00	₹ 45.45
Fair Value of option on Grant date*	₹ 36.65	₹ 14.00	₹ 9.21	₹ 64.95	₹ 13.31
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.				

Notes to Consolidated Financial Statements

Note 37 : Share based payments (Contd.)

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, 2020		Year Ended March 31, 2019	
	No. of Options	Weighted Average Exercise Price	No. of Options	Weighted Average Exercise Price
Outstanding at the beginning of the year	15,76,000	76.53	15,76,000	266.72
Vested during the year	6,76,000	57.51	-	-
Granted during the year	5,57,000	45.04	-	-
Exercised during the year	1,50,000	57.51	-	-
Outstanding at the end of the year*	19,83,000	69.12	15,76,000	76.53
Exercisable at the end of the year	14,26,000	78.53	9,00,000	90.81

C. Share Options Exercised during the year:

Option Series	No. of Options	Exercise Date	Weighted Average Share Price at Exercise Date
Options exercised during the year	1,50,000	June 14, 2019	73.19

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 ₹ 69.12 (as at March 31,2019:₹ 76.53), and a weighted average remaining contractual life of 3.42 years (as at March 31,2019: 3.26 years). The range of exericse price is from ₹ 10.00 to ₹ 90.81.

E. Significant Assumptions of Valuation on New Grant:

Weighted Average Information:

(i)	Share price (₹)	63.93
(ii)	Exercise price (₹)	45.04
(iii)	Expected volatility	27.62%
(iv)	Risk-free interest rate	6.41%
(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 volatility of the Company's stock price on stock exchanges 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

Arvind Internet Limited (AIL)

A. The Company has instituted Employee Stock Option Scheme 2015 ("ESOP 2015"), pursuant to the approval of the shareholders of the Company at their Extra Ordinary General Meeting held on October 12, 2015. Under ESOP 2015, up to March 31, 2020, the Company has granted 1,54,15,311 options convertible into equal number of Equity Shares of face value of ₹ 10 each. The following table sets forth the particulars of the options granted during the Financial Year 2019-20 under ESOP 2015 –

Scheme	ESOS 2015		
Date of grant	October 15, 2015	April 1, 2016 and November 15, .2016	April 1, 2019
Number of options granted	27,69,500	30,24,300	96,21,511
Exercise price per option	₹ 10	₹ 10	₹ 10
Vesting period	Over a period of 4 years		
Vesting requirements	On continued employment with the company		
Exercise period	Up to 5 years from the date of vesting		
Method of settlement	Through allotment of one equity share for each option granted		

Notes to Consolidated Financial Statements

₹ in Crores

Note 37 : Share based payments (Contd.)

The following table sets forth a summary of the activity of options:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Options		
Outstanding at the beginning of the year	**57,93,800**	57,93,800
Granted during the year	**96,21,511**	-
Lapsed during the year	**18,43,720**	-
Outstanding at the end of the year	**1,35,71,591**	57,93,800
Exercisable at the end of the year	**81,02,734**	38,62,890
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, 2020 Share options	March 31, 2019 Share options
October 15, 2015	October 14, 2024	₹ 10	22,65,230	27,69,500
April 1, 2016	March 31, 2025	₹ 10	14,93,690	23,00,900
November 15, .2016	November 14, 2025	₹ 10	1,91,160	7,23,400
April 1, 2019	March 30, 2028	₹ 10	96,21,511	-
Weighted average remaining contractual life (Years)			7.06	3.86

AIL has granted 96,21,511 options during the year ended on March 31, 2020 (March 31, 2019 : 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 risk free rate of interest rate - 7.09%, expected life 5 year and the expected price volatility of the underlying share - 19.27%, the expected dividend yield of Nil %. Fair Value of the underlying share at the time of grant of the option ₹ 3.42 per share

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, 2020	Year ended March 31, 2019
Share Based Payment to Employees (Original Charge on Grant)	**1.13**	1.46
Share Based Payment to Employees (Charge on Modification)	**-**	0.02
Total employee share based payment expense	**1.13**	1.48*

* 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. Accordinlgy, 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 : Leases

A. For transition, The Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. The Group has used a single discount rate to a portfolio of leases with similar characteristics.

On transition, The Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. The weighted average incremental borrowing rate of 9% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases reported as at March 31, 2019 compared to the lease liability as accounted as at April 1, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which The Group has chosen to apply the practical expedient as per the standard.

The Group has adopted modified retrospective approach as per para C8 (C) (i) of IND-AS 116, Leases to its leases effective from accounting period beginning from April 01, 2019 and recognised Right of Use assets and Lease Liability as on April 01, 2019 and difference between Right of Use Assets and Lease Liability, net of deferred tax amounting to ₹ 23.58 crores (Deferred Tax ₹ 11.25 crores) has been adjusted in retained earnings.

B. The Group has taken land, factory buildings, godowns, offices, plant and machinaries and other facilities on lease.

Disclosures as per Ind AS 116 - Leases are as follows:

C. The changes in the carrying value of ROU assets for the year ended on March 31, 2020 are as follows :

Particulars	Land & Building	Others	Total
Recognition of ROU Asset on account of adoption of Ind AS 116	151.75	54.79	206.54
Additions during the year	9.57	-	9.57
Deletions/cancellation/modification during the year	(1.62)	(23.13)	(24.75)
Depreciation	(28.86)	(14.89)	(43.75)
Balance at the end of the year	**130.84**	**16.77**	**147.61**

The aggregate depreciation expense on ROU assets is included under depreciation expense in the Statement of Profit and Loss.

D. The movement in lease liabilities for the year ended on March 31, 2020 are as follows :

Particulars	Total
Recognition of ROU Asset on account of adoption of Ind AS 116	241.37
Additions during the year	9.57
Deletions/cancellation/modification during the year	(26.40)
Finance cost accrued during the year	18.68
Payment of lease labilities	(58.55)
Balance at the end of the year	**184.67**

The break-up of current and non-current lease liabilities as on March 31, 2020 is as under :

Particulars	Total
Current	35.49
Non Current	149.18
Total	**184.67**

Notes to Consolidated Financial Statements

₹ in Crores

Note 38 : Leases (Conted.)

E. The details of contractual maturities of lease liabilities as on March 31, 2020 on discounted basis are as follows:

Particulars	Total
Less than one year	35.49
One to five years	108.68
More than five years	40.50
Total	**184.67**

F. The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

G. The amount recognised in the statement of profit or loss are as follows:

Particulars	Year Ended March 31, 2020
Depreciation expense of right-of-use assets	42.99
Interest expense on lease liabilities	18.11
Rent expense - short-term lease and leases of low value assets	28.23
Total	**89.33**

Note 39 : Disclosure in respect of Construction / Job work Contracts

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Amount of Contract Revenue recognized	**139.48**	195.12
Contracts in progress at the end of the reporting period		
Contract cost incurred and recognised profits less recognised losses	**473.06**	238.55
Less : Progress Billing	**463.98**	238.55
	9.08	-
Recognized and included in the financial statements as amounts due:		
-from customers under construction contracts	**31.16**	-
-to customers under construction contracts	**11.35**	-
	19.80	-
Amount of Advance Received from Customers	**17.63**	24.64
Amount of Retention from Customers	**40.18**	0.13

Notes to Consolidated Financial Statements

Note 40 : Fair value measurements

₹ in Crores

(a) Financial Instruments by category

(i) Financial assets by category

Particulars	As at March 31, 2020 Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total	As at March 31, 2019 Equity Method	Cost	Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total
Investments												
- Equity shares	**31.40**	**0.01**	**-**	**2.10**	**-**	**33.51**	19.24	0.01	-	2.10	-	21.35
- Debentures	**-**	**-**	**-**	**-**	**0.02**	**0.02**	-	-	-	-	0.02	0.02
- Limited liability partnership	**56.88**	**-**	**-**	**-**	**-**	**56.88**	57.11	-	-	-	0.01	57.12
Trade receivables	**-**	**-**	**-**	**-**	**1,047.67**	**1047.67**	-	-	-	-	897.12	897.12
Loans	**-**	**-**	**-**	**-**	**40.45**	**40.45**	-	-	-	-	164.33	164.33
Cash and cash equivalents	**-**	**-**	**-**	**-**	**50.24**	**50.24**	-	-	-	-	70.62	70.62
Other Bank balance	**-**	**-**	**-**	**-**	**33.84**	**33.84**	-	-	-	-	9.95	9.95
Other financial assets	**-**	**-**	**-**	**0.11**	**166.36**	**166.47**	-	-	-	37.51	149.40	186.91
Total Financial assets	**88.28**	**0.01**	**-**	**2.21**	**1,338.58**	**1,429.08**	76.35	0.01	-	39.61	1,291.45	1,407.42

(ii) Financial liabilities by category

Particulars	As at March 31, 2020 Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total	As at March 31, 2019 Fair value through Profit and Loss (FVTPL)	Fair value through Other Comprehensive Income (FVTOCI)	At Amortised cost	Total
Borrowings	**-**	**-**	**2,193.49**	**2,193.49**	-	-	2,536.12	2,536.12
Lease Liabilities	**-**	**-**	**184.67**	**184.67**	-	-	-	-
Trade payables	**-**	**-**	**1,259.86**	**1,259.86**	-	-	1,357.99	1,357.99
Other financial liabilities	**-**	**52.21**	**413.52**	**465.73**	-	0.46	345.18	345.64
Total Financial Liabilities	**-**	**52.21**	**4,051.54**	**4,103.75**	-	0.46	4,239.29	4,239.75

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: As at March 31, 2020	Carrying amount: As at March 31, 2019	Fair value: As at March 31, 2020	Fair value: As at March 31, 2019
Financial assets				
Investments measured at fair value through OCI	**2.10**	2.10	**2.10**	2.10
Investments measured at amortised cost	**0.02**	0.02	**0.02**	0.02
Total	**2.12**	2.12	**2.12**	2.12
Financial liabilities				
Borrowings at amortised cost	**2,455.43**	2,699.85	**2,453.01**	2,697.43
Total	**2,455.43**	2,699.85	**2,453.01**	2,697.43

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

Note 41 : Fair value disclosures for financial assets and financial liabilities (Contd.)

₹ in Crores

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, 2020 and March 31, 2019.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020 and March 31, 2019

Particulars	Fair value measurement using			
	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
As at March 31, 2020				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, unquoted	2.10	-	-	2.10
Foreign exchange forward contracts (Cash flow hedge)	0.11	-	0.11	-
As at March 31, 2019				
Assets measured at fair value				
Fair value through Other Comprehensive Income				
Investment in Equity shares, unquoted	2.10	-	-	2.10
Foreign exchange forward contracts (Cash flow hedge)	37.51	-	37.51	-

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, 2020, approximately 8.94% of the Group's Borrowings are at fixed rate of interest (March 31, 2019 : 29%).

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, 2020	March 31, 2019
Increase in 50 basis points	**(10.89)**	(9.70)
Decrease in 50 basis points	**10.89**	9.70

(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 Group. 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, 2020	+2%	3.74	0.24	0.15	0.07
	-2%	(3.74)	(0.24)	(0.15)	(0.07)
March 31, 2019	+2%	6.55	(0.69)	0.09	0.47
	-2%	(6.55)	0.69	(0.09)	(0.47)

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, 2020 and March 31, 2019.

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
Year ended March 31, 2020					
Interest bearing borrowings*	1,301.28	825.54	288.59	78.26	2,493.67
Lease liabilities	35.49	62.25	46.43	40.50	184.67
Trade payables	1,251.10	1.63	2.10	-	1,254.83
Other financial liabilities#	455.11	0.41	0.50	0.43	456.45
	3,042.98	**889.83**	**337.62**	**119.19**	**4,389.62**
Year ended March 31, 2019					
Interest bearing borrowings*	1,704.52	726.67	247.68	151.84	2,830.71
Lease liabilities	-	-	-	-	-
Trade payables	1,359.80	2.21	-	-	1,362.01
Other financial liabilities#	324.04	-	-	-	324.04
	3,388.36	**728.88**	**247.68**	**151.84**	**4,516.76**

* 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 ₹ 19.31 crores (March 31, 2019 : ₹ 11.83 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, 2020**	As at March 31, 2019
(a) Interest bearing loans and borrowings (note 15)	**2,455.43**	2,699.85
(b) Less: cash and bank balance (including other bank balance and book overdraft)	**(80.90)**	(76.86)
(c) Net debt (a) - (b)	**2,374.53**	2,622.99
(d) Equity share capital (note 13)	**258.77**	258.62
(e) Other equity (note 14)	**2,449.81**	2,491.82
(f) Total capital (d) + (e)	**2,708.58**	2,750.44
(g) Total Capital and net debt (c) + (f)	**5,083.11**	5,373.43
(h) Gearing ratio (c)/(g)	**46.71%**	48.81%

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, 2021. 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 : COVID - 19

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this,Government of India declared lockdown on March 23, 2020 and the Group temporarily suspended the operations in all the units of the Group in compliance with the lockdown instructions issued by the Central and State Governments. COVID-19 has substantially impacted the normal business operations of the Group by way of interruption in production, supply chain disruption, unavailability of personnel, closure/lock down of production facilities etc. during the lock-down period which has been extended till May 17, 2020. Production and supply of goods has commenced at various dates during the month of May 2020 and in a staggered manner at some of the manufacturing locations of the Group after obtaining permissions from the appropriate government authorities. The Group has made detailed assessment of its liquidity position for the next year including unutilised sanctioned credit limits and avenues to raise new funds / refinancing, recoverability of its assets comprising of property, plant and equipment, intangible assets, right of use assets, investments, inventories and trade receivables. Based on current indicators of future economic conditions and estimates made by the Management of the Group, the Group expects to recover the carrying amount of these assets. It expects short term challenges in operating environment and has undertaken various cost containment initiatives which will yield results in medium to long term. At this time, the Group expects demand to pick up in long term and attain pre-covid levels of performance. It has also assessed the probability of occurrence of forecasted transactions under the hedging relationships and continues to evaluate them as highly probable considering the orders in hand.

The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 on revenue from operations, profitability and account receivables. The outcome of the same may be different from that estimated as at the date of approval of these Ind AS financial statements. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

Notes to Consolidated Financial Statements

₹ in Crores

Note 45. Business Combination and Discontinued Operations

(i). Business Combination

The Group has acquired the Leaseing division of "Amol Minechem Limited (formerly known as Amol Dicalite Limited)" w.e.f. November 8, 2019 at a consideration of ₹ 9.75 crores and the Weaving division of "Aveshan Textile Limited" w.e.f March 31, 2020 at a consideration of ₹ 1.00 crore. Value of net assets acquired is determined at ₹ 9.75 crores for Amol Minechem Limited and Value of net assets acquired is determined at ₹ 1.00 crore for Anveshan Textile Limited, consequently no goodwill has been recognized for both the acquisitions in accordance with Ind AS 103 – "Business Combination".

Amol Minechem Limited was engaged in the business of leasing of assets and Aveshan Textile Limited was engaged in the business of the Weaving Jobwork.

Based on the fair value of the assets acquired the purchase price paid has been allocated among various assets as below:

Particulars	Amol Minechem Limited	Aveshan Textile Limited	Total
Assets:			
Property, plant and equipment	9.17	42.13	51.30
Current Assets	0.99	1.53	2.52
Total Assets acquired (A)	**10.16**	**43.66**	**53.82**
Liabilities:			
Non-current Liabilities	-	0.25	0.25
Current Liabilities	0.41	42.41	42.82
Total Liabilities assumed (B)	**0.41**	**42.66**	**43.07**
Net Identifiable Assets Acquired (A - B)	**9.75**	**1.00**	**10.75**

(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 Enginerring 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
I. INCOME			
(a) Revenue from operations	139.71	83.91	223.62
(b) Other income	3.19	0.96	4.15
TOTAL INCOME	**142.90**	**84.87**	**227.77**
II. EXPENSES			
(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
TOTAL EXPENSES	**115.52**	**59.12**	**174.64**
III. PROFIT BEFORE TAX (I-II)	**27.38**	**25.75**	**53.13**
IV. Tax expense			
(a) Current tax	10.37	7.75	18.12
(b) Deferred tax Credit	(0.90)	(5.70)	(6.60)
Total tax expense	**9.47**	**2.05**	**11.52**
V. Profit for the year (III-IV)	**17.91**	**23.70**	**41.61**

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
I.	**INCOME**		
	(a) Revenue from operations	3,035.54	4,301.28
	(b) Other income	12.59	1.20
	TOTAL INCOME	**3,048.13**	**4,302.48**
II.	**EXPENSES**		
	(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
	TOTAL EXPENSES	**3,061.15**	**4,295.32**
III.	**PROFIT BEFORE TAX (I-II)**	**(13.02)**	**7.16**
IV.	**Tax expense**		
	(a) Current tax	24.48	25.73
	(b) Deferred tax Credit	(27.18)	(32.03)
	Total tax expense	**(2.70)**	**(6.30)**
V.	**Profit for the year (III-IV)**	**(10.32)**	**13.46**

Total Discontinued Operations

Particulars		For the period April 01, 2018 to November 29, 2018*	Year ended March 31, 2018
I.	**INCOME**		
	(a) Revenue from operations	3,035.54	4,524.90
	(b) Other income	12.59	5.35
	TOTAL INCOME	**3,048.13**	**4,530.25**
II.	**EXPENSES**		
	(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
	TOTAL EXPENSES	**3,061.15**	**4,469.96**
III.	**PROFIT BEFORE TAX (I-II)**	**(13.02)**	**60.29**
IV.	**Tax expense**		
	(a) Current tax	24.48	43.85
	(b) Deferred tax Credit	(27.18)	(38.63)
	Total tax expense	**(2.70)**	**5.22**
V.	**Profit for the year (III-IV)**	**(10.32)**	**55.07**

* 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
Non-current assets		
(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	-	-
Total non-current assets (A)	**105.03**	**150.01**
Current assets		
(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
Total current assets (B)	**165.55**	**151.37**
TOTAL ASSETS (A) + (B)	**270.58**	**301.38**
Non-current liabilities		
(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	-	-
Total non-current liabilities (A)	**19.76**	**11.45**
Current liabilities		
(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
Total current liabilities (B)	**62.69**	**47.93**
TOTAL LIABILITIES (A) + (B)	**82.45**	**59.38**
Net assets transferred through corresponding debit to the Respective Reserve (i)	**188.13**	**-**
Profit from the Engineering operations for the period January 01, 2018 to March 31, 2018 (ii)	**-**	**23.70**

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
Non-current assets	
(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
Total non-current assets (A)	**1,001.30**
Current assets	
(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
Total current assets (B)	**2,735.63**
TOTAL ASSETS (A) + (B)	**3,736.93**
Non-current liabilities	
(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	-
Total non-current liabilities (A)	**54.22**
Current liabilities	
(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
Total current liabilities (B)	**2,502.29**
TOTAL LIABILITIES (A) + (B)	**2,556.51**
Net assets transferred through corresponding debit to the Respective Reserve	**1,180.42**

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, 2020	As at March 31, 2019
	Subsidiaries					
	- Indian Subsidiaries					
1	Arvind Envisol Limited (formerly known as Arvind Accel Limited)	India		Engineering	**100%**	100%
2	Syntel Telecom Limited	India		Telecom	**100%**	100%
3	Arya Omnitalk Wireless Solutions Private Limited	India		Telecom	**50.06%**	50.06%
4	Arvind PD Composites Private Limited	India		Technical Textile	**51%**	51%
5	Arvind OG Nonwovens Private Limited	India		Technical Textile	**74%**	74%
6	Arvind Goodhill Suit Manufacturing Private Limited	India		Garments	**51%**	51%
7	Arvind Internet Limited	India		E-Commerce	**100%**	100%
8	Arvind Ruf & Tuf Private Limited	India		Garments	**100%**	100%
9	Arvind Premium Retail Limited	India		Garments	**51%**	51%
10	Arvind True Blue Limited	India		Garments	**87.50%**	87.50%
11	Arvind Smart Textiles Limited	India		Textiles	**100%**	100%
12	Arvind BKP Berolina Private Limited (Previously known as Arvind Transformational Solutions Private Limited)	India		Textiles	**100%**	100%
13	Arvind Foundation	India	!	CSR Activity	**100%**	100%
14	Arvind Polser Engineered Composite Panels Private Limited	India		Technical Textile	**60%**	100%
15	Arvind Fashions Limited	India	***	Branded Garments	**-**	-
16	Arvind Lifestyle Brands Limited	India	* and ***	Branded Garments	**-**	-
17	Calvin Klein Arvind Fashion Private Limited	India	* and ***	Branded Garments	**-**	-
18	Tommy Hilfiger Arvind Fashions Private Limited	India	* and ***	Branded Garments	**-**	-
19	Arvind Beauty Brands Private Limited	India	* and ***	Beauty Products	**-**	-
	- Foreign Subsidiaries					
20	Arvind Worldwide Inc.	USA		Textiles	**100%**	100%
21	Arvind Worldwide (M) Inc.	Mauritius	^	Textiles	**100%**	100%
22	Westech Advance Materials Limited	Canada	$	Textiles	**100%**	51%
23	Brillaries Inc.	Canada	##	Textiles	**100%**	100%
24	Arvind Niloy Exports Private Limited	Bangladesh		Textiles	**70%**	70%
25	Arvind Textile Mills Limited	Bangladesh		Textiles	**100%**	100%
26	Arvind Overseas (Mauritius) Limited	Mauritius	^	Textiles	**100%**	100%
27	Arvind Spinning Limited	Mauritius	^	Textiles	**100%**	100%
28	Arvind Lifestyle Apparel Manufacturing PLC	Ethiopia	$	Garments	**100%**	100%
29	Arvind Envisol PLC	Ethiopia	&	Engineering	**100%**	100%
30	Arvind Enterprises (FZC)	U.A.E		Telecom	**100%**	100%
31	AJ Environmental Solutions Company	Chaina	**	Engineering	**60%**	-
	- Limited Liability Partnerships					
32	Maruti Ornet and Infrabuild LLP	India	#	Construction		
33	Enkay Converged Technologies LLP	India	@	Telecom		
	- Joint Ventures					
34	Arya Omnitalk Radio Trunking Services Private Limited	India		Telecom	**49.94%**	49.94%
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%**	50%
38	Adient Arvind Automotive Fabrics India Private Limited	India		Technical Textile	**49.50%**	49.50%
39	PVH Arvind Manufacturing PLC	Ethiopia	@@	Textiles	**25%**	-

Notes to Consolidated Financial Statements

Note 46 : Interest in Other Entities (Contd.)

₹ in Crores

*	Held by Arvind Fashions Limited.
**	Held by Arvind Envisol Limited.
***	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 Worldwide Inc.
#	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 2019-20 and 2018-19 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.

(A) Group's Share in Contingent Liability of Joint Ventures

Sr.	Particulars	As at 31st March, 2020	As at 31st March, 2019
1	Disputed Demand in respect of :		
	Sales Tax	**-**	-
	Service Tax	**0.44**	0.44
2	Claims against the Company not acknowledged as debts	**-**	-

Note : The above figures are considered based on unaudited financial statements of the respective Joint Ventures.

Notes to Consolidated Financial Statements

₹ in Crores

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, 2020							
	Net Assets i.e. Total Assets minus Total Labilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total Comprehensive Income	Amount
Parent :								
Arvind Limited	100.44%	2,778.71	179.17%	171.38	79.30%	(49.92)	371.44%	121.46
Subsidiaries :								
- Indian								
Syntel Telecom Limited	0.22%	6.12	1.58%	1.51	0.00%	-	4.62%	1.51
Arvind Envisol Limited	3.74%	103.57	23.27%	22.26	0.10%	(0.06)	67.89%	22.20
Arvind Internet Limited	0.41%	11.25	(0.04%)	(0.04)	0.00%	-	(0.12%)	(0.04)
Arvind PD Composites Private Limited	1.09%	30.11	3.18%	3.04	0.00%	-	9.30%	3.04
Arvind OG Nonwovens Private Limited	1.05%	28.98	(2.85%)	(2.73)	(0.03%)	0.02	(8.29%)	(2.71)
Arvind Goodhill Suit Manufacturing Private Limited	1.31%	36.12	(15.78%)	(15.09)	0.10%	(0.06)	(46.33%)	(15.15)
Arvind Ruf & Tuf Private Limited	0.18%	5.01	(2.00%)	(1.91)	0.00%	-	(5.84%)	(1.91)
Arvind Premium Retail Limited	(0.49%)	(13.61)	(2.33%)	(2.23)	0.00%	-	(6.82%)	(2.23)
Arvind True Blue Limited	(1.80%)	(49.69)	(26.00%)	(24.87)	0.03%	(0.02)	(76.12%)	(24.89)
Arvind Smart Textiles Limited	0.55%	15.25	(26.86%)	(25.69)	0.46%	(0.29)	(79.45%)	(25.98)
Arvind BKP Berolina Private Limited (Previously known as Arvind Transformational Solutions Private Limited)	0.00%	-	(0.01%)	(0.01)	0.00%	-	(0.03%)	(0.01)
Arya Omnitalk Wireless Solutions Private Limited	2.13%	58.98	16.16%	15.46	0.52%	(0.33)	46.27%	15.13
Arvind Polser Engineered Composite Panels Private Limited	0.40%	11.15	(0.61%)	(0.58)	0.00%	-	(1.77%)	(0.58)
- Foreign								
Arvind Worldwide Inc.	(0.59%)	(16.43)	0.84%	0.80	0.13%	(0.08)	2.20%	0.72
Westech Advance Materials Limited	1.17%	32.35	(3.77%)	(3.61)	4.50%	(2.83)	(19.69%)	(6.44)
Brillaries Inc.,Canada	0.00%	(0.02)	(0.02%)	(0.02)	0.00%	-	(0.06%)	(0.02)
Arvind Niloy Exports Private Limited	(0.04%)	(1.22)	0.00%	-	0.13%	(0.08)	(0.24%)	(0.08)
Arvind Textile Mills Limited	0.02%	0.52	(0.07%)	(0.07)	(0.06%)	0.04	(0.09%)	(0.03)
Arvind Lifestyle Apparel Manufacturing PLC	5.36%	148.37	(43.00%)	(41.13)	15.36%	(9.67)	(155.35%)	(50.80)
Arvind Envisol PLC, Ethiopia	(0.11%)	(3.03)	(1.65%)	(1.58)	(0.22%)	0.14	(4.40%)	(1.44)
Arvind Enterprises (FZC)	0.08%	2.17	1.76%	1.68	(0.17%)	0.11	5.47%	1.79
AJ Environmental Solutions Company	0.03%	0.78	(0.29%)	(0.28)	(0.08%)	0.05	(0.70%)	(0.23)
- LLP								
Maruti Ornet and Infrabuild LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Enkay Converged Technologies LLP	(0.44%)	(12.13)	(5.14%)	(4.92)	0.05%	(0.03)	(15.14%)	(4.95)
Sub Total		**3,173.31**		**91.37**		**(63.01)**		**28.36**
Less: Adjustment arising out of consolidation	(19.99%)	(553.01)	3.16%	3.02	0.17%	(0.11)	8.89%	2.91
Total	**94.71%**	**2,620.30**	**98.67%**	**94.39**	**100.27%**	**(63.12)**	**95.62%**	**31.27**
Add: Non Controlling Interest in Subsidiaries	2.10%	57.96	3.72%	3.55	(0.27%)	0.17	11.39%	3.72
Add: Joint Ventures (Investment as per Equity method)								
Arya Omnitalk Radio Trunking Services Private Limited	0.20%	5.65	0.10%	0.10	0.00%	-	0.31%	0.10
Arudrama Developments Private Limited	0.07%	2.05	0.00%	-	0.00%	-	0.00%	-
Arvind and Smart Value Homes LLP	2.06%	56.88	(0.25%)	(0.24)	0.00%	-	(0.73%)	(0.24)
Arvind Norm CBRN Systems Private Limited	0.00%	0.01	0.00%	-	0.00%	-	0.00%	-
Adient Arvind Automotive Fabrics India Private Limited	0.11%	3.14	0.00%	-	0.00%	-	0.00%	-
PVH Arvind Manufacturing PLC	0.74%	20.55	(2.25%)	(2.15)	0.00%	-	(6.57%)	(2.15)
Grand Total	**100%**	**2,766.54**	**100%**	**95.65**	**100%**	**(62.95)**	**100%**	**32.70**

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 Labilities		Share in Profit or (loss)		Share in other Comprehensive Income		Share in Total Comprehensive Income	
	As a % of consolidation net assets	Amount	As a % of consolidated Profit	Amount	As a % of consolidated OCI	Amount	As a % of consolidation Total Comprehensive Income	Amount
Parent :								
Arvind Limited	96.44%	2,735.83	88.16%	199.44	(64.04%)	9.44	98.77%	208.88
Subsidiaries :								
- Indian								
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 BKP Berolina Private Limited (Previously known as 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%	-
- Foreign								
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 (FZC)	0.03%	0.90	0.37%	0.83	(0.27%)	0.04	0.41%	0.87
- LLP								
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)
Sub Total		**3,179.60**		**242.26**		**(15.12)**		**227.14**
Less: Adjustment arising out of consolidation	(17.82%)	(505.51)	(6.57%)	(14.86)	(4.07%)	0.60	(6.75%)	(14.26)
Total	**94.27%**	**2,674.09**	**100.51%**	**227.40**	**98.51%**	**(14.52)**	**100.65%**	**212.88**
Add: Non Controlling Interest in Subsidiaries	3.04%	86.32	(0.95%)	(2.18)	1.15%	(0.17)	(1.10%)	(2.35)
Add: Joint Ventures (Investment as per Equity method)								
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%	-
Grand Total	**100%**	**2,836.76**	**100%**	**226.23**	**100%**	**(14.74)**	**100%**	**211.49**

* Branded Apparels Business has been discontinued with effect from November 29, 2018. Refer Note 45(ii) for details of discontinued operations.

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, 2020	Year ended March 31, 2019
Naroda Centre		
Capital Expenditure	-	-
Revenue Expenditure	3.68	4.43
Total Expenditure at Naroda Centre	3.68	4.43
Santej Centre		
Capital Expenditure	3.19	7.61
Revenue Expenditure	22.43	25.73
Total Expenditure at Santej Centre	25.62	33.34
Khatraj Centre		
Capital Expenditure	0.80	0.41
Revenue Expenditure	1.58	3.44
Total Expenditure at Khatraj Centre	2.38	3.85
Pune Centre		
Capital Expenditure	-	-
Revenue Expenditure	1.59	2.23
Total Expenditure at Pune Centre	1.59	2.23
Total Research and Development Expenditure	33.27	43.85

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 Group evaluates events and transactions that occur subsequent to the balance sheet date but prior to the approval of financial statements to determine the necessity for recognition and/or reporting of subsequent events and transactions in the financial statements. As of June 27, 2020, there were no subsequent events and transactions to be recognized or reported that are not already disclosed.

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: June 27, 2020

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 Invest-ment	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, 2020	INR	33.06	(21.80)	11.52	0.26	-	-	(0.04)	-	(0.04)	Nil	100%
2	Syntel Telecom Limited	March 31, 2020	INR	0.05	6.07	40.17	34.05	-	23.75	2.02	0.50	1.52	Nil	100%
3	Arvind PD Composites Private Limited	March 31, 2020	INR	0.31	29.80	68.71	38.60	-	80.40	5.21	2.17	3.04	Nil	51%
4	Arvind Envisol Limited (formerly known as Arvind Accel Limited)	March 31, 2020	INR	0.21	103.36	208.56	104.99	-	256.98	31.93	9.67	22.26	Nil	100%
5	Arvind Goodhill Suit Manufacturing Private Limited	March 31, 2020	INR	1.07	35.05	109.44	73.32	-	83.09	(20.40)	(5.31)	(15.09)	Nil	51%
6	Arvind OG Nonwovens Private Limited	March 31, 2020	INR	3.13	25.86	47.23	18.24	-	41.67	(3.69)	(0.96)	(2.73)	Nil	74%
7	Arvind Worldwide Inc. USA	March 31, 2020	1 USD = ₹ 75.6650	2.20	4.07	35.86	29.59	22.70	25.47	0.82	0.02	0.80	Nil	100%
8	Arvind Lifestyle Apparel Manufacturing PLC, Ethiopia	March 31, 2020	1 ETB = ₹ 2.2807	261.29	(112.92)	191.13	42.76	-	141.91	(41.13)	-	(41.13)	Nil	100%
9	Arvind Textile Mills Limited, Bangladesh	March 31, 2020	1 TAKA = ₹ 0.8853	5.17	(4.65)	0.80	0.28	-	0.25	(0.07)	-	(0.07)	Nil	100%
10	Arvind Niloy Exports Private Limited, Bangladesh	March 31, 2020	1 TAKA = ₹ 0.8853	1.46	(2.68)	0.23	1.45	-	-	-	-	-	Nil	70%
11	Westech Advance Materials Limited, Canada	March 31, 2020	1 CAN$ = ₹ 53.0825	31.63	0.72	32.44	0.09	-	7.40	(4.72)	(1.11)	(3.61)	Nil	100%
12	Arvind Ruf & Tuf Private Limited	March 31, 2020	INR	0.95	4.06	93.89	88.88	-	(0.11)	(1.91)	-	(1.91)	Nil	100%
13	Arvind Premium Retail Limited	March 31, 2020	INR	0.02	(13.63)	1.21	14.82	-	0.02	(2.23)	-	(2.23)	Nil	51%
14	Arvind True Blue Limited	March 31, 2020	INR	16.01	(65.70)	60.49	110.18	-	13.47	(24.87)	-	(24.87)	Nil	87.50%
15	Arvind Smart Textiles Limited	March 31, 2020	INR	0.11	15.14	207.20	191.95	-	83.14	(36.62)	(10.93)	(25.69)	Nil	100%
16	Arvind Envisol PLC	March 31, 2020	1 ETB = ₹ 2.2807	1.28	(4.32)	56.64	59.68	-	27.94	(1.58)	-	(1.58)	Nil	100%
17	Brillaries Inc., Canada	March 31, 2020	1 CAN$ = ₹ 53.0825	(₹ 4,962)	(0.02)	0.01	0.03	-	5.71	(0.02)	-	(0.02)	Nil	100%
18	Arya Omnitalk Wireless Solutions Private Limited	March 31, 2020	INR	2.00	56.98	110.48	51.50	-	121.97	20.80	5.34	15.46	Nil	50.06%
19	Arvind Enterprises (FZC), U.A.E	March 31, 2020	1 AED = ₹ 20.6000	0.34	1.84	38.50	36.32	-	18.19	1.68	-	1.68	Nil	100%
20	Arvind BKP Berolina Private Limited (Previously known as Arvind Transformational Solutions Private Limited)	March 31, 2020	INR	0.01	(0.01)	-	-	-	-	(0.01)	-	(0.01)	Nil	100%
21	Arvind Polser Engineered Composite Panels Private Limited	March 31, 2020	INR	0.48	10.67	25.42	14.27	-	0.01	(0.58)	-	(0.58)	Nil	60%
22	AJ Environmental Solutions Company, Chaina	March 31, 2020	1 CNY = ₹ 10.6410	1.00	(0.22)	0.83	0.05	-	-	(0.28)	-	(0.28)	Nil	60%

Notes

(A) Investments Exclude Investments in Subsidiaries and LLPs

(B) The Following Subsidiaries are yet to commence operation :

[1] Arvind BKP Berolina Private Limited (Previously known as Arvind Transformational Solutions Private Limited)

[2] AJ Environmental Solutions Company, Chaina

(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 ("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 Enginerring and Brand apparel operations respectively.

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 "B" : Joint Venture

₹ in crores

Sr. no.	Particulars	Arya Omnitalk Radio Trunking Services Private Limited	Arvind Norm CBRN Systems Private Limited	Arudrama Developers Private Limited
		(a)	(b)	(c)
1	Latest Audited Balance Sheet Date	31-03-2020	31-03-2020	31-03-2020
2	Shares of Joint Ventures held by company on the year end			
	i) Number	10,05,000	5,000	50,000
	ii) Amount of Investment in Joint Ventures	6.01	0.01	2.05
	iii) Extend of Holding%	49.94%	50.00%	50.00%
3	Description of how there is significant influence	Note A	Note A	Note A
4	Reason why the joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable
5	Net worth attributable to shareholding as per latest Audited Balance sheet	5.66	(₹ 1,190/-)	2.05
6	Profit / (Loss) for the year			
	i) Considered in Consolidation	0.66	Loss (₹ 28,986/-)	Loss (₹22,850/-)
	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

Jayesh K Shah
Director &
Chief Financial Officer
DIN:00008349
Ahmedabad

R. V.Bhimani
Company
Secretary
Ahmedabad

LOCATIONS & SITES FOR THE YEAR 2019-20

Locations & Sites

Lifestyle Fabrics - Denim
Arvind Limited
Naroda Road
Ahmedabad - 380025
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 - 380022
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 - 382721
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 - 382721
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 - 560059
Tel : +91-80-46819000
E-mail : ashish.kumar@arvindexports.com

Lifestyle Apparel - Shirts
Arvind Limited
63/9, Dodda Thogur Village, Electronic City
Hosur Road, Bangalore - 560100
Karnataka, India
Tel : +91-80-40715000
E-mail : ashish.kumar@arvindexports.com

Arvind Limited
Division Arvind Intex
Rajpur Road, Gomtipur
Ahmedabad - 380021, Gujarat, India
Tel : +91-79-68269200
E-mail : jigger.shastri@arvind.in

Arvind Polycot
Khatrej, Taluka Kalol
Dist. Gandhinagar - 382721
Gujarat, India
Tel : +91-2764-395000

Arvind Cotspin
D-4, MIDC, Gokul Shirgaon
Tal. Karveer, Kolhapur - 416234
Maharashtra, India
Tel : +91-0231-2672455/56/57
E-mail : suresh.kudache@arvind.in

Subsidiaries & Joint Ventures

Adient Arvind Automotive Fabrics
India Private Limited
Arvind Ltd. Premises
Santej / Khatraj Industrial Complex
PO Khatraj, Tal-Kalol,
Dist-Gandhinagar - 382721, Gujrat, India
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 : 080-49461000
E-mail : ashish.kumar@arvindexports.com

Arvind PD Composites Private Limited
Village: Moti Bhoyan, Tal-Kalol
Dist-Gandhinagar - 382721, Gujarat, India
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 - 382265, Gujarat, India
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 Road, NH-8A
Matoda, Sanand, Ahmedabad, Gujarat, India
Tel : 8506085002
E-mail : arvind.bhokse@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 - 380025
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 - 411013
Tel : +91-20-67470100 (Board line)
Fax : +91-20-67470199
E-mail : ssagarwal@aryaomnitalk.com

Arya Omnitalk Radio Trunking Services
Private Limited
Corporate Office: Unit No. A202, 2nd Floor
Summer Court, Magarpatta City, Pune - 411013
Tel : +91-20-67470100 (Board line)
Fax : +91-20-67470199
E-mail : ssagarwal@aryaomnitalk.com

Overseas Offices

Arvind Denim Lab (adl°)
525, 7th Ave, Suite 1211, New York
NY - 10018
Tel : 212-431-4256
E-mail: Viresh@arvinddenimlab.com
Cell: 732-763-8179

Arvind Textile Mills Limited
Plot # 221, Bir Uttam Mir Shawkat Road
(Gulshan - Tejgaon Link Road)
Tejgaon I/A, Dhaka - 1208, Bangladesh

Arvind Lifestyle Apparel Manufacturing PLC
Shed No. 5, Bole Lemi Industrial Zone
Woreda 11, Bole Sub-city
Addis Ababa, Ethiopia

Notes

Discount for Shareholders

NNNOW

The process to avail the discount is as follows.

1. Please visit the website **www.nnnow.com**
2. Please register yourself and open an account by providing some details – such as name, mobile number and email id.
3. Select the products that you want to purchase and add them to your cart.
4. At the check-out page – please enter **Arvind20** in the space provided for **"Apply Coupon Code"** and apply.
5. You will receive an additional **20% discount** on the cart value.
6. Choose your payment method, place order and complete the transaction.

T&C:

1. The coupon code is valid up to 31st July 2021.
2. No minimum purchase required.
3. The coupon code is valid against one transaction only.
4. The coupon code cannot be revalidated after the expiry date has passed.
5. Any disputes should be referred to the company and the decision of the company shall be final and binding. Disputes, if any, are subject to Ahmedabad jurisdiction.

Fashioning
Possibilities

If undelivered, please return to:
Arvind Limited
Naroda Road,
Ahmedabad - 380 025